

Frasers Centrepoint Trust

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

managed by
FRASERS CENTREPOINT ASSET MANAGEMENT LTD.

CIRCULAR TO UNITHOLDERS IN RELATION TO:

**THE PROPOSED ACQUISITION OF A 33 $\frac{1}{3}$ % INTEREST IN WATERWAY POINT FROM
AN INTERESTED PERSON OF FRASERS CENTREPOINT TRUST
(AS AN INTERESTED PERSON TRANSACTION)**

CIRCULAR DATED 13 JUNE 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.



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

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

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

IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Last date and time for
lodgement of Proxy Forms : 25 June 2019 at 10.00 a.m.

Date and time of
Extraordinary General Meeting : 28 June 2019 at 10.00 a.m.

Place of Extraordinary
General Meeting : Level 2, Alexandra Point
: 438 Alexandra Road
Singapore 119958

Independent Financial Adviser to the Independent Directors and the Audit Committee of Frasers Centrepoint Asset Management Ltd.
and to the trustee of FCT

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD
(Incorporated in the Republic of Singapore)
Company Registration Number: 200200144N



PROPERTY INFORMATION OF WATERWAY POINT

Property	Waterway Point
Location	83 Punggol Central, Singapore 828761
Title	99-year leasehold title commencing 18 May 2011
Strata Area (sq ft)	873,563 (including void area of 320,789 sq ft)
Gross Floor Area (sq ft)	542,493
Net Lettable Area (“NLA”) (sq ft)	371,200 ⁽¹⁾
Number of Storeys	Four (Includes two basement levels)
Number of Car Park Lots	623
Committed Occupancy as at 31 March 2019	98.1% ⁽²⁾
Weighted Average Lease Expiry as at 31 March 2019	By Gross Rental Income: 1.80 years By NLA: 1.89 years
Agreed Property Value per sq ft of NLA	S\$3,502
Net Property Income (“NPI”) (FY2018)	S\$61,100,000 ⁽³⁾
NPI Yield Based on Agreed Property Value	4.7%

Notes:

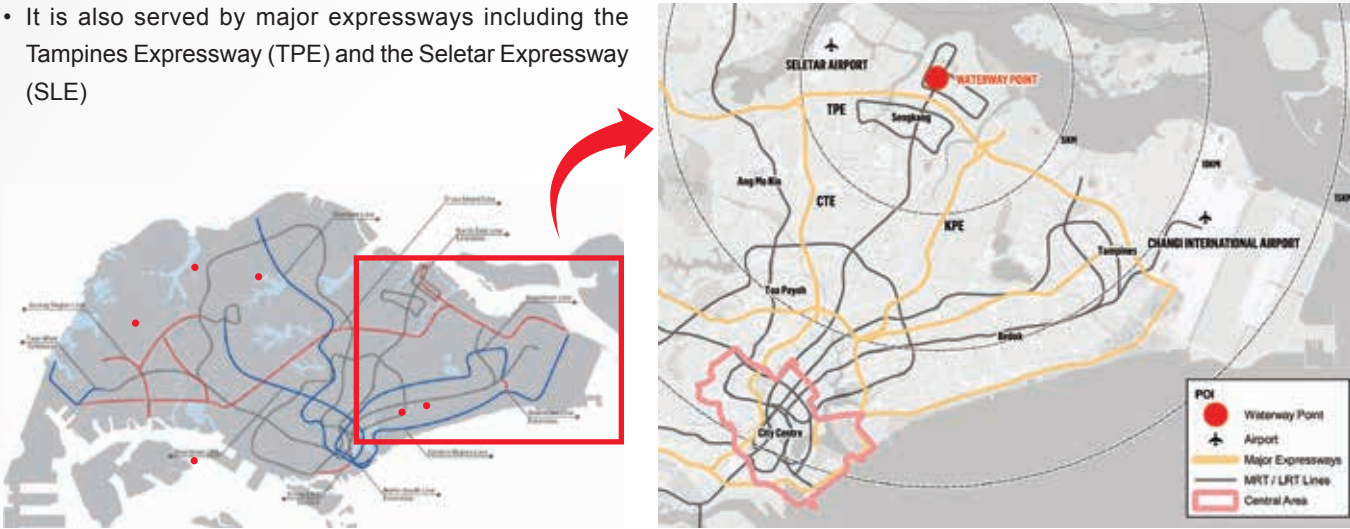
(1) This excludes the area of approximately 17,954 sq ft currently used as Community Sports Facilities Scheme (CSFS) space

(2) Source: Valuation reports of Waterway Point by Jones Lang LaSalle Property Consultants Pte Ltd and CBRE Pte. Ltd., both dated 1 April 2019

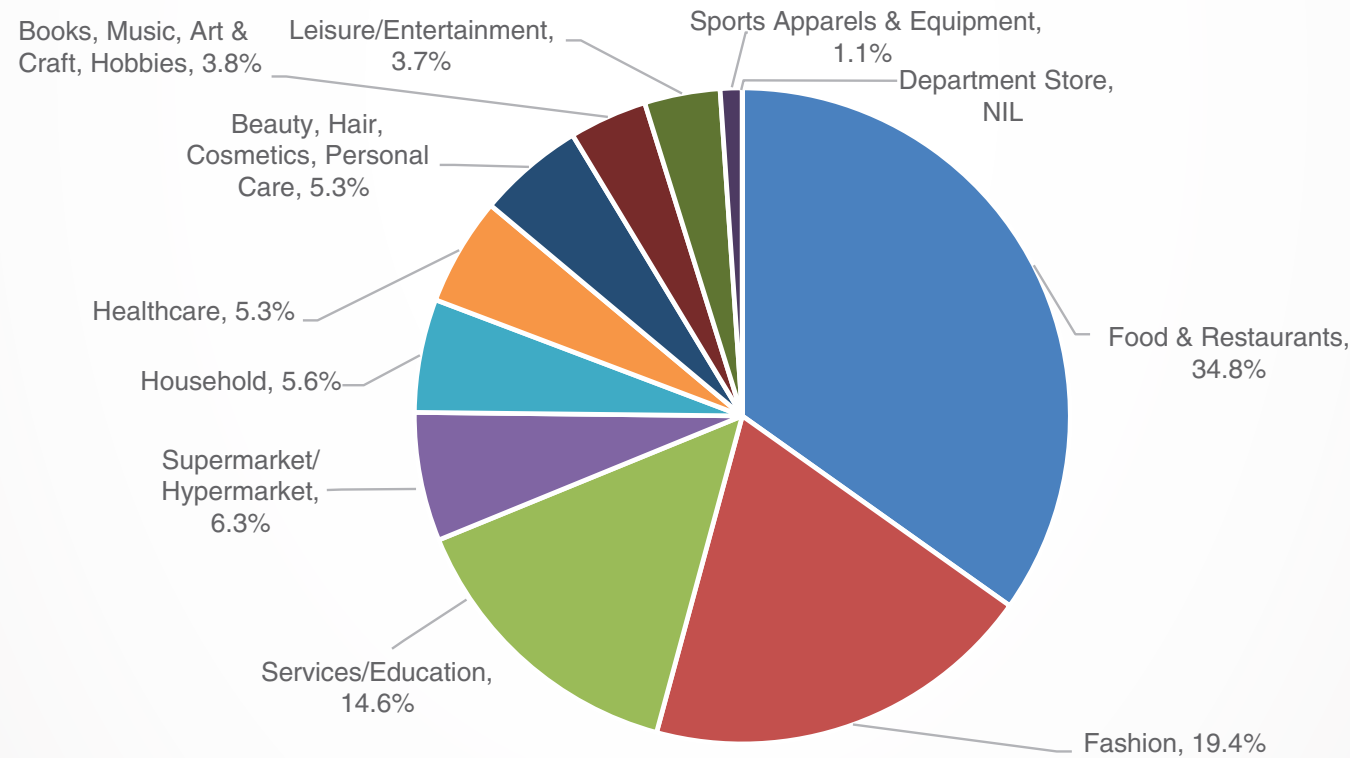
(3) NPI (adjusted for reduced maintenance fund contributions to the retail sub-management committee) without Financial Reporting Standards Adjustments

PROPERTY INFORMATION OF WATERWAY POINT (cont'd)

- Waterway Point enjoys direct connection 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)



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



RATIONALE AND KEY BENEFITS

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

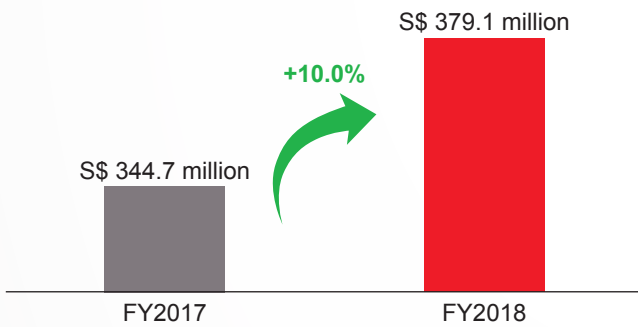


- ◆ Directly connected to Punggol LRT
 - ◆ Next to Punggol MRT (North East Line)
- ◆ Punggol Bus Interchange
- ◆ Tampines Expressway (TPE)
 - ◆ Seletar Expressway (SLE)

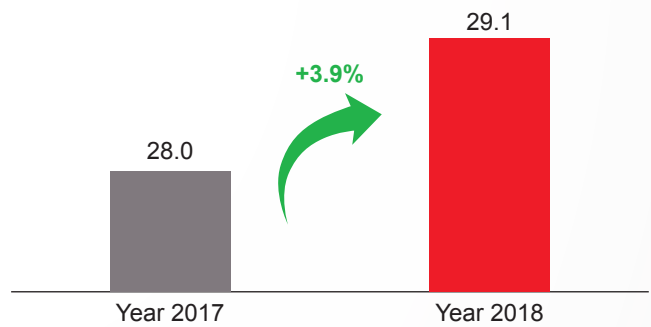
Suburban mall with proven and stabilised performance

- 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' Sales⁽²⁾



Annual Footfall (million)

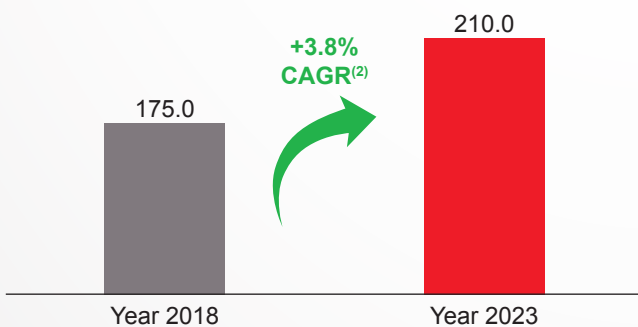


Notes:

- (1) Source: The independent market research report by Cistri
- (2) Based on tenants' reporting turnover rent

Favourable Catchment Area Supported by Strong Population Growth

Population in Waterway Point's primary trade area⁽¹⁾
('000s)



Trade area and upcoming residential units in 2018 – 2023

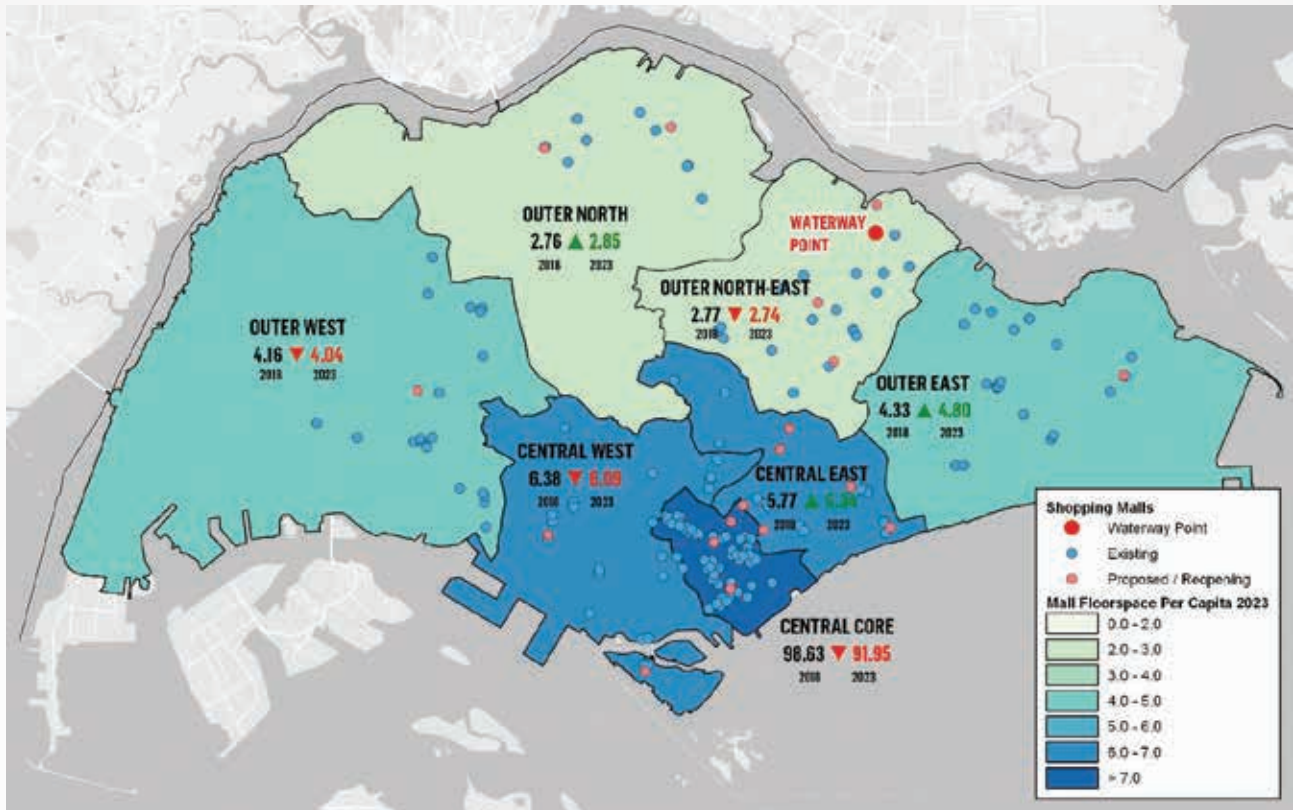


Notes:

- (1) Source: The independent market research report by Cistri
- (2) Compound Annual Growth Rate

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

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



2 GREATER INCOME DIVERSIFICATION AND ENLARGES TENANT BASE OF FCT'S PROPERTY PORTFOLIO

INCOME DIVERSIFICATION AND ENLARGES TENANT BASE

- Diversifies FCT's portfolio of properties geographically
- Grants FCT exposure to the market in and around the Outer North-East region of Singapore
- Enlarges FCT's share in the overall Singapore retail property market and allows FCT to offer a wider choice of business locations to its tenants
- Addition of more than 200 tenants to existing tenant base, including key tenants such as Best Denki, Daiso, H&M, Shaw Theatres and Uniqlo

3 MANAGED BY EXPERIENCED AND REPUTABLE PROPERTY MANAGER

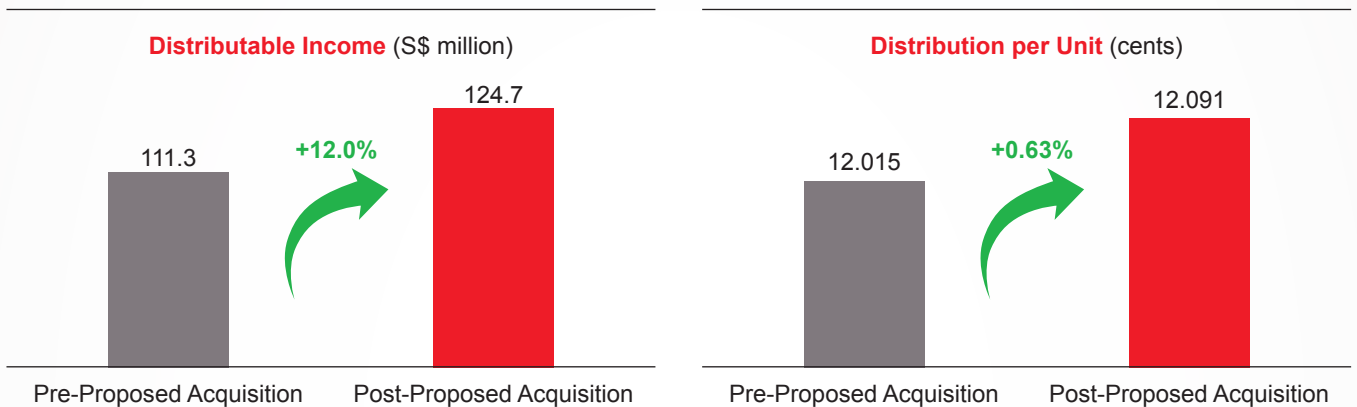
**MANAGED BY FRASERS PROPERTY RETAIL MANAGEMENT SERVICES PTE. LTD.,
A WHOLLY OWNED SUBSIDIARY OF FRASERS PROPERTY LIMITED**

- Property manager with extensive retail mall management experience
- Property manager manages 12 retail malls across Singapore

4 DPU ACCRETIVE TRANSACTION

THE PROPOSED TRANSACTION IS EXPECTED TO BE DPU ACCRETIVE

Based on the pro forma financial effects of the Proposed Acquisition in the DPU for FY2018, the Proposed Acquisition is expected to be DPU accretive, increasing the DPU from 12.015 cents to 12.091 cents.



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

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CORPORATE INFORMATION

Directors of Frasers Centrepoint Asset Management Ltd. (the “Manager”)	:	Dr Cheong Choong Kong (Chairman, Non-Executive and Independent Director) Dr Chew Tuan Chiong (Executive and Non-Independent Director) Mr Philip Eng Heng Nee (Non-Executive and Non-Independent Director) Mr Ho Chai Seng (Non-Executive and Independent Director) Mr Ho Chee Hwee Simon (Non-Executive and Independent Director) Mr Christopher Tang Kok Kai (Non-Executive and Non-Independent Director)
Registered Office of the Manager	:	438 Alexandra Road #21-00, Alexandra Point Singapore 119958
Trustee of FCT (the “Trustee”)	:	HSBC Institutional Trust Services (Singapore) Limited 21 Collyer Quay #13-02 HSBC Building Singapore 049320
Legal Adviser to the Manager in relation to the Proposed Acquisition and the Equity Fund Raising	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Sole Financial Adviser to the Equity Fund Raising	:	DBS Bank Ltd. 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Adviser to the Trustee as to Singapore Law	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Independent Financial Adviser to the Independent Directors and the Audit Committee of the Manager and to the Trustee	:	Deloitte & Touche Corporate Finance Pte Ltd 6 Shenton Way #33-00 OUE Downtown Singapore 068809

Independent Valuers in relation to the Proposed Property Acquisition : Jones Lang LaSalle Property Consultants Pte Ltd
9 Raffles Place #39-00
Republic Plaza
Singapore 048619
(appointed by the Trustee)

CBRE Pte. Ltd.
6 Battery Road #32-01
Singapore 049909
(appointed by the Manager)

Independent Market Research Consultant in relation to the Proposed Property Acquisition (the “Independent Market Research Consultant”)

: Cistri Pte. Ltd.
6 Battery Road #15-05
Singapore 049909

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. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

OVERVIEW

Overview of FCT

FCT is a Singapore real estate investment trust (“**REIT**”) sponsored by Frasers Property Limited (“**Frasers Property**” or the “**Sponsor**”) with six quality suburban malls in Singapore. The current portfolio comprises Causeway Point, Northpoint City North Wing (including Yishun 10 Retail Podium), Changi City Point, Bedok Point, YewTee Point and Anchorpoint (the “**Existing Portfolio**”). The Existing Portfolio has an aggregate appraised value of approximately S\$2.75 billion as at 30 September 2018. The malls in the Existing Portfolio enjoy good connectivity to public transport such as MRT and public buses, wide catchment areas that provide healthy footfall to the malls as well as high occupancy rates. The resilient and stable income from the portfolio underpins stable and regular distributions that FCT provides to its unitholders (“**Unitholders**”).

FCT also holds an 18.8% share in PGIM Real Estate AsiaRetail Fund Limited. As at 10 June 2019, being the latest practicable date prior to the printing of this Circular (the “**Latest Practicable Date**”), PGIM Real Estate AsiaRetail Fund Limited is the largest non-listed retail mall fund in Singapore, owning and managing five retail malls (being Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square and Tampines 1) and an office property (Central Plaza) in Singapore and four retail malls in Malaysia. FCT also holds a 31.15% stake in Hektar Real Estate Investment Trust, a retail-focused REIT in Malaysia listed on the Main Market of Bursa Malaysia Securities Berhad.

FCT is focused on delivering regular and stable distributions to Unitholders by pursuing organic, enhancement and acquisition growth strategies. With proactive lease management initiatives, FCT is well-placed to achieve sustainable rental growth. To unlock the full potential of its assets, FCT continues to enhance existing assets to optimise their performance. The potential acquisitions of new assets will also help FCT gain greater scale and drive further income growth for Unitholders. Listed on the Main Board of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) since 5 July 2006, FCT is managed by Frasers Centrepoint Asset Management Ltd., a real estate management company and a subsidiary of the Sponsor.

Frasers Property (and together with its subsidiaries, the “**Frasers Property Group**”) is a multi-national company that owns, develops and manages a diverse, integrated portfolio of properties. Listed on the Main Board of the SGX-ST and headquartered in Singapore, the Frasers Property Group has total assets of approximately S\$33.2 billion as at 31 March 2019.

Frasers Property’s assets range from residential, retail, commercial and business parks, to logistics and industrial in Southeast Asia, Australia, Europe and China. Its well-established hospitality business owns and/or operates serviced apartments and hotels in over 80 cities across Asia, Australia, Europe, the Middle East and Africa. The Frasers Property Group is unified by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging on its knowledge and capabilities from across markets and property sectors, to deliver value in its multiple asset classes.

Overview of the Existing Portfolio

An overview of the Existing Portfolio is set out below:

	Causeway Point	Northpoint City North Wing ⁽¹⁾	Yishun 10 Retail Podium	Changi City Point	Bedok Point	Yew Tee Point	Anchorpoint
Gross Floor Area ("GFA") ⁽²⁾ (sq ft)	629,159	364,596	10,398	306,378	133,597	117,594	110,373
Net Lettable Area ("NLA") ⁽²⁾ (sq ft)	416,301	219,286		205,210	82,713	73,669	70,988
Number of Leases as at 31 March 2019	216	188		130	38	65	55
Car Park Lots (as at 30 September 2018)	839	235		627 ⁽³⁾	76	83 ⁽⁴⁾	128 ⁽⁵⁾
Title	99 years leasehold commencing 30 October 1995 (75 years remaining)	99 years leasehold commencing 1 April 1990 (70 years remaining)		60 years leasehold commencing 30 April 2009 (50 years remaining)	99 years leasehold commencing 15 March 1978 (57 years remaining)	99 years leasehold commencing 3 January 2006 (85 years remaining)	Freehold
Valuation as at 30 September 2018	S\$1,218 million	S\$771 million	S\$38 million	S\$332 million	S\$94 million	S\$186 million	S\$110 million
As percentage of aggregate appraised value of Existing Portfolio	44.3%	29.4%		12.1%	3.4%	6.8%	4.0%

	Causeway Point	Northpoint City North Wing ⁽¹⁾	Yishun 10 Retail Podium	Changi City Point	Bedok Point	YewTee Point	Anchorpoint
Gross Revenue (Oct 2018 – Mar 2019)	S\$43.6 million	S\$27.0 million		S\$13.8 million	S\$3.1 million	S\$7.2 million	S\$4.3 million
Net Property Income (Oct 2018 – Mar 2019)	S\$33.9 million	S\$20.1 million		S\$9.5 million	S\$1.2 million	S\$5.1 million	S\$2.0 million
Occupancy as at 31 March 2019	97.4%	96.5%		96.7%	88.7%	94.1%	95.0%

Notes:

- (1) Northpoint City North Wing was formerly known as Northpoint Shopping Centre.
- (2) GFA and NLA as stated in valuation reports dated 30 September 2018 for the respective assets.
- (3) The car park lots are shared between Changi City Point, Capri By Fraser and ONE@Changi City.
- (4) Part of limited common property for the exclusive benefit of YewTee Point.
- (5) Located at Anchorpoint but are part of a common property of strata sub-divided mixed-use development, which comprises Anchorpoint. The car park is operated by Frasers Property Management Services Pte Ltd from 1 December 2017, for a period of 2 years.

(See **Appendix A** of this Circular for further details regarding the Existing Portfolio.)

Overview of the Proposed Acquisition

FCL Emerald (2) Pte. Ltd. (the “**Vendor**”) is an indirect wholly-owned subsidiary of the Sponsor. The Vendor holds 33 $\frac{1}{3}$ % of the total issued units of a private trust known as “Sapphire Star Trust” (“**SST**”) and 33 $\frac{1}{3}$ % of the issued share capital of the trustee-manager of SST, FC Retail Trustee Pte. Ltd. (the “**SST Trustee-Manager**”) as part of a three-way joint venture to develop and hold the retail units in the property known as “Waterway Point” located at 83 Punggol Central, Singapore 828761 (the “**Property**” or “**Waterway Point**”) under SST (with the SST Trustee-Manager as a special purpose company incorporated to act as the trustee-manager of SST). In addition, the Vendor also holds a 33 $\frac{1}{3}$ % interest in a unitholders’ loan previously extended by the unitholders of SST (being the parties to the three-way joint venture) of approximately S\$284.5 million, with the Vendor’s share of the unitholders’ loan amounting to approximately S\$94.8 million (the “**Vendor’s Unitholders’ Loan**”). For the avoidance of doubt, the Property is the sole real estate asset held by SST and SST is the only trust managed by the SST Trustee-Manager.

On 16 May 2019, the Trustee entered into a conditional unit sale and purchase agreement with the Vendor (the “**Target Units SPA**”) to acquire 33 $\frac{1}{3}$ % of the total issued units of SST as held by the Vendor (the “**Target Units**”) and the Vendor’s Unitholders’ Loan from the Vendor (the “**Proposed Property Acquisition**”).

In connection with the Proposed Property Acquisition, the Trustee also entered into a conditional share sale and purchase agreement with the Vendor (the “**SST Trustee-Manager SPA**”) to acquire 33 $\frac{1}{3}$ % of the issued share capital of the SST Trustee-Manager as held by the Vendor (the “**SST Trustee-Manager Shares**”), from the Vendor (the “**Proposed SST Trustee-Manager Acquisition**”), and the Proposed SST Trustee-Manager Acquisition and the Proposed Property Acquisition, the “**Proposed Acquisition**”).

The Proposed Acquisition will give FCT an effective 33 $\frac{1}{3}$ % interest in the Property.

The agreed property value for the Property, which takes into account the independent valuation conducted on 1 April 2019 by the Independent Valuers (as defined herein), is S\$1,300 million¹ (the “**Agreed Property Value**”). The Agreed Property Value is equal to the average of the independent valuations conducted on 1 April 2019 by the Independent Valuers.

The unit purchase consideration (the “**Target Units Purchase Consideration**”) payable under the Target Units SPA is approximately S\$240.8 million subject to further adjustments based on the actual consolidated net assets and liabilities of SST at completion of the Proposed Property Acquisition. The Target Units Purchase Consideration is based on the estimated value of the Target Units, being approximately S\$146.0 million² (as derived from the estimated net assets and liabilities of SST of approximately S\$437.8 million based on the Agreed Property Value), and the value of the Vendor’s Unitholders’ Loan of approximately S\$94.8 million as at the date of completion under the Target Units SPA which was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuations described therein.

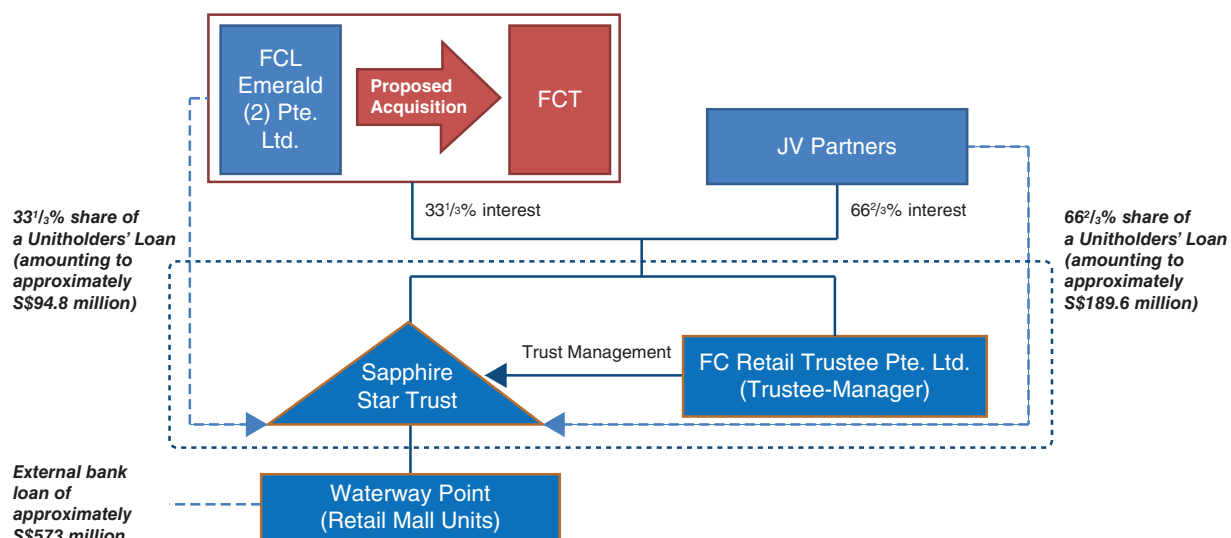
The purchase price for the Proposed SST Trustee-Manager Acquisition is approximately S\$8,700 (the “**SST Trustee-Manager Share Purchase Consideration**” and together with the Target Units Purchase Consideration, the “**Total Purchase Consideration**”), excluding stamp duty and GST. The SST Trustee-Manager Share Purchase Consideration was determined based on the adjusted net asset value of the SST Trustee-Manager of approximately S\$26,000. The SST

1 Based on 100.0% interest in the Property and on the basis of the completion of the committed asset enhancement works (where applicable).

2 This takes into account a bank loan owed by SST to certain financial institutions, of which the pro rata share attributable to the Target Units amounts to S\$191.0 million. For the avoidance of doubt, this bank loan will not be discharged by SST under the Proposed Property Acquisition.

Trustee-Manager Share Purchase Consideration is subject to further adjustments based on the actual consolidated net assets and liabilities of SST Trustee-Manager as at the date of completion under the SST Trustee-Manager SPA.

Illustration of the Proposed Acquisition



SUMMARY OF APPROVALS SOUGHT

The Manager is convening an extraordinary general meeting (“EGM”) of FCT to seek approval from Unitholders in respect of the following ordinary resolution¹:

- (1) **The Resolution:** To approve the Proposed Acquisition of a 33 1/3% interest in Waterway Point from an Interested Person of FCT (as a Related Party Transaction)

In accordance with Rule 919 of the Listing Manual of the SGX-ST (the “Listing Manual”) the Frasers Property Group and each of Frasers Property Retail Trust Holdings Pte. Ltd. (“FPRTH”) and the Manager (as subsidiaries of Frasers Property and part of the Frasers Property Group) (i) will abstain, and will procure that their associates abstain, from voting at the EGM on the resolution (to approve the Proposed Acquisition) and (ii) will not, and will procure that their associates do not, accept appointments as proxies in relation to the resolution (to approve the Proposed Acquisition), unless specific instructions as to voting are given.

DESCRIPTION OF THE PROPERTY

Waterway Point is a 4-storey suburban family and lifestyle shopping mall located at 83 Punggol Central, Singapore 828761, the heart of Singapore’s first waterfront eco-town, Punggol. The mall enjoys direct connection to public transportation system including the Punggol MRT & LRT stations and a temporary bus interchange. It is also served by major expressways including Tampines Expressway (TPE) and Seletar Expressway (SLE) which provide vehicular accessibility to other parts of Singapore.

Waterway Point’s primary shopper catchment includes the growing residential population in Punggol as well as secondary catchment in the neighbouring precincts. The mall has an NLA of 371,200 sq ft and is awarded the BCA Universal Design (UD) Gold^{Plus} and the BCA Green Mark Gold^{Plus} certifications.

1 “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.

The mall offers its shoppers a diverse range of shopping, dining and entertainment experiences and caters to their necessity and convenience shopping as well as their leisure needs. Notable retailers and restaurant operators at the mall include Uniqlo, Daiso Japan, Din Tai Fung, H&M and a 24-hour NTUC FairPrice Finest supermarket. It also offers a wide range of food and dining outlets including some with alfresco options. The mall also has a cineplex operated by Shaw Theatres that features 10 screens, including an IMAX theatre.

The following table sets out a summary of selected information on the Property as at 31 March 2019:

Property	Waterway Point
Location	83 Punggol Central, Singapore 828761 (Strata Lot: U96899V, U96900T & U96901A, Mukim 21)
Title	99-year leasehold title commencing 18 May 2011
Strata Area (sq ft)	873,563 (including void area of 320,789 sq ft)
GFA (sq ft)	542,493
NLA (sq ft)	371,200 ⁽¹⁾
Number of Storeys	Four (Includes two basement levels)
Number of Car Park Lots	623
Committed Occupancy as at 31 March 2019	98.1% ⁽²⁾
Weighted Average Lease Expiry as at 31 March 2019 (years)	By Gross Rental Income (“GRI”): 1.80 By NLA: 1.89
Agreed Property Value per sq ft of NLA	S\$3,502
Net Property Income (“NPI”) (FY2018)	S\$61,100,000 ⁽³⁾
NPI Yield Based on Agreed Property Value	4.7%

Notes:

- (1) This excludes the area of approximately 17,954 sq ft currently used as Community Sports Facilities Scheme (CSFS) space.
- (2) Source: Valuation reports of Waterway Point by Jones Lang LaSalle Property Consultants Pte Ltd and CBRE Pte. Ltd., both dated 1 April 2019.
- (3) NPI (adjusted for reduced maintenance fund contributions to the retail sub-management committee) without Financial Reporting Standards Adjustments.

(See **Appendix A** of this Circular for further details regarding the Property, the Existing Portfolio and the “**Enlarged Portfolio**” comprising the Property and the Existing Portfolio)

Valuation and Target Units Purchase Consideration

The Trustee has commissioned an independent valuer, Jones Lang LaSalle Property Consultants Pte Ltd (“**JLL**”), and the Manager has commissioned an independent valuer, CBRE Pte. Ltd. (“**CBRE**”, and collectively with JLL, the “**Independent Valuers**”), to respectively value the Property.

The Agreed Property Value of S\$1,300 million is equal to the average of the independent valuations conducted by JLL and CBRE, being S\$1,305 million and S\$1,295 million respectively as at 1 April 2019.

The Target Units Purchase Consideration payable under the Target Units SPA is approximately S\$240.8 million subject to further adjustments based on the actual consolidated net assets and liabilities of SST at completion of the Proposed Property Acquisition. The Target Units Purchase Consideration is based on the estimated value of the Target Units, being approximately S\$146.0 million¹ (as derived from the estimated net assets and liabilities of SST of approximately S\$437.8 million based on the Agreed Property Value), and the value of the Vendor's Unitholders' Loan of approximately S\$94.8 million as at the date of completion under the Target Units SPA which was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuations described therein.

(See **Appendix C** of this Circular for further details regarding the valuations of the Property.)

ESTIMATED TOTAL ACQUISITION OUTLAY

The estimated total acquisition outlay for the Proposed Acquisition (the "**Total Acquisition Outlay**") is approximately S\$440.6 million, comprising:

- (i) the Target Units Purchase Consideration of approximately S\$240.8 million (which comprises the purchase consideration for the Target Units and the Vendor's Unitholders' Loan);
- (ii) the SST Trustee-Manager Share Purchase Consideration of approximately S\$8,700;
- (iii) the acquisition fee payable to the Manager for the Proposed Acquisition pursuant to the trust deed dated 5 June 2006 (as amended, restated and supplemented) constituting FCT (the "**Trust Deed**"), which amounts to approximately S\$4.3 million (the "**Acquisition Fee**")²;
- (iv) the estimated cost of the Equity Fund Raising (as defined below), professional fees and other fees and expenses incurred or to be incurred by FCT in connection with the Proposed Acquisition of approximately S\$4.5 million; and
- (v) the pro rata share of a bank loan owed by SST to certain financial institutions (the "**Bank Loan**") attributable to the Target Units under the Proposed Property Acquisition, being approximately S\$191.0 million (which will not be discharged by SST and will remain after completion of the Proposed Acquisition).

Payment of Acquisition Fee in Units

As the Proposed Acquisition will constitute an "interested party transaction" under paragraph 5 of Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**MAS**" and Appendix 6, the "**Property Funds Appendix**"), the Acquisition Fee³ payable to the Manager in respect of the Proposed Acquisition will be in the form of Units (the "**Acquisition Fee Units**"), which shall not be sold within one year from the date of issuance.

- 1 This takes into account a bank loan owed by SST to certain financial institutions, of which the pro rata share attributable to the Target Units amounts to S\$191.0 million. For the avoidance of doubt, this bank loan will not be discharged by SST under the Proposed Property Acquisition.
- 2 The Acquisition Fee in respect of the Property is 1.0% of the Agreed Property Value of the Property (in proportion to the effective interest which FCT will hold in the Property, being 33⅓%), and will only be paid on completion of the Proposed Acquisition.
- 3 Based on the Trust Deed, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the issue price of Units issued to finance or part finance the Proposed Acquisition in respect of which the Acquisition Fee is payable.

Proposed Method of Financing the Proposed Acquisition

The Manager intends to finance the Total Acquisition Outlay less the sum of the Bank Loan attributable to the Target Units and the Acquisition Fee (the “**Cash Outlay**”) from the issuance of new equity.

The Manager has, on 16 May 2019, previously announced the issue of up to approximately 184.0 million new Units (the “**New Units**”) representing approximately 19.8% of the existing number of issued Units as at 10 May 2019 (being the latest practicable date of the relevant announcements) under a private placement of up to approximately 135.7 million New Units to institutional and other investors at an issue price of between S\$2.300 and S\$2.382 per New Unit to raise gross proceeds of no less than approximately S\$312.0 million, subject to an upsize option to raise additional gross proceeds such that the aggregate gross proceeds would be approximately S\$369.6 million (the “**Private Placement**”), and a pro rata non-renounceable preferential offering of up to approximately 48.3 million New Units to existing Unitholders at an issue price of between S\$2.270 and S\$2.352 to raise gross proceeds of no less than approximately S\$65.4 million (the “**Preferential Offering**”, and together with the Private Placement, the “**Equity Fund Raising**”).

The Equity Fund Raising is expected to raise gross proceeds of up to approximately S\$437.4 million.

As announced by FCT on 28 May 2019 in relation to the Private Placement, approximately 155.2 million New Units were issued pursuant to the Private Placement at an issue price of S\$2.382 per New Unit, raising gross proceeds of approximately S\$369.6 million.

As announced by FCT on 29 May 2019 and 30 May 2019 in relation to the Preferential Offering, the Manager intends to issue approximately 28.8 million New Units pursuant to the Preferential Offering at an issue price of S\$2.350 per New Unit to raise gross proceeds of approximately S\$67.7 million.

The Manager intends to utilise approximately S\$245.3 million from the gross proceeds of the Equity Fund Raising to fully finance the Cash Outlay.

The final decision regarding the funding mix for the Cash Outlay will be made by the Manager at the appropriate time taking into account the then prevailing market conditions, interest rate environment, and availability of alternative funding options.

RATIONALE FOR AND KEY BENEFITS OF THE PROPOSED ACQUISITION

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

1. Competitive strengths of Waterway Point

- Strategic location and good connectivity in Punggol Central
- Suburban mall with proven and stabilised performance
- Favourable catchment area supported by strong population growth
- The trade area has one of the lowest retail mall floor space per capita in Singapore

2. **Greater income diversification and enlarges 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**

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

REQUIREMENT FOR UNITHOLDERS' APPROVAL

Interested Person Transactions and Interested Party Transactions (collectively, "Related Party Transactions")

As at the Latest Practicable Date, the Frasers Property Group holds an aggregate direct and indirect interest in 391,659,517 Units, which is equivalent to approximately 36.10% of the total number of Units in issue as at the Latest Practicable Date, and is therefore regarded as a "controlling unitholder" of FCT for the purposes of both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of Frasers Property, Frasers Property is therefore regarded as a "controlling shareholder" of the Manager for the purposes of both the Listing Manual and the Property Funds Appendix.

As the Vendor is an indirect wholly-owned subsidiary of Frasers Property, for the purposes of Chapter 9 of the Listing Manual and paragraph 5 of the Property Funds Appendix, the Vendor (being a subsidiary of a "controlling unitholder" of FCT and a subsidiary of a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" of FCT and (for the purposes of the Property Funds Appendix) an "interested party" of FCT.

Therefore, the Proposed 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.

Given that the Total Purchase Consideration is approximately S\$240.8 million (which is 12.5% of FCT's latest audited net tangible assets ("**NTA**") and net asset value ("**NAV**") as at 30 September 2018), the value of the Proposed Acquisition exceeds 5.0% of the NTA and the NAV of FCT, being the respective thresholds under Rule 906(1)(a) of Listing Manual and paragraph 5.2(b) Property Funds Appendix in respect of Related Party Transactions, and would therefore be subject to Unitholders' approval. Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the Proposed Acquisition in accordance with Rule 906(1)(a) of the Listing Manual.

In accordance with Rule 919 of the Listing Manual, the Frasers Property Group and each of FPRTH and the Manager (as subsidiaries of Frasers Property and part of the Frasers Property Group) (i) will abstain, and will procure that their associates abstain, from voting at the EGM on the resolution (to approve the Proposed Acquisition) and (ii) will not, and will procure that their associates do not, accept appointments as proxies in relation to the resolution (to approve the Proposed Acquisition), unless specific instructions as to voting are given.

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

INDICATIVE TIMETABLE

The timetable for the EGM is indicative only and is subject to change at the absolute discretion of the Manager. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

The timetable for events which are scheduled to take place after the EGM is indicative only and is subject to the absolute discretion of the Manager.

Event		Date and Time
Last date and time for lodgement of Proxy Forms	:	25 June 2019 at 10.00 a.m.
Date and time of the EGM	:	28 June 2019 at 10.00 a.m.
If the approval for the Proposed Acquisition is obtained at the EGM:		
Target date of completion of the Proposed Acquisition under the Target Units SPA and the SST Trustee-Manager SPA	:	To be determined (but is expected to be no later than 31 December 2019)

LETTER TO UNITHOLDERS

FRASERS CENTREPOINT TRUST

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

**MANAGED BY
FRASERS CENTREPOINT ASSET MANAGEMENT LTD.**

Directors of the Manager

Dr Cheong Choong Kong (Chairman, Non-Executive and Independent Director)
Dr Chew Tuan Chiong (Executive and Non-Independent Director)
Mr Philip Eng Heng Nee (Non-Executive and Non-Independent Director)
Mr Ho Chai Seng (Non-Executive and Independent Director)
Mr Ho Chee Hwee Simon (Non-Executive and Independent Director)
Mr Christopher Tang Kok Kai (Non-Executive and Non-Independent Director)

Registered Office

438 Alexandra Road
#21-00, Alexandra Point
Singapore 119958

13 June 2019

To: Unitholders of Frasers Centrepoint Trust

Dear Sir/Madam

1. SUMMARY OF APPROVALS SOUGHT

1.1 The Manager is convening an EGM of FCT to seek approval from Unitholders in respect of the following resolution:

(1) **The Resolution:** To approve the Proposed Acquisition of a 33 $\frac{1}{3}$ % interest in Waterway Point from an Interested Person of FCT (as a Related Party Transaction).

In accordance with Rule 919 of the Listing Manual, the Frasers Property Group and each of FPRTH and the Manager (as subsidiaries of Frasers Property and part of the Frasers Property Group) (i) will abstain, and will procure that their associates abstain, from voting at the EGM on the resolution (to approve the Proposed Acquisition) and (ii) will not, and will procure that their associates do not, accept appointments as proxies in relation to the resolution (to approve the Proposed Acquisition), unless specific instructions as to voting are given.

1.2 The Proposed Acquisition constitutes a Related Party Transaction under Chapter 9 of the Listing Manual and paragraph 5 of the Property Funds Appendix. Accordingly, in compliance with the requirements of the Listing Manual and the Property Funds Appendix, the Manager is convening the EGM to seek Unitholders' approval by way of an Ordinary Resolution in respect of the Proposed Acquisition.

1.3 The following paragraphs set forth key information relating to the abovementioned resolution to approve the Proposed Acquisition.

2. THE RESOLUTION: TO APPROVE THE PROPOSED ACQUISITION

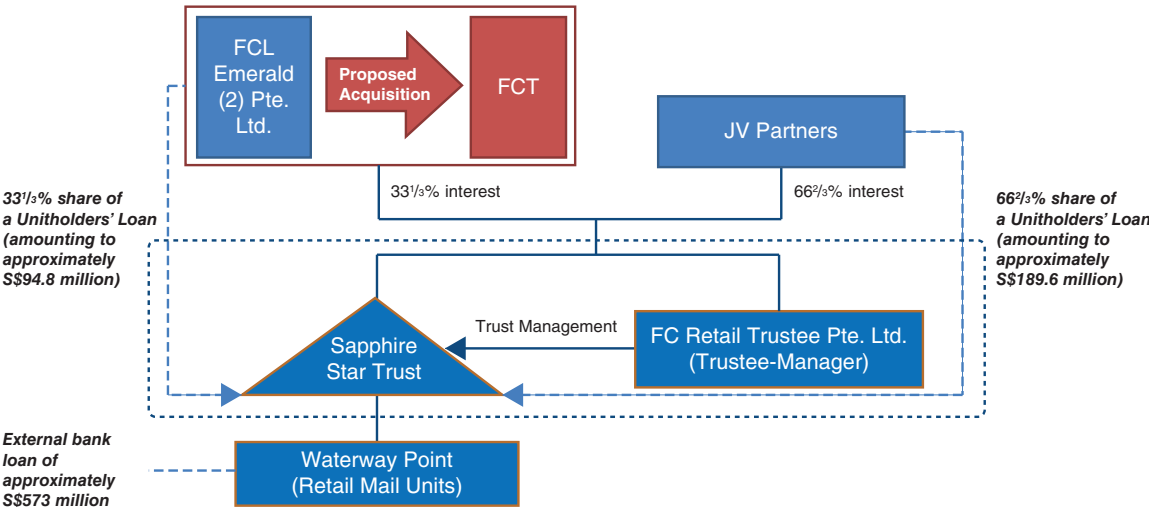
2.1 Introduction

The Vendor is an indirect wholly-owned subsidiary of the Sponsor. The Vendor holds 33 1/3% of the total issued units of SST and 33 1/3% of the issued share capital of the SST Trustee-Manager as part of a three-way joint venture to develop and hold the property known as “Waterway Point” located at 83 Punggol Central, Singapore 828761 (previously defined as the “Property” or “Waterway Point”) under SST (with the SST Trustee-Manager as a special purpose company incorporated to act as the trustee-manager of SST). In addition, the Vendor also holds a 33 1/3% interest in a unitholders’ loan previously extended by the unitholders of SST (being the parties to the three-way joint venture) of approximately S\$284.5 million, with the Vendor’s share of the unitholders’ loan amounting to approximately S\$94.8 million (previously defined as the “Vendor’s Unitholders’ Loan”). For the avoidance of doubt, the Property is the sole real estate asset held by SST and SST is the only trust managed by the SST Trustee-Manager.

On 16 May 2019, the Trustee entered into the Target Units SPA with the Vendor, an indirect wholly-owned subsidiary of the Sponsor, to acquire a 33 1/3% interest in SST and the Vendor’s Unitholders’ Loan from the Vendor.

In connection with the Proposed Property Acquisition, the Trustee also entered into the SST Trustee-Manager SPA with the Vendor to acquire a 33 1/3% interest in the SST Trustee-Manager from the Vendor.

Illustration of the Proposed Acquisition



2.2 Description of the Property

Waterway Point is a 4-storey suburban family and lifestyle shopping mall located at 83 Punggol Central, Singapore 828761, the heart of Singapore’s first waterfront eco-town, Punggol. The mall enjoys direct connection to the public transportation system including the Punggol MRT & LRT stations and a temporary bus interchange. It is also served by major expressways including Tampines Expressway (TPE) and Seletar Expressway (SLE) which provide vehicular accessibility to other parts of Singapore.

Waterway Point's primary shopper catchment includes the growing residential population in Punggol as well as secondary catchment in the neighbouring precincts. The mall has an NLA of 371,200 sq ft and is awarded the BCA Universal Design (UD) Gold^{Plus} and the BCA Green Mark Gold^{Plus} certifications.

The mall offers its shoppers a diverse range of shopping, dining and entertainment experiences and caters to their necessity and convenience shopping as well as their leisure needs. Notable retailers and restaurant operators at the mall include Uniqlo, Daiso Japan, Din Tai Fung, H&M and a 24-hour NTUC FairPrice Finest supermarket. It also offers a wide range of food and dining outlets including some with alfresco options. The mall also has a cineplex operated by Shaw Theatres that features 10 screens, including an IMAX theatre.

The following table sets out a summary of selected information on the Property as at 31 March 2019:

Property	Waterway Point
Location	83 Punggol Central, Singapore 828761 (Strata Lot: U96899V, U96900T & U96901A, Mukim 21)
Title	99-year leasehold title commencing 18 May 2011
Strata Area (sq ft)	873,563 (including void area of 320,789 sq ft)
GFA (sq ft)	542,493
NLA (sq ft)	371,200 ⁽¹⁾
Number of Storeys	Four (Includes two basement levels)
Number of Car Park Lots	623
Committed Occupancy as at 31 March 2019	98.1% ⁽²⁾
Weighted Average Lease Expiry as at 31 March 2019 (years)	By gross rental income: 1.80 By NLA: 1.89
Agreed Property Value per sq ft of NLA	S\$3,502
NPI (FY2018)	S\$61,100,000 ⁽³⁾
NPI Yield Based on Agreed Property Value	4.7%

Notes:

- (1) This excludes the area of approximately 17,954 sq ft currently used as Community Sports Facilities Scheme (CSFS) space
- (2) Source: Valuation reports of Waterway Point by Jones Lang LaSalle Property Consultants Pte Ltd and CBRE Pte. Ltd., both dated 1 April 2019
- (3) NPI (adjusted for reduced maintenance fund contributions to the retail sub-management committee) without Financial Reporting Standards Adjustments

(See **Appendix A** of this Circular for further details regarding the Property, the Existing Portfolio and the Enlarged Portfolio)

2.3 Valuation and Total Purchase Consideration

The Target Units Purchase Consideration payable under the Target Units SPA is approximately S\$240.8 million subject to further adjustments based on the actual consolidated net assets and liabilities of SST at completion of the Proposed Property Acquisition. The Target Units Purchase Consideration is based on the estimated value of the Target Units, being approximately S\$146.0 million¹ (as derived from the estimated net assets and liabilities of SST of approximately S\$437.8 million based on the Agreed Property Value), and the value of the Vendor's Unitholders' Loan of approximately S\$94.8 million as at the date of completion under the Target Units SPA which was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuations described therein.

The Trustee has commissioned an independent valuer, JLL, and the Manager has commissioned an independent valuer, CBRE, to respectively value the Property. JLL, in its report dated 1 April 2019, stated that the open market value of the Property as at 1 April 2019 was S\$1,305 million. CBRE, in its report dated 1 April 2019, stated that the open market value of the Property as at 1 April 2019 was S\$1,295 million. In arriving at the open market value of the Property, both JLL and CBRE relied on capitalisation approach and discounted cash flow analysis.

The Agreed Property Value of S\$1,300 million is equal to the average of the independent valuations conducted on 1 April 2019 by the Independent Valuers.

In relation to the Proposed SST Trustee-Manager Acquisition, the SST Trustee-Manager Share Purchase Consideration for the SST Trustee-Manager Shares is approximately S\$8,700, excluding stamp duty and GST.

The SST Trustee-Manager Share Purchase Consideration was determined based on the adjusted net asset value of the SST Trustee-Manager of approximately S\$26,000.

The Total Purchase Consideration is approximately S\$240.8 million.

(See **Appendix C** of this Circular for further details regarding the valuations of the Property.)

2.4 Estimated Total Acquisition Outlay

The estimated Total Acquisition Outlay is approximately S\$440.6 million, comprising:

- (i) the Target Units Purchase Consideration of approximately S\$240.8 million (which comprises the purchase consideration for the Target Units and the Vendor's Unitholders' Loan);
- (ii) the SST Trustee-Manager Share Purchase Consideration of approximately S\$8,700;
- (iii) the Acquisition Fee payable to the Manager for the Proposed Acquisition pursuant to the Trust Deed, which amounts to approximately S\$4.3 million;
- (iv) the estimated cost of the Equity Fund Raising, professional fees and other fees and expenses incurred or to be incurred by FCT in connection with the Proposed Acquisition of approximately S\$4.5 million; and

¹ This takes into account a bank loan owed by SST to certain financial institutions, of which the pro rata share attributable to the Target Units amounts to S\$191.0 million. For the avoidance of doubt, this bank loan will not be discharged by SST under the Proposed Acquisition.

- (v) the pro rata share of the Bank Loan attributable to the Target Units under the Proposed Property Acquisition, being S\$191.0 million (which will not be discharged by SST and will remain after completion of the Proposed Acquisition).

2.5 Payment of Acquisition Fee in Units

As the Proposed Acquisition will constitute an “interested party transaction” under Paragraph 5 of the Property Funds Appendix, the Acquisition Fee¹ payable to the Manager in respect of the Proposed Acquisition will be in the form of the Acquisition Fee Units, which shall not be sold within one year from the date of issuance.

(See details on the proposed method of financing the Proposed Acquisition in paragraph 4.3 below.)

2.6 Certain Principal Terms of the Target Units SPA

In connection with the Proposed Property Acquisition, the Trustee had on 16 May 2019, entered into the Target Units SPA with the Vendor, an indirect wholly-owned subsidiary of the Sponsor, to acquire a 33 $\frac{1}{3}$ % interest in SST, which holds the Property, from the Vendor.

The principal terms of the Target Units SPA include, among others, the following:

- (i) the Target Units Purchase Consideration will be based on the net asset value of SST as at the completion date, subject to two rounds of adjustments, the first round of adjustments being within 30 calendar days after the date of completion under the Target Units SPA and a second round of adjustments being within one year after the date of completion under the Target Units SPA;
- (ii) the completion of the Target Units SPA will be inter-conditional on the fulfilment of the conditions precedent of the SST Trustee-Manager SPA; and
- (iii) the completion of the Target Units SPA will be conditional on several conditions precedent, including:
 - (a) FCT obtaining the required approvals from Unitholders at the EGM, such approvals not having been cancelled, revoked or withdrawn; and
 - (b) FCT having obtained adequate financing to fund the Proposed Acquisition on terms and conditions acceptable to FCT at its sole discretion, whether through an issue of Units or through debt (the composition and manner of such financing being at the sole discretion of FCT) and all such approvals necessary for such financing not having been cancelled, revoked or withdrawn, and if applicable the conditions to all such approvals having been fulfilled.

2.7 Certain Principal Terms of the SST Trustee-Manager SPA

In connection with the Proposed SST Trustee-Manager Acquisition, the Trustee had on 16 May 2019, entered into the SST Trustee-Manager SPA with the Vendor to acquire a 33 $\frac{1}{3}$ % interest in the SST Trustee-Manager from the Vendor. The SST Trustee-Manager is the trustee-manager of SST.

¹ Based on the Trust Deed, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the issue price of Units issued to finance or part finance the Proposed Acquisition in respect of which the Acquisition Fee is payable.

The principal terms of the SST Trustee-Manager SPA include, among others, the following:

- (i) the SST Trustee-Manager Share Purchase Consideration will be based on the net asset value of the Trustee-Manager (in its personal capacity and excluding assets and liabilities incurred in its capacity as a trustee-manager of a trust) as at the completion date, subject to two rounds of adjustments, the first round of adjustments being within 30 calendar days after the date of completion under the SST Trustee-Manager SPA and a second round of adjustments being within one year after the date of completion under the SST Trustee-Manager SPA;
- (ii) the completion of the SST Trustee-Manager SPA will be inter-conditional on the fulfilment of the conditions precedent of the Target Units SPA; and
- (iii) the completion of the SST Trustee-Manager SPA will be conditional on several conditions precedent, including:
 - (a) FCT obtaining the required approvals from Unitholders at the EGM, such approvals not having been cancelled, revoked or withdrawn; and
 - (b) FCT having obtained adequate financing to fund the Proposed Acquisition on terms and conditions acceptable to FCT at its sole discretion, whether through an issue of Units or through debt (the composition and manner of such financing being at the sole discretion of FCT) and all such approvals necessary for such financing not having been cancelled, revoked or withdrawn, and if applicable the conditions to all such approvals having been fulfilled.

3. REQUIREMENT FOR UNITHOLDERS' APPROVAL

3.1 Related 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 NTA, Unitholders' approval is required in respect of the transaction.

Paragraph 5.2(b) of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an "interested party transaction" by the Trustee whose value is equal to or exceeds 5.0% of FCT's latest audited NAV.

Based on the latest audited financial statements of FCT ("**FCT Audited Financial Statements**") for the financial year from 1 October 2017 to 30 September 2018 ("**FY2018**") as disclosed in the annual report of FCT issued on 21 December 2018, the latest audited NTA and NAV of FCT as at 30 September 2018 was S\$1,933.8 million. Accordingly, if the value of a transaction which is proposed to be entered into by the Trustee during the current financial year ending 30 September 2019 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 ending 30 September 2019, equal to or greater than S\$96.7 million, such a transaction would be subject to approval from Unitholders under Rule 906(1) the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

As at the Latest Practicable Date, save for the Target Units SPA and the SST Trustee-Manager SPA, the value of all “interested person transactions” entered into between FCT and the Frasers Property Group and its associates during the course of the current financial year ending 30 September 2019 up to the Latest Practicable Date that are subject to disclosure under Chapter 9 of the Listing Manual¹ is approximately S\$19.9 million (the “**Existing Interested Person Transactions**”) (which is approximately 1.0% of the latest audited NTA and NAV of FCT as at 30 September 2018).

Details of the Existing Interested Person Transactions may be found in **Appendix E** of this Circular.

3.2 The Target Units SPA and the SST Trustee-Manager SPA

As at the Latest Practicable Date, the Frasers Property Group holds an aggregate direct and indirect interest in 391,659,517 Units, which is equivalent to approximately 36.10% of the Units in issue as at the Latest Practicable Date, and is therefore regarded as a “controlling unitholder” of FCT for the purposes of both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of Frasers Property, Frasers Property is therefore regarded as a “controlling shareholder” of the Manager under both the Listing Manual and the Property Funds Appendix.

As the Vendor is an indirect wholly-owned subsidiary of Frasers Property, for the purposes of Chapter 9 of the Listing Manual and paragraph 5 of the Property Funds Appendix, the Vendor (being a subsidiary of a “controlling unitholder” of FCT and subsidiary of a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of FCT and (for the purposes of the Property Funds Appendix) an “interested party” of FCT.

Therefore, the entry by FCT into each of the Target Units SPA and the SST Trustee-Manager SPA 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.

Under the Target Units SPA and the SST Trustee-Manager SPA, the Total Purchase Consideration payable to the Vendor is approximately S\$240.8 million² (being 12.5% of FCT’s latest audited NTA and NAV as at 30 September 2018). The value of the Proposed Acquisition exceeds 5.0% of the latest audited NTA and the latest audited NAV of FCT, being the respective thresholds under Rule 906(1)(a) of Listing Manual and paragraph 5.2(b) Property Funds Appendix in respect of Related Party Transactions, and would therefore be subject to Unitholders’ approval in accordance with Rule 906(1)(a) of the Listing Manual.

Frasers Property and its associates are prohibited from voting on the resolution to approve the Proposed Acquisition.

¹ Rules 905(1), 905(2) and 906 of the Listing Manual do not apply to any transaction below S\$100,000.

² Based on the estimated value of the Target Units, being approximately S\$146.0 million (as derived from the estimated net assets and liabilities of SST of approximately S\$437.8 million based on the Agreed Property Value and taking into account a bank loan owed by SST to certain financial institutions, of which the pro rata share attributable to the Target Units amounts to S\$191.0 million), the value of the Vendor’s Unitholders’ Loan of approximately S\$94.8 million and the estimated value of the SST Trustee-Manager Shares, being approximately S\$8,700 based on the adjusted net asset value of the SST Trustee-Manager of approximately S\$26,000.

3.3 Relative Figures Computed on the Bases Set Out In Rule 1006 of the Listing Manual

3.3.1 Chapter 10 of the SGX-ST Listing Manual governs the acquisition or disposal of assets, including options to acquire or dispose of assets, by FCT. Such transactions are classified into the following categories:

- (i) non-disclosable transactions;
- (ii) disclosable transactions;
- (iii) major transactions; and
- (iv) very substantial acquisitions or reverse take-overs.

3.3.2 A proposed transaction by FCT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

- (i) the net profits attributable to the assets acquired, compared with FCT's net profits pursuant to Rule 1006(b) of the Listing Manual; and
- (ii) the aggregate value of the consideration given or received, compared with FCT's market capitalisation based on the total number of issued Units pursuant to Rule 1006(c) of the Listing Manual.

Rule 1006(d) of the Listing Manual is not applicable as FCT will not be issuing any Units as consideration for the Proposed Acquisition.

3.3.3 The relative figures computed on the bases set out in Rules 1006(b) and 1006(c) of the Listing Manual are as follows:

Comparison of:	The Proposed Acquisition (S\$ million)	FCT (S\$ million)	Relative Figure (%)
Total Return for the year	33.0 ⁽¹⁾	166.8 ⁽²⁾	19.8
Total Purchase Consideration against market capitalisation	240.8 ⁽³⁾	2,266.2 ⁽⁴⁾	10.6

Notes:

- (1) The figure is based on FCT's 33⅓% share of the Proposed Acquisition's Total Return for FY2018.
- (2) Based on the FCT Audited Financial Statements for FY2018.
- (3) Including Vendor's Unitholders' Loan of S\$94.8 million.
- (4) Based on the weighted average price of the Units transacted on the SGX-ST on 15 May 2019, being the market day preceding the date of signing of the Target Units SPA and the SST Trustee-Manager SPA, of S\$2.4378 per Unit.

The Total Return attributable to the Proposed Acquisition is approximately 19.8% of FCT's Total Return for FY2018, and (ii) the Total Purchase Consideration to be given for the Proposed Acquisition is approximately 10.6% of FCT's market capitalisation as at 15 May 2019, being the market day preceding the date of signing of the Target Units SPA and the SST Trustee-Manager SPA (based on the total number of issued Units in FCT).

The Manager is of the view that the Proposed Acquisition is in the ordinary course of FCT's business as the interest in the Property and the interest in the SST Trustee-Manager being acquired are within the investment policy of FCT and does not change the risk profile of FCT. Further, each of the relative figures computed on the bases set out in Rules 1006(b) and 1006(c) of the Listing Manual is less than 20.0%. However, as the Proposed Acquisition constitutes an "interested person transaction" under Chapter 9 of the Listing Manual and an "interested party transaction" under the Property Funds Appendix, the Proposed Acquisition will still be subject to the specific approval of Unitholders.

4. INFORMATION RELATING TO THE PROPOSED ACQUISITION

4.1 Interests of Directors and Substantial Unitholders

As at the Latest Practicable Date, the interests of the Directors in the Proposed Acquisition are as follows:

- (i) Dr Cheong Choong Kong is the Independent Non-Executive Chairman of the Manager and has a direct interest in 140,300 Units (which is equivalent to approximately 0.01% of the 1,084,800,317 Units in issue as at the Latest Practicable Date);
- (ii) Dr Chew Tuan Chiong is the Chief Executive Officer and Executive Director of the Manager and a director of Hektar Asset Management Sdn Bhd, a joint venture company of Frasers Property. He has a deemed interest in 276,600 Units (which is equivalent to approximately 0.03% of the 1,084,800,317 Units in issue as at the Latest Practicable Date). He also has a direct interest in 664,565 shares in Frasers Property and a deemed interest of 116,900 shares in Frasers Property;
- (iii) Mr Philip Eng Heng Nee is a non-Executive Director of the Manager and a director of Frasers Property and other entities within the Frasers Property Group other than the Manager; and
- (iv) Mr Christopher Tang Kok Kai is a Non-Executive Director of the Manager, the Chief Executive Officer, Frasers Property Singapore, a strategic business unit of Frasers Property, and a director of the Vendor and other entities within the Frasers Property Group other than the Manager. He has a direct interest and a deemed interest in an aggregate of 670,000 Units (which is equivalent to approximately 0.06% of the 1,084,800,317 Units in issue as at the Latest Practicable Date). He also has a direct interest in 1,328,344 shares in Frasers Property and a deemed interest of 1,097,235 shares in the Frasers Property.

Based on the Register of Directors' Unitholdings maintained by the Manager, the direct and deemed interests of the Directors in the Units as at the Latest Practicable Date are as follows:

Name of Director	Direct Interest		Deemed Interest		Total No. of Units held	%(¹)
	No. of Units held	%(¹)	No. of Units held	%(¹)		
Dr Cheong Choong Kong	140,300	0.01	–	–	140,300	0.01
Dr Chew Tuan Chiong	–	–	276,600	0.03	276,600	0.03
Mr Philip Eng Heng Nee	–	–	–	–	–	–
Mr Ho Chai Seng	–	–	–	–	–	–
Mr Ho Chee Hwee Simon	–	–	–	–	–	–
Mr Christopher Tang Kok Kai	50,000	0.00 ⁽²⁾	620,000	0.06	670,000	0.06

Notes:

- (1) Any discrepancies are due to rounding. For the purpose of disclosures of the percentage interests of the directors, percentages are rounded to two decimal places.
- (2) Mr Christopher Tang Kok Kai's direct percentage interest is approximately 0.0046%. Due to rounding, this has been reflected as 0.00% in the table above.

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, the Substantial Unitholders and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total No. of Units held	%(¹)
	No. of Units held	%(¹)	No. of Units held	%(¹)		
Frasers Property Retail Trust Holdings Pte. Ltd.	349,671,000	32.23	–	–	349,671,000	32.23
Frasers Property Limited ⁽²⁾	–	–	391,659,517	36.10	391,659,517	36.10
Thai Beverage Public Company Limited ⁽³⁾	–	–	391,659,517	36.10	391,659,517	36.10
International Beverage Holdings Limited ⁽⁴⁾	–	–	391,659,517	36.10	391,659,517	36.10
InterBev Investment Limited ⁽⁵⁾	–	–	391,659,517	36.10	391,659,517	36.10
Siriwana Company Limited ⁽⁶⁾	–	–	391,659,517	36.10	391,659,517	36.10
Maxtop Management Corp. ⁽⁷⁾	–	–	391,659,517	36.10	391,659,517	36.10

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total No. of Units held	%(1)
	No. of Units held	%(1)	No. of Units held	%(1)		
Risen Mark Enterprise Ltd. ⁽⁸⁾	–	–	391,659,517	36.10	391,659,517	36.10
Golden Capital (Singapore) Limited ⁽⁹⁾	–	–	391,659,517	36.10	391,659,517	36.10
MM Group Limited ⁽¹⁰⁾	–	–	391,659,517	36.10	391,659,517	36.10
TCC Assets Limited ⁽¹¹⁾	–	–	391,659,517	36.10	391,659,517	36.10
Charoen Sirivadhanabhakdi ⁽¹²⁾	–	–	391,659,517	36.10	391,659,517	36.10
Khunying Wanna Sirivadhanabhakdi ⁽¹³⁾	–	–	391,659,517	36.10	391,659,517	36.10

Notes:

- (1) Any discrepancies are due to rounding. For the purpose of disclosures of the percentage interests of the Substantial Unitholders, percentages are rounded to two decimal places.
- (2) Frasers Property holds a 100% direct interest in each of Frasers Centrepoint Asset Management Ltd (“**FCAM**”) and FPRTH; and FCAM and FPRTH hold units in FCT. Frasers Property therefore has a deemed interest in the units in FCT in which each of FCAM and FPRTH has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (3) Thai Beverage Public Company Limited (“**ThaiBev**”) holds a 100% direct interest in International Beverage Holdings Limited (“**IBHL**”);
- IBHL holds a 100% direct interest in InterBev Investment Limited (“**IBIL**”);
 - IBIL holds a greater than 20% interest in Frasers Property;
 - Frasers Property holds a 100% direct interest in each of FCAM and FPRTH; and
 - FCAM and FPRTH hold units in FCT.
- ThaiBev therefore has a deemed interest in the units in FCT in which Frasers Property has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (4) IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in Frasers Property;
 - Frasers Property holds a 100% direct interest in each of FCAM and FPRTH; and
 - FCAM and FPRTH hold units in FCT.
- IBHL therefore has a deemed interest in the units in FCT in which Frasers Property has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (5) IBIL holds a greater than 20% interest in Frasers Property;
- Frasers Property holds a 100% direct interest in each of FCAM and FPRTH; and
 - FCAM and FPRTH hold units in FCT.
- IBIL therefore has a deemed interest in the units in FCT in which Frasers Property has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (6) Siriwana Company Limited (“**SCL**”) holds a greater than 20% interest in ThaiBev;
- ThaiBev holds a 100% direct interest in IBHL;
 - IBHL holds a 100% direct interest in IBIL;
 - IBIL holds a greater than 20% interest in Frasers Property;
 - Frasers Property holds a 100% direct interest in each of FCAM and FPRTH; and
 - FCAM and FPRTH hold units in FCT.
- SCL therefore has a deemed interest in the units in FCT in which Frasers Property has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (7) Maxtop Management Corp. (“**MMC**”) together with Risen Mark Enterprise Ltd. (“**RM**”) and Golden Capital (Singapore) Limited (“**GC**”) collectively holds a greater than 20% interest in ThaiBev;
- ThaiBev holds a 100% direct interest in IBHL;
 - IBHL holds a 100% direct interest in IBIL;

- IBIL holds a greater than 20% interest in Frasers Property;
- Frasers Property holds a 100% direct interest in each of FCAM and FPRTH; and
- FCAM and FPRTH hold units in FCT.

MMC therefore has a deemed interest in the units in FCT in which Frasers Property has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).

- (8) RM together with MMC and GC collectively holds a greater than 20% interest in ThaiBev;

- ThaiBev holds a 100% direct interest in IBHL;
- IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in Frasers Property;
- Frasers Property holds a 100% direct interest in each of FCAM and FPRTH; and
- FCAM and FPRTH hold units in FCT.

RM therefore has a deemed interest in the units in FCT in which Frasers Property has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).

- (9) GC together with MMC and RM collectively holds a greater than 20% interest in ThaiBev;

- ThaiBev holds a 100% direct interest in IBHL;
- IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in Frasers Property;
- Frasers Property holds a 100% direct interest in each of FCAM and FPRTH; and
- FCAM and FPRTH hold units in FCT.

GC therefore has a deemed interest in the units in FCT in which Frasers Property has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).

- (10) MM Group Limited (“**MM**”) holds a 100% direct interest in each of MMC, RM and GC;

- MMC, RM and GC collectively holds a greater than 20% interest in ThaiBev;
- ThaiBev holds a 100% direct interest in IBHL;
- IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in Frasers Property;
- Frasers Property holds a 100% direct interest in each of FCAM and FPRTH; and
- FCAM and FPRTH hold units in FCT.

MM therefore has a deemed interest in the units in FCT in which Frasers Property has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).

- (11) TCC Assets Limited (“**TCCA**”) holds a majority interest in Frasers Property;

- Frasers Property holds a 100% direct interest in each of FCAM and FPRTH; and
- FCAM and FPRTH hold units in FCT.

TCCA therefore has a deemed interest in the units in FCT in which Frasers Property has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).

- (12) Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;

- TCCA holds a majority interest in Frasers Property;
- Frasers Property holds a 100% direct interest in each of FCAM and FPRTH; and
- FCAM and FPRTH hold units in FCT.

Charoen Sirivadhanabhakdi therefore has a deemed interest in the units in FCT in which Frasers Property has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).

- (13) Khunying Wanna Sirivadhanabhakdi and her spouse, Charoen Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;

- TCCA holds a majority interest in Frasers Property;
- Frasers Property holds a 100% direct interest in each of FCAM and FPRTH; and
- FCAM and FPRTH hold units in FCT.

Khunying Wanna Sirivadhanabhakdi therefore has a deemed interest in the units in FCT in which Frasers Property has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).

Saved as disclosed above and based on information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders has an interest, direct or indirect, in the Proposed Acquisition.

4.2 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Proposed Acquisition or any other transactions contemplated in relation to the Proposed Acquisition.

4.3 Proposed Method of Financing the Proposed Acquisition

The Manager intends to finance the Cash Outlay from the issuance of new equity.

The Manager has, on 16 May 2019, announced the issue of approximately 184.0 million New Units representing approximately 19.8% of the existing number of issued Units as at 10 May 2019 (being the latest practicable date of the relevant announcements) under the Equity Fund Raising, comprising:

- 4.3.1** the Private Placement, being a private placement of up to approximately 135.7 million New Units to institutional and other investors at an issue price of between S\$2.300 and S\$2.382 per New Unit to raise gross proceeds of no less than approximately S\$312.0 million, subject to an upside option to raise additional gross proceeds such that the aggregate gross proceeds would be approximately S\$369.6 million; and
- 4.3.2** the Preferential Offering, being a pro rata non-renounceable preferential offering of up to approximately 48.3 million New Units to existing Unitholders at an issue price of between S\$2.270 and S\$2.352 per New Unit to raise gross proceeds of no less than approximately S\$65.4 million.

The Equity Fund Raising is expected to raise gross proceeds of up to approximately S\$437.4 million.

As announced by FCT on 28 May 2019 in relation to the Private Placement, approximately 155.2 million New Units were issued pursuant to the Private Placement at an issue price of S\$2.382 per New Unit, raising gross proceeds of approximately S\$369.6 million.

As announced by FCT on 29 May 2019 and 30 May 2019 in relation to the Preferential Offering, the Manager intends to issue approximately 28.8 million New Units pursuant to the Preferential Offering at an issue price of S\$2.350 per New Unit to raise gross proceeds of approximately S\$67.7 million.

The Manager intends to utilise approximately S\$245.3 million from the gross proceeds of the Equity Fund Raising to fully finance the Cash Outlay.

The final decision regarding the funding mix for the Cash Outlay will be made by the Manager at the appropriate time taking into account the then prevailing market conditions, interest rate environment, and availability of alternative funding options.

5. RATIONALE FOR AND KEY BENEFITS OF THE PROPOSED ACQUISITION

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

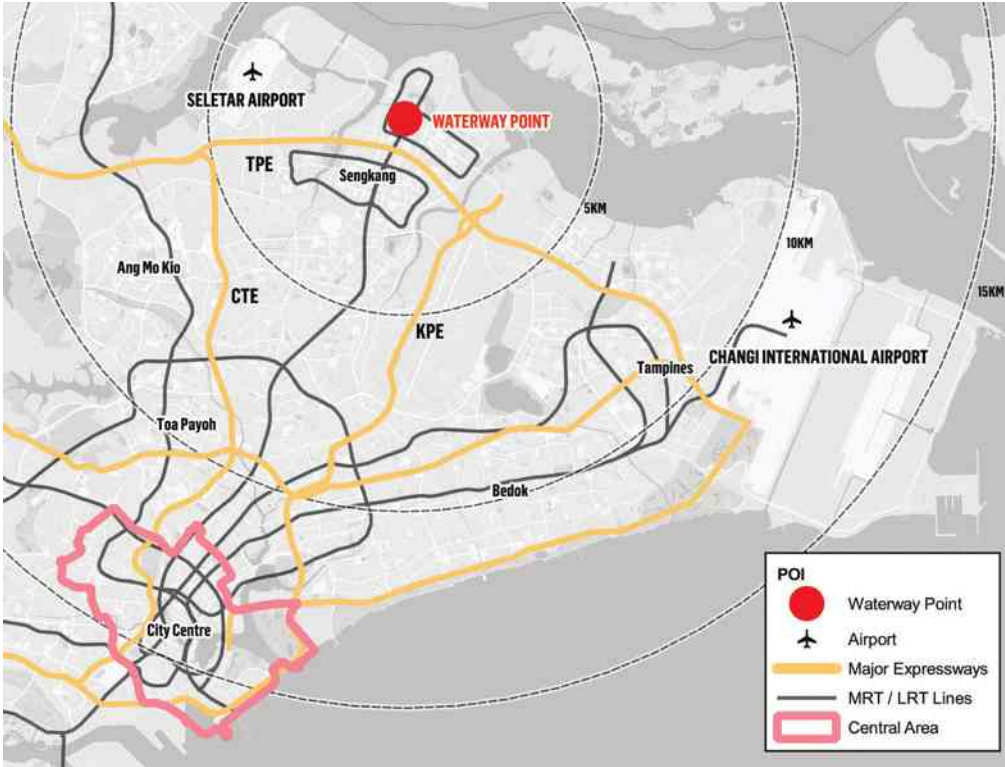
5.1 Competitive Strengths of Waterway Point

5.1.1 Strategic location and good connectivity in Punggol Central

Waterway Point is strategically located in Punggol Central and directly next to Punggol MRT (which serves the North East Line and the Punggol LRT lines) and a temporary bus interchange. Punggol MRT and the temporary bus interchange serve as key gateways for footfall within Punggol as well as connecting Punggol to other parts of Singapore. The infrastructure supports a very strong primary residential catchment, as well as generating visitation from beyond Punggol.

Waterway Point also benefits from its close proximity to the Tampines Expressway (TPE), which connects the shopping mall by road to the eastern parts of Singapore as well as the Seletar Expressway (SLE), which extends towards the northern parts of Singapore. The TPE also connects Punggol to the Central Expressway (CTE) and the Kallang-Paya Lebar Expressway (KPE), which provides accessibility to other residential estates of Singapore.

Figure 5.1.1: Catchment Area of Waterway Point

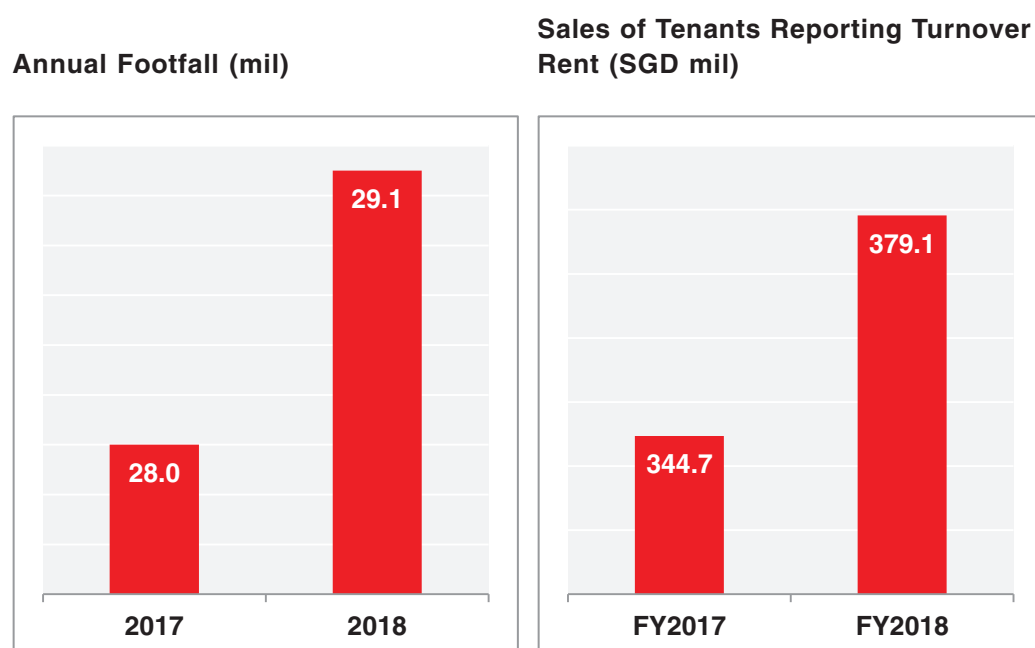


Source: The Independent Market Research Report by Cistri

5.1.2 **Suburban mall with proven and stabilised performance**

Waterway Point is a 371,200 sq ft four-storey shopping mall which was officially opened in April 2016. The mall is part of a mixed-development which also includes a 992-unit private condominium Watertown that sits on top of the mall which obtained temporary occupation permit in the second quarter of 2017.

Waterway Point achieved total footfall of 29.1 million in 2018, which is a very strong performance for a Singapore suburban mall. The reported FY2018 total tenants' sales for the mall grew by 10.0% year-on-year to SGD 379.1 million, which reflects strong tenants' sales growth compared with other suburban malls in Singapore. Waterway Point achieved a committed occupancy rate of 98.1% as at 31 March 2019¹ and has maintained a diversified tenant-mix for the past three years of operations since it opened.



Source: The Independent Market Research Report by Cistri

5.1.3 **Favourable catchment area supported by strong population growth**

Punggol has an estimated HDB resident population of 134,100 and 49,229 flats in the town². The HDB expects the population and number of HDB flats to continue to grow over the next few years as more flats are completed and new residents and young families move in.

Punggol also offers a range of leisure and local tourist destinations including Coney Island, Marina Country Club and SAFRA Punggol, which draws visitors from other parts of Singapore. In addition, Waterway Point is located in close proximity to the Punggol Digital District (“PDD”) that was jointly launched by the government of Singapore and JTC Corporation in 2018. PDD will ultimately include the (i) new centralised campus of Singapore institute of Technology (SIT), one of six autonomous universities in Singapore with a capacity of 12,000 students;

1 Source: Valuation reports of Waterway Point by Jones Lang LaSalle Property Consultants Pte Ltd and CBRE Pte. Ltd., both dated 1 April 2019

2 Source: Housing & Development Board, (2017). About Us, Punggol. Retrieved May 13, 2019, from <https://www.hdb.gov.sg/cs/infoweb/about-us/history/hdb-towns-your-home/punggol>

(ii) land sites that are zoned mixed commercial and business parks which are envisaged to collectively support 28,000 jobs; and (iii) a future MRT station (Punggol Coast MRT station). PDD is expected to attract working adults and students from other parts of Singapore, providing Waterway Point with additional source of shopper traffic. In addition, current population of 175,000 within Waterway Point's primary trade area is expected to grow by a 3.8% compound annual growth rate between 2018 and 2023¹.

Figure 5.1.3: Surroundings of Waterway Point



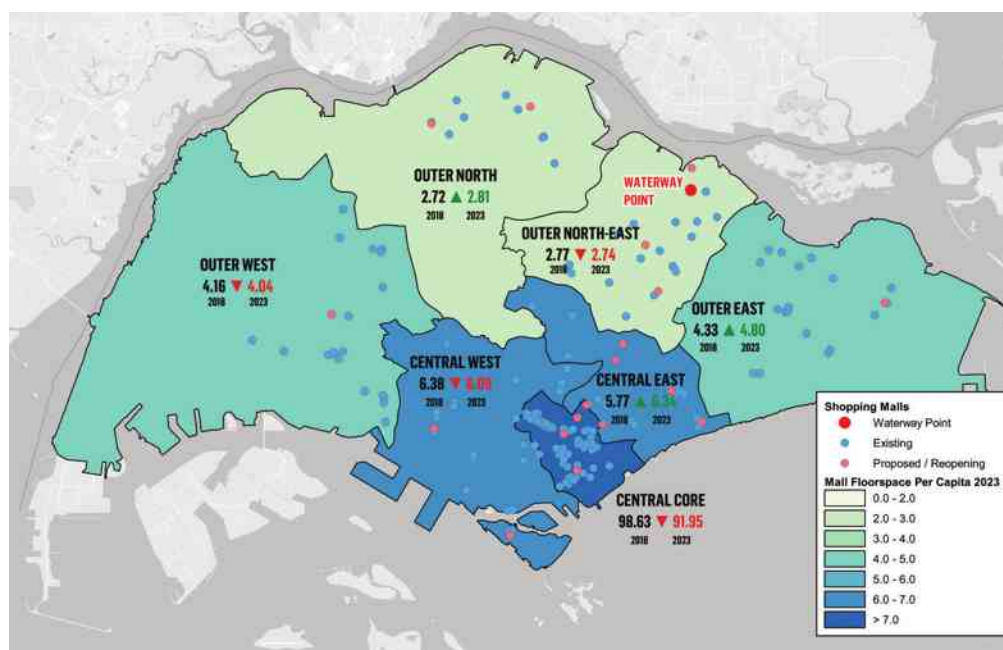
Source: The Independent Market Research Report by Cistri

5.1.4 ***The trade area has one of the lowest retail mall floor space per capita in Singapore***

According to retail market study published by the Independent Market Research Consultant (the “**Independent Market Research Report**”), (see Figure 5.1.4), the Outer North-East (which Waterway Point is located) and the Outer North regions have the lowest retail mall floor space per capita at 2.77 and 2.76, respectively. Based on the projections by the Independent Market Research Consultant of the population and future retail space supply in the trade area, the Independent Market Research Consultant expects the retail mall floor space per capita supply of the Outer North-East to decrease to 2.74 sq ft per capita in 2023, and it would remain one of the lowest retail mall floor space per capita in Singapore. This implies the population growth in the Outer North-East area would outpace the growth in retail floor space over the next few years, and it would support Waterway Point's future growth.

1 Source: The Independent Market Research Report by Cistri

Figure 5.1.4 Retail mall floor space per capita by region



Source: The Independent Market Research Report by Cistri

According to the Independent Market Research Consultant, the overall retail spending growth rate in the trade area of Waterway Point is set to remain healthy over the next five years, with an estimated total trade area spending increasing by 4.1% per annum from S\$4.19 billion in 2018 to S\$5.13 billion in 2023. In particular, the primary sector is expected to see a growth of 5.4% per annum for the next five years.

Waterway Point sits at the top of the retail hierarchy within its trade area which has no other competing retail malls of similar scale and offering. Given the limited future retail space supply foreseeable in the trade area, the Independent Market Research Consultant expects Waterway Point to remain the dominant retail mall in the trade area until at least 2023. The most relevant competing retail mall for Waterway Point is Compass One, located in its secondary trade sector. Compass One has a net lettable area of approximately 270,000 sq.ft.

5.2 Greater Income Diversification and Enlarges Tenant Base of FCT's Property Portfolio

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

The Proposed Acquisition will also allow FCT to diversify its portfolio of properties geographically and to gain exposure to the market in and around the Outer North-East region of Singapore. Additionally, the Proposed Acquisition will enlarge FCT's share in the overall Singapore retail property market and offer a wider choice of business locations to its tenants. Following the Proposed Acquisition, it is expected that FCT's tenant base will be enlarged and further diversified with the addition of more than 200 tenants, including key tenants such as Best Denki, Daiso, H&M, Shaw Theatres and Uniqlo.

5.3 Managed by Experienced and Reputable Property Manager

The property manager of Waterway Point, Frasers Property Retail Management Services Pte. Ltd. (the “**Property Manager**”), is a wholly owned subsidiary of Frasers Property. The Property Manager has extensive retail mall management experience and it manages 12 retail malls across Singapore. For the information of Unitholders, the estimated value of the fees payable under the existing property management agreement appointing the Property Manager for FY2018 is approximately S\$5.4 million¹. Following the Proposed Acquisition, FCT’s pro rata share of the payments under the existing property management agreement appointing the Property Manager for FY2018 is estimated to be approximately S\$1.8 million¹. FCT will comply with the relevant requirements under the Listing Manual as and when the aggregate value of the interested person transactions undertaken by FCT exceeds 3% and 5% as required under Rule 905(2) and Rule 906(1)(b) of the Listing Manual, including any subsequent renewal of the existing property management agreement with the Property Manager.

Additionally, Frasers Property has recently launched a new multi-feature mobile app named “Frasers Experience” (“**FRx**”) to provide an enhanced customer experience for shoppers at Frasers malls. FRx aims to provide a seamless customer journey for its users and include features such as a rewards programme, an enhanced digital gift card experience and a digital F&B concierge.

5.4 DPU Accretive Transaction

Based on historical pro forma financial information, FCT’s Unitholders are expected to enjoy a higher distribution per Unit (“**DPU**”) as a result of the Proposed Acquisition being made at a price which is reflective of the cash flows which the Property is expected to generate, using the gross proceeds raised from the Equity Fund Raising.

Based on the pro forma financial effects of the Proposed Acquisition on the DPU for FY2018, the Proposed Acquisition is expected to be DPU accretive, increasing the DPU from 12.015 cents to 12.091 cents, which is approximately 0.63%.

5.5 Acquisition Consistent with the Manager’s Investment Strategy

The Proposed 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 long-term capital growth.

6. CERTAIN FINANCIAL INFORMATION RELATING TO THE PROPOSED ACQUISITION

Pro Forma Financial Effects of the Proposed Acquisition based on the FCT Audited Financial Statements

FOR ILLUSTRATIVE PURPOSES ONLY

The pro forma financial effects of the Proposed Acquisition for FY2018 on the DPU and NAV per Unit presented below are strictly for illustrative purposes only and were prepared based on:

- (a) the FCT Audited Financial Statements for FY2018;

¹ Based on the audited financial statements of SST for FY2018

- (b) the management accounts and estimated financial results in respect of the Proposed Acquisition; and
- (c) the management accounts and estimated financial results in respect of the PREARFL Acquisition (as defined in the Glossary),

taking into account the Total Acquisition Outlay, and certain assumptions, including:

- (i) the issue of approximately 184.0 million New Units at an average issue price of approximately S\$2.377 per New Unit under the Equity Fund Raising, raising proceeds of approximately S\$437.4 million to fund the Cash Outlay and partially pare down bridging loans taken up by FCT in connection with the PREARFL Acquisition; and
- (ii) the payment of the Acquisition Fee of approximately S\$4.3 million in Units, being approximately 1.8 million Units at an issue price of S\$2.382 per Unit (being the higher of the issue price under the Private Placement as compared to the issue price under the Preferential Offering), to the Manager in respect of the Proposed Acquisition.

6.1 Pro Forma DPU

The following table sets forth the pro forma financial effects of the Proposed Acquisition on the DPU for FY2018, as if the Proposed Acquisition had been completed on 1 October 2017.

In addition, for illustrative purposes, the pro forma financial effects of the PREARFL Acquisition have also been included for reference.

	Pro Forma Effects		
	Before the Proposed Acquisition and PREARFL Acquisition ⁽¹⁾	After the Proposed Acquisition ⁽²⁾	After the Proposed Acquisition and PREARFL Acquisition ⁽³⁾
Total return for the year (S\$'000)	166,820	199,781	215,834
Distributable Income (S\$'000)	111,316	124,728	135,214
Weighted average number of Issued and Issuable Units ('000)	925,881	1,030,984	1,113,454
DPU (Singapore cents)	12.015	12.091	12.136
DPU Accretion (%)	–	0.63	1.01

Notes:

- (1) Based on the FCT Audited Financial Statements for FY2018.
- (2) Taking into account the issue of approximately 103.2 million New Units at an average issue price of approximately S\$2.377 per New Unit under the Equity Fund Raising and the issue of approximately 1.8 million Units as payment of the Acquisition Fee for the Proposed Acquisition.
- (3) Taking into account the issue of approximately 184.0 million New Units at an average issue price of approximately S\$2.377 per New Unit under the Equity Fund Raising to raise gross proceeds of approximately S\$437.4 million and the issue of approximately 3.4 million Units as payment of the Acquisition Fee for both the Proposed Acquisition and the PREARFL Acquisition.

6.2 Pro Forma NAV

The following table sets forth the pro forma financial effects of the Proposed Acquisition on the NAV per Unit as at 30 September 2018, as if the Proposed Acquisition had been completed on 30 September 2018.

In addition, for illustrative purposes, the pro forma financial effects of the PREARFL Acquisition have also been included for reference.

	Pro Forma Effects		
	Before the Proposed Acquisition and PREARFL Acquisition ⁽¹⁾	After the Proposed Acquisition ⁽²⁾	After the Proposed Acquisition and PREARFL Acquisition ⁽³⁾
NAV (S\$'000)	1,933,756	2,179,593	2,372,736
No. of Issued and Issuable Units ('000)	927,654	1,033,019	1,115,589
NAV per Unit (S\$)	2.08	2.11	2.13

Notes:

- (1) Based on the FCT Audited Financial Statements for FY2018.
- (2) Taking into account the issue of approximately 103.2 million New Units at an average issue price of approximately S\$2.377 per New Unit under the Equity Fund Raising and the issue of approximately 1.8 million Units as payment of the Acquisition Fee for the Proposed Acquisition.
- (3) Taking into account the issue of approximately 184.0 million New Units at an average issue price of approximately S\$2.377 per New Unit under the Equity Fund Raising to raise gross proceeds of approximately S\$437.4 million and the issue of approximately 3.4 million Units as payment of the Acquisition Fee for both the Proposed Acquisition and the PREARFL Acquisition.

6.3 Pro Forma Capitalisation

The following table sets forth the pro forma capitalisation of FCT as at 30 September 2018, as if FCT had completed the Proposed Acquisition on 30 September 2018.

In addition, for illustrative purposes, the pro forma financial effects of the PREARFL Acquisition have also been included for reference.

	Pro Forma Effects as at 30 September 2018		
	Before the Proposed Acquisition and PREARFL Acquisition ⁽¹⁾	As adjusted for the Proposed Acquisition ⁽³⁾	After the Proposed Acquisition and PREARFL Acquisition ⁽⁴⁾
Total Debt (S\$ million):	812.6	1,003.6⁽⁵⁾	1,194.8⁽⁵⁾
Total Unitholders' Funds (S\$ million)	1,933.8	2,179.6	2,372.7
Total Capitalisation (S\$ million)	2,746.4	3,183.2	3,567.5
Gearing Ratio⁽²⁾ (%)	28.6	30.7⁽⁵⁾	32.7⁽⁵⁾

Notes:

- (1) Based on the FCT Audited Financial Statements for FY2018.
- (2) Calculated based on gross debt divided by total assets attributable to Unitholders.
- (3) Taking into account the issue of approximately 103.2 million New Units at an average issue price of approximately S\$2.377 per New Unit under the Equity Fund Raising and the issue of approximately 1.8 million Units as payment of the Acquisition Fee for the Proposed Acquisition.
- (4) Taking into account the issue of approximately 184.0 million New Units at an average issue price of approximately S\$2.377 per New Unit under the Equity Fund Raising to raise gross proceeds of approximately S\$437.4 million and the issue of approximately 3.4 million Units as payment of the Acquisition Fee for both the Proposed Acquisition and the PREARFL Acquisition.
- (5) Including a bank loan owed by SST to certain financial institutions, of which the pro rata share attributable to the Target Units amounts to S\$191.0 million.

7. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

7.1 The Manager has appointed Deloitte & Touche Corporate Finance Pte Ltd (the “**IFA**”) to advise the independent directors and the audit committee of the Manager (the “**Independent Directors**” and the “**Audit Committee**” respectively) and the Trustee in relation to the Proposed Acquisition. A copy of the letter from the IFA to the Independent Directors, the Audit Committee and the Trustee (the “**IFA Letter**”), containing its advice in full in relation to the Proposed Acquisition, is set out in **Appendix B** of this Circular. Unitholders are advised to read the IFA Letter in its entirety carefully.

7.2 The Proposed Acquisition

Having considered the factors and made the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the Proposed 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 and the Audit Committee recommend that Unitholders vote in favour of the resolution to approve the Proposed Acquisition.

8. RECOMMENDATION

8.1 The Proposed Acquisition

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix B** of this Circular) and having regard to the rationale for and key benefits of the Proposed Acquisition as set out in paragraph 5 above, the Independent Directors and the Audit Committee of the Manager are of the opinion that the Proposed Acquisition is based on normal commercial terms and is not prejudicial to the interests of FCT and its minority Unitholders.

Accordingly, the Independent Directors and the Audit Committee recommend that Unitholders vote at the EGM in favour of the resolution to approve the Proposed Acquisition.

9. EXTRAORDINARY GENERAL MEETING

The EGM will be held on 28 June 2019 at 10.00 a.m. 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 Ordinary Resolution in the Notice of Extraordinary General Meeting, which is set out on pages F-1 to F-2 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolution to approve the Proposed Acquisition.

Approval by way of an Ordinary Resolution is required in respect of the resolution to approve the Proposed Acquisition.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote unless he is shown to have Units entered against his name in the Depository Register, as certified by CDP as at 72 hours before the EGM.

10. ABSTENTIONS FROM VOTING

10.1 Relationship between the Frasers Property Group and the Manager

As at the Latest Practicable Date, the Manager is a wholly-owned subsidiary of Frasers Property. The Frasers Property Group holds an aggregate direct and indirect interest in 391,659,517 Units, comprising approximately 36.10% of the 1,084,800,317 Units in issue as at the Latest Practicable Date.

10.2 Abstentions from Voting

The Resolution: The Proposed Acquisition

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

Given that the Proposed Acquisition will be entered into with the Vendor, which is an indirect wholly-owned subsidiary of Frasers Property, the Frasers Property Group and each of FPRTH and the Manager (as subsidiaries of Frasers Property and part of the Frasers Property Group) (i) will abstain, and will procure their associates to abstain from voting at the EGM on the resolution to approve the Proposed Acquisition and (ii) will not, and will procure that their associates will not, accept appointments as proxies in relation to the resolution to approve the Proposed Acquisition unless specific instructions as to voting are given.

11. 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 company secretary of the Manager at the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore 048623, not later than 25 June 2019 at 10.00 a.m., being 72 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 if he so wishes.

Persons who have an interest in the approval of the resolution 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 the resolution to approve the Proposed Acquisition.

12. 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 Proposed Acquisition, FCT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

13. SOLE FINANCIAL ADVISER TO THE EQUITY FUND RAISING'S RESPONSIBILITY STATEMENT

To the best of the knowledge and belief of the Sole Financial Adviser to the Equity Fund Raising, the information about the Equity Fund Raising contained in paragraph 4.3 above constitutes full and true disclosure of all material facts about the Equity Fund Raising, and the Sole Financial Adviser to the Equity Fund Raising is not aware of any facts the omission of which would make any statement about the Equity Fund Raising contained in the said paragraph misleading.

14. CONSENTS

Each of the IFA, the Independent Valuers and the Independent Market Research Consultant have given and have not withdrawn their written consent to the issue of this Circular with the inclusion of their names and, respectively, the IFA Letter, the Valuation Certificates, the Independent Market Research Reports and all references thereto, in the form and context in which they are included in this Circular.

15. DOCUMENTS AVAILABLE FOR INSPECTION

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 Target Units SPA;
- (ii) the SST Trustee-Manager SPA;
- (iii) the IFA Letter;

¹ Prior appointment with the Manager (telephone number: +65 6277 2657) will be appreciated.

- (iv) the valuation certificates and the full valuation reports on the Property issued by the Independent Valuers;
- (v) the Independent Market Research Report; and
- (vi) the FCT Audited Financial Statements for FY2018.

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

Frasers Centrepoint Asset Management Ltd.
(as manager of Frasers Centrepoint Trust)

Dr Cheong Choong Kong
Chairman and Non-Executive Independent Director

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, the Trustee or any of their 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 or any of its affiliates 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. The major assumptions are certain expected levels of property rental income and property expenses over the relevant period, which are considered by the Manager to be appropriate and reasonable as at the date of this Circular.

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

This Circular is not for distribution, directly or indirectly, in or into the United States, Canada or Japan.

This Circular is for information purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale or purchase of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. There will be no public offer of securities in the United States.

GLOSSARY

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

Acquisition Fee	:	The Acquisition Fee payable to the Manager in respect of the Proposed Acquisition in accordance with the Trust Deed, being 1.0% of the Agreed Property Value of the Property (in proportion to the effective interest which FCT will hold in the Property, being 33 $\frac{1}{3}$ %)
Acquisition Fee Units	:	The Units issued to the Manager as payment of the Acquisition Fee in accordance with the Trust Deed and the Property Funds Appendix
Agreed Property Value	:	S\$1,300 million
Audit Committee	:	The audit committee of the Manager, comprising Dr Cheong Choong Kong, Mr Philip Eng Heng Nee, Mr Ho Chai Seng, and Mr Ho Chee Hwee Simon
Bank Loan	:	The bank loan owed by SST to certain financial institutions of which the pro rata share attributable to the Target Units amounts to S\$191.0 million
Cash Outlay	:	The Total Acquisition Outlay less the sum of the Bank Loan and the Acquisition Fee
CBRE	:	CBRE Pte. Ltd.
Circular	:	This circular
DPU	:	distribution per Unit
EGM	:	The extraordinary general meeting of Unitholders called in respect of the resolution to approve the Proposed Acquisition as an Ordinary Resolution
Enlarged Portfolio	:	Collectively, the Property and the Existing Portfolio
Equity Fund Raising	:	The equity fund raising comprising the Private Placement and the Preferential Offering
Existing Interested Person Transactions	:	All existing transactions with Frasers Property Group and its associates (as interested persons) during the course of the current financial year of FCT from 1 October 2018 up to the Latest Practicable Date that are subject to disclosure under Chapter 9 of the Listing Manual as set out under Appendix E of this Circular
Existing Portfolio	:	The current portfolio of FCT comprising Causeway Point, Northpoint City North Wing (including Yishun 10 Retail Podium), Changi City Point, Bedok Point, YewTee Point and Anchorpoint

FCAM	:	Frasers Centrepoint Asset Management Ltd.
FCT	:	Frasers Centrepoint Trust
FCT Audited Financial Statements	:	The audited financial statements of FCT for the FY2018
FPRTH	:	Frasers Property Retail Trust Holdings Pte. Ltd.
Frasers Property or Sponsor	:	Frasers Property Limited
Frasers Property Group	:	Frasers Property and its subsidiaries
FRx	:	The multi-feature mobile app launched by Frasers Property named “Frasers Experience”
FY2018	:	The financial period from 1 October 2017 to 30 September 2018
GC	:	Golden Capital (Singapore) Limited
GFA	:	Gross Floor Area
GRI	:	Gross Rental Income
IBHL	:	International Beverage Holdings Limited
IBIL	:	InterBev Investment Limited
IFA	:	Deloitte & Touche Corporate Finance Pte Ltd
IFA Letter	:	The letter from the IFA to the Independent Directors and the Trustee in relation to the Proposed Acquisition as set out under Appendix B of this Circular
Independent Directors	:	The independent directors of the Manager, comprising Dr Cheong Choong Kong, Mr Ho Chai Seng and Mr Ho Chee Hwee Simon
Independent Market Research Consultant or Cistri	:	Cistri Pte. Ltd.
Independent Market Research Report	:	The retail market report produced by the Independent Market Research Consultant as set out under Appendix D of this Circular
Independent Valuers	:	JLL and CBRE
JLL	:	Jones Lang LaSalle Property Consultants Pte Ltd

Latest Practicable Date	:	10 June 2019
Listing Manual	:	The Listing Manual of the SGX-ST
MAS	:	The Monetary Authority of Singapore
Manager	:	Frasers Centrepoint Asset Management Ltd. in its capacity as the manager of FCT
MM	:	MM Group Limited
MMC	:	Maxtop Management Corp
Net Asset Value	:	Net asset value
New Units	:	The Units issued and to be issued under the Equity Fund Raising
NLA	:	Net lettable area
NPI	:	Net property income
NTA	:	Net tangible assets
Ordinary Resolution	:	A resolution proposed and passed as such by a majority 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
PDD	:	Punggol Digital District
PREARFL Acquisition	:	FCT's acquisition of a stake in PGIM Real Estate AsiaRetail Fund Limited as announced by FCT on 28 February 2019 and 21 March 2019
Preferential Offering	:	A pro rata non-renounceable preferential offering of up to approximately 28.8 million Units to existing Unitholders at an issue price of S\$2.350 to raise gross proceeds of approximately S\$67.7 million as disclosed in the announcements by FCT on 29 May 2019 and 30 May 2019
Private Placement	:	A private placement of approximately 155.2 million Units to institutional and other investors at an issue price of S\$2.382 per Unit raising gross proceeds of approximately S\$369.6 million as disclosed in the announcements by FCT on 17 May 2019 and 28 May 2019
Property or Waterway Point	:	The retail units of the mall known as "Waterway Point" located at 83 Punggol Central, Singapore 828671
Property Funds Appendix	:	Appendix 6 to the Code on Collective Investment Schemes issued by the MAS

Property Manager	:	Frasers Property Retail Management Services Pte. Ltd.
Proposed Acquisition	:	Collectively, the Proposed Property Acquisition and the Proposed SST Trustee-Manager Acquisition
Proposed Property Acquisition	:	The proposed acquisition of the Target Units and the Vendor's Unitholders' Loan under the Target Units SPA
Proposed SST Trustee-Manager Acquisition	:	The proposed acquisition of the SST Trustee-Manager Shares under the SST Trustee-Manager SPA
Related Party Transactions	:	Collectively, "interested person transactions" under Chapter 9 of the Listing Manual, as well as "interested party transactions" under the Property Funds Appendix
REIT	:	Real estate investment trust
RM	:	Risen Mark Enterprise Ltd.
SCL	:	Siriwana Company Limited
Securities Act	:	The U.S. Securities Act of 1933, as amended
SGX-ST	:	Singapore Exchange Securities Trading Limited
Sole Financial Adviser to the Equity Fund Raising	:	DBS Bank Ltd.
sq ft	:	Square feet
SST	:	Sapphire Star Trust
SST Trustee-Manager	:	FC Retail Trustee Pte. Ltd.
SST Trustee-Manager Shares	:	The 33 $\frac{1}{3}$ % of the total issued share capital of SST held by the Vendor to be sold to the Trustee under the SST Trustee-Manager SPA
SST Trustee-Manager Share Purchase Consideration	:	The purchase consideration payable for the SST Trustee-Manager Shares under the SST Trustee-Manager SPA
SST Trustee-Manager SPA	:	The conditional share sale and purchase agreement dated 16 May 2019 between the Vendor and the Trustee in respect of the acquisition of the SST Trustee-Manager Shares by the Trustee
Target Units	:	The 33 $\frac{1}{3}$ % of the total issued units of SST held by the Vendor to be sold to the Trustee under the Target Units SPA
Target Units Purchase Consideration	:	The purchase consideration payable for the Target Units under the Target Units SPA

Target Units SPA	:	The conditional unit sale and purchase agreement dated 16 May 2019 between the Vendor and the Trustee in respect of the acquisition of the Target Units and the Vendor's Unitholders' Loan by the Trustee
TCCA	:	TCC Assets Limited
ThaiBev	:	Thai Beverage Public Company Limited
Total Acquisition Outlay	:	The sum of the Target Units Purchase Consideration, the SST Trustee-Manager Share Purchase Consideration, the Acquisition Fee and the estimated cost of the Equity Fund Raising, professional fees and other fees and expenses to be incurred by FCT in connection with the Proposed Acquisition and the pro rata share of the Bank Loan attributable to the Target Units
Total Purchase Consideration	:	Collectively, the Target Units Purchase Consideration and the SST Trustee-Manager Share Purchase Consideration
Trust Deed	:	The deed of trust constituting FCT date 5 June 2006, as amended, restated and supplemented from time to time
Trustee	:	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as the trustee of FCT
Unit	:	A unit in FCT
Unit Registrar	:	Boardroom Corporate & Advisory Services Pte Ltd
Unitholders	:	The holders of Units
Vendor	:	FCL Emerald (2) Pte. Ltd.
Vendor's Unitholders' Loan	:	The unitholders' loan extended by the Vendor to SST (in conjunction with the other unitholders of SST)

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

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

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

Any reference to a date or time of a day in this Circular shall be a reference to Singapore date and 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 one decimal place.

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WATERWAY POINT, THE EXISTING PORTFOLIO AND THE ENLARGED PORTFOLIO

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

Waterway Point is a 4-storey suburban family and lifestyle shopping mall located at 83 Punggol Central, Singapore 828761, the heart of Singapore's first waterfront eco-town, Punggol. The mall enjoys direct connection to public transportation system including the Punggol MRT & LRT station and a temporary bus interchange. It is also served by major expressways including Tampines Expressway (TPE) and Seletar Expressway (SLE) which provide vehicular accessibility to other parts of Singapore.

Waterway Point's primary shopper catchment includes the growing residential population in Punggol as well as secondary catchment in the neighbouring precincts. The mall has an NLA of 371,200 sq ft and is awarded the BCA Universal Design (UD) Gold^{Plus} and the BCA Green Mark Gold^{Plus} certifications.

The mall offers its shoppers with diverse range of shopping, dining and entertainment experiences and caters to their necessity and convenience shopping as well as their leisure needs. Notable retailers and restaurant operators at the mall include Uniqlo, Daiso Japan, Din Tai Fung, H&M and a 24 hour NTUC FairPrice Finest supermarket. It also offers a wide range of food and dining outlets including some with alfresco options. The mall also has a cineplex operated by Shaw Theatres that features 10 screens, including an IMAX theatre.

The table below sets out a summary of selected information on Waterway Point as at 31 March 2019:

Property	Waterway Point
Location	83 Punggol Central, Singapore 828761 (Strata Lot: U96899V, U96900T & U96901A, Mukim 21)
Title	99-year leasehold title commencing 18 May 2011
Strata Area (sq ft)	873,563 (including void area of 320,789 sq ft)
GFA (sq ft)	542,493
NLA (sq ft)	371,200 ⁽¹⁾
Number of Storeys	Four (Includes two basement levels)

Number of Car Park Lots	623
Committed Occupancy as at 31 March 2019	98.1% ⁽²⁾
Weighted Average Lease Expiry as at 31 March 2019 (years)	By GRI: 1.80 By NLA: 1.89
Agreed Property Value per sq ft of NLA	S\$3,502
NPI (FY2018)	S\$61,100,000 ⁽³⁾
NPI Yield-Based on Agreed Property Value	4.7%

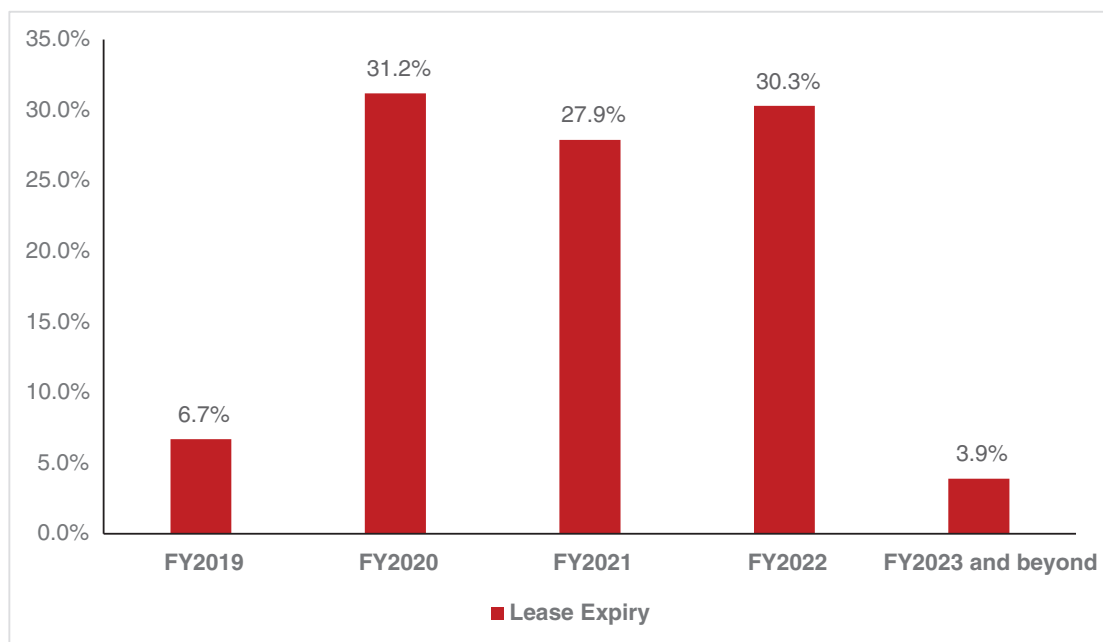
Notes:

- (1) This excludes the area of approximately 17,954 sq ft currently used as Community Sports Facilities Scheme (CSFS) space
- (2) Source: Valuation reports of Waterway Point by Jones Lang LaSalle Property Consultants Pte Ltd and CBRE Pte. Ltd., both dated 1 April 2019
- (3) NPI (adjusted for reduced maintenance fund contributions to the retail sub-management committee) without Financial Reporting Standards Adjustments

The Property obtained its Temporary Occupation Permit in December 2015 and commenced operations in January 2016.

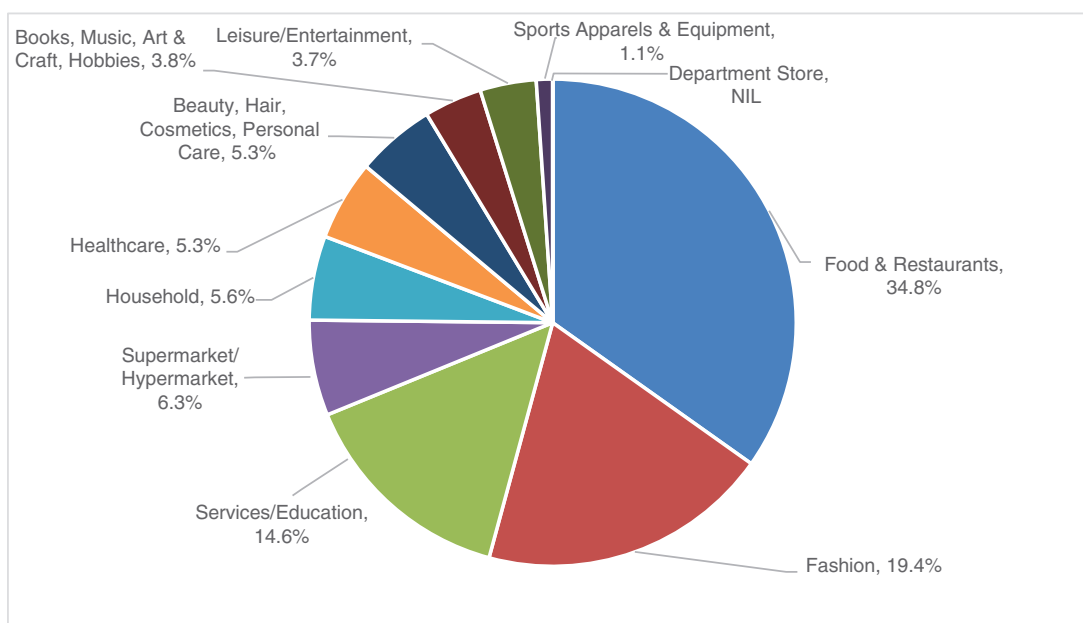
1.1 Lease Expiry Profile for Waterway Point (as at 31 March 2019)

The graph below illustrates the lease expiry profile by GRI of Waterway Point as at 31 March 2019.



1.2 Trade Sector Analysis for Waterway Point (as at 31 March 2019)

The chart below provides a breakdown by GRI of the different trade sectors represented in Waterway Point.



1.3 Top 10 Tenants Analysis for Waterway Point (as at 31 March 2019)

The table below sets out the top 10 tenants of Waterway Point by GRI.

Top 10 Tenants	Percentage Contribution to GRI (%)
NTUC ⁽¹⁾	28.9
Koufu Pte Ltd	
Shaw Theatres Pte Ltd	
H&M Hennes & Mauritz Pte Ltd	
Cotton On Singapore Pte Ltd ⁽²⁾	
Bachmann Japanese Restaurant Pte Ltd ⁽³⁾	
Best Denki (Singapore) Pte Ltd	
Citibank Singapore Limited	
United Overseas Bank Limited	
Maybank Singapore Limited	
Other Tenants	71.1
Total	100.0

Notes:

- (1) Operates FairPrice Finest and NTUC Healthcare (Unity)
- (2) Includes leases for Cotton On, Cotton On Kids and TYPO
- (3) Includes leases for Don Akimitsu, Menya Musashi Kinko and Osaka Ohsho

1.4 Insurance

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

2. EXISTING PORTFOLIO

The table below sets out selected information about the Existing Portfolio as at 31 March 2019.

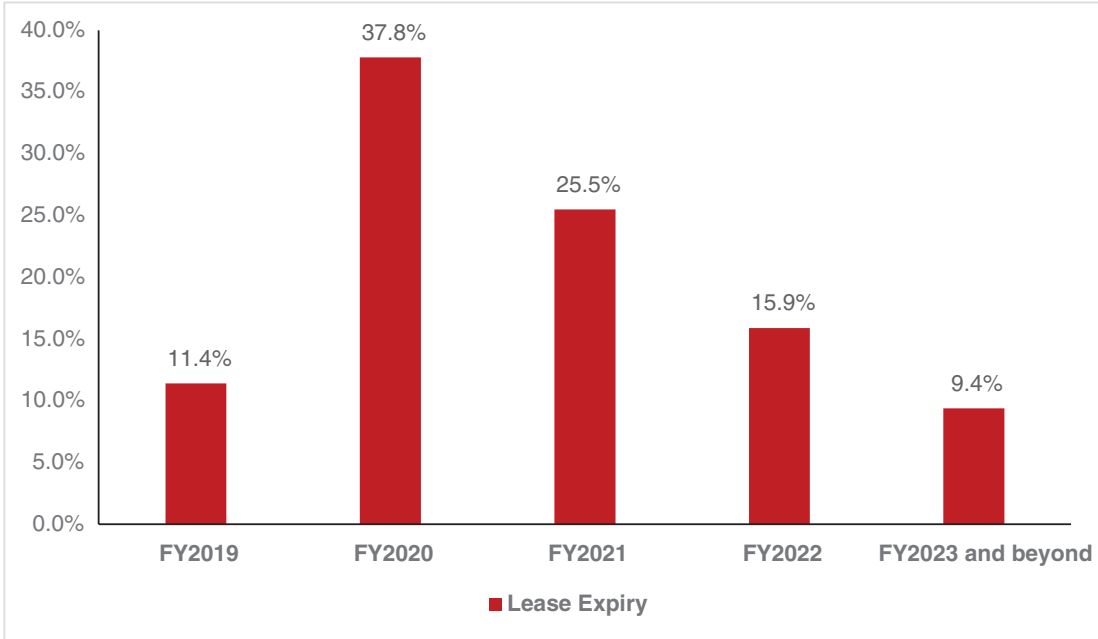
	Causeway Point	Northpoint City North Wing ⁽¹⁾	Yishun 10 Retail Podium	Changi City Point	Bedok Point	YewTee Point	Anchorpoint
GFA ⁽²⁾ (sq ft)	629,159	364,596	10,398	306,378	133,597	117,594	110,373
NLA ⁽²⁾ (sq ft)	416,301	219,286		205,210	82,713	73,669	70,988
Number of Leases	216	188		130	38	65	55
Car Park Lots	839	235		627 ⁽³⁾	76	83 ⁽⁴⁾	128 ⁽⁵⁾
Title	99 years leasehold commencing 30 October 1995	99 years leasehold commencing 1 April 1990		60 years leasehold commencing 30 April 2009	99 years leasehold commencing 15 March 1978	99 years leasehold commencing 3 January 2006	Freehold
Valuation as at 30 Sep 2018	S\$1,218 million	S\$771 million	S\$38 million	S\$332 million	S\$94 million	S\$186 million	S\$110 million
As percentage of aggregate appraised value of Existing Portfolio	44.3%	29.4%		12.1%	3.4%	6.8%	4.0%
Gross Revenue (Oct 2018 – Mar 2019)	S\$43.6 million	S\$27.0 million		S\$13.8 million	S\$3.1 million	S\$7.2 million	S\$4.3 million
Net Property Income (Oct 2018 – Mar 2019)	S\$33.9 million	S\$20.1 million		S\$9.5 million	S\$1.2 million	S\$5.1 million	S\$2.0 million
Occupancy as at 31 March 2019	97.4%	96.5%		96.7%	88.7%	94.1%	95.0%

Notes:

- (1) Northpoint City North Wing was formerly known as Northpoint Shopping Centre
- (2) GFA and NLA as stated in valuation reports dated 30 September 2018 for the respective assets
- (3) The car park lots are shared between Changi City Point, Capri By Fraser and ONE@Changi City
- (4) Part of limited common property for the exclusive benefit of YewTee Point
- (5) Located at Anchorpoint but are part of a common property of strata sub-divided mixed-use development, which comprises Anchorpoint. The car park is operated by Frasers Property Management Services Pte Ltd from 1 December 2017, for a period of 2 years.

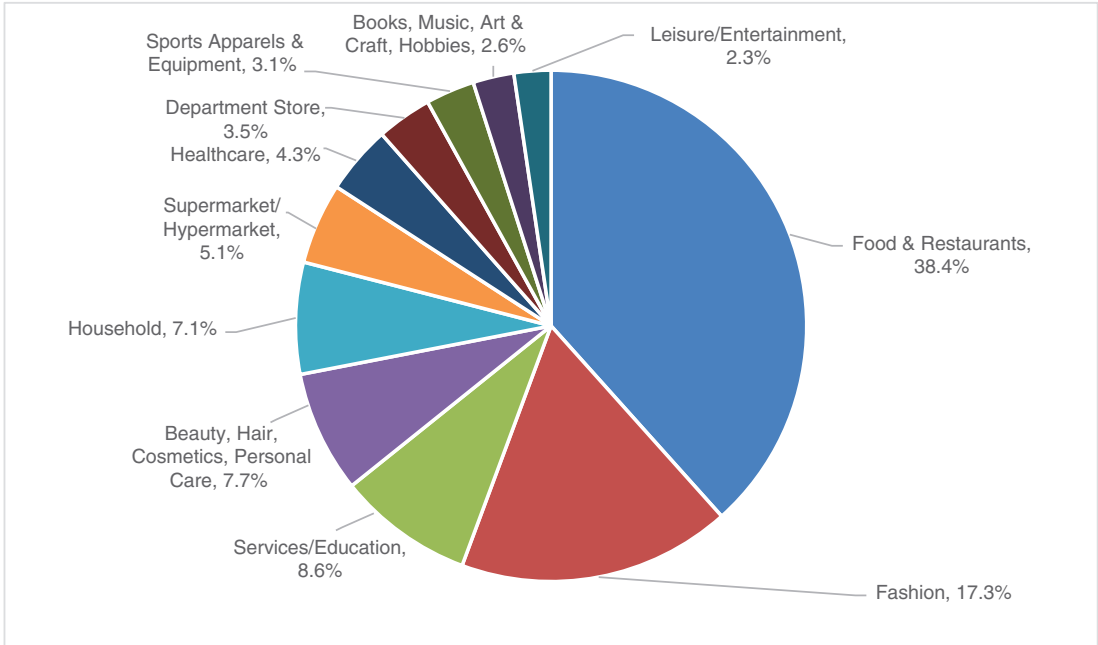
2.1 Lease Expiry Profile for the Existing Portfolio (as at 31 March 2019)

The graph below illustrates the lease expiry profile by GRI of the Existing Portfolio as at 31 March 2019.



2.2 Trade Sector Analysis for the Existing Portfolio (as at 31 March 2019)

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



2.3 Top 10 Tenants Analysis for the Existing Portfolio (as at 31 March 2019)

The table below sets out the top 10 tenants of the Existing Portfolio by GRI.

Top 10 Tenants	Percentage Contribution to GRI (%)
Cold Storage Singapore (1983) Pte Ltd ⁽¹⁾	23.7
Copitiam Pte Ltd ⁽²⁾	
Metro (Private) Limited ⁽³⁾	
Courts (Singapore) Limited	
NTUC ⁽⁴⁾	
Food Republic Pte Ltd	
Hanbaobao Pte Ltd ⁽⁵⁾	
Uniqlo (Singapore) Pte Ltd	
Cotton On Singapore Pte Ltd ⁽⁶⁾	
Cathay Cineplexes Pte Ltd	
Other Tenants	76.3
Total	100.0

Notes:

- (1) Includes leases for Cold Storage supermarkets, Guardian Pharmacy & 7-Eleven
- (2) Operator of Kopitiam food courts, includes Kopitiam, Bagus
- (3) Includes leases for Metro Department Store & Clinique Service Centre
- (4) Includes NTUC FairPrice, NTUC Healthcare (Unity) and NTUC Club
- (5) Operates McDonald's outlets
- (6) Includes leases for Cotton On, TYPO, Rubi Shoes, Cotton On Body, Cotton On Kids

3. ENLARGED PORTFOLIO

The table below sets out selected information about the Enlarged Portfolio as at 31 March 2019.

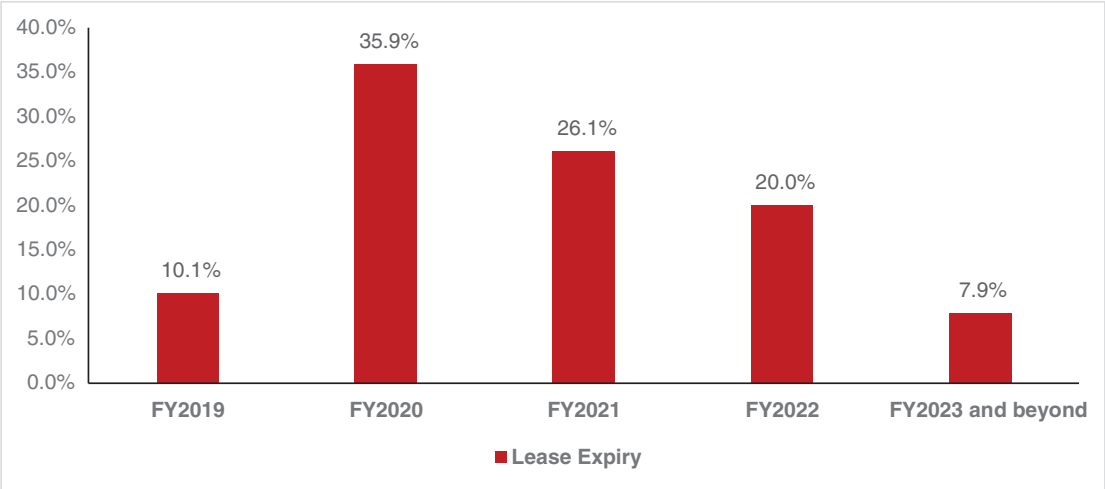
	Existing Portfolio	Waterway Point	Enlarged Portfolio
GFA (sq ft)	1,672,095	542,493	2,214,588
NLA (sq ft)	1,078,565	371,200	1,449,765
Number of Leases	692	200	892
Number of Car Park Lots	1,988 ⁽¹⁾⁽²⁾	623	2,611 ⁽¹⁾⁽²⁾
Valuations (S\$ million)	2,749.0 ⁽³⁾	433.3 ⁽⁴⁾	3,182.3
Weighted Average Lease Expiry as at 31 March 2019 (years)	By GRI: 1.73 By NLA: 1.93	By GRI: 1.80 By NLA: 1.89	By GRI: 1.75 By NLA: 1.92

Notes:

- (1) Includes the 128 car park lots located at Anchorpoint but comprise part of the common property of a strata sub-divided mixed-use development, which in turn comprises Anchorpoint and The Anchorage (a condominium), and the 83 car park lots which are part of limited common property for the exclusive benefit of YewTee Point.
- (2) Car Park Lots are shared between Changi City Point, Capri By Fraser and ONE@Changi City.
- (3) Valuations as at 30 September 2018.
- (4) Based on 33⅓% of the Agreed Property Value of \$1,300 million.

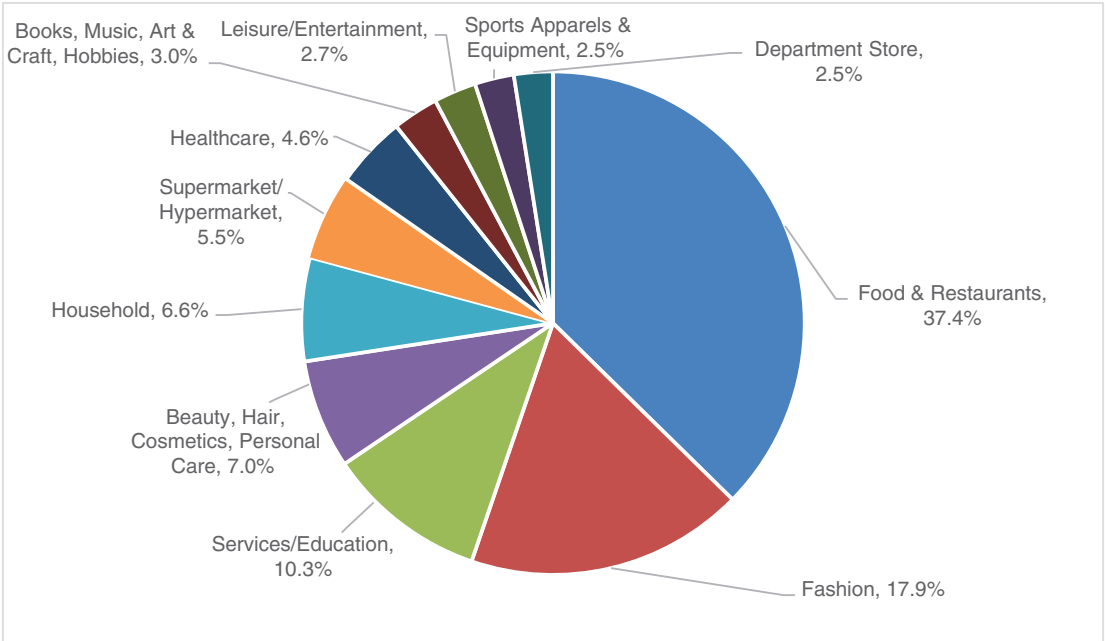
3.1 Lease Expiry Profile for the Enlarged Portfolio (as at 31 March 2019)

The graph below illustrates the lease expiry profile by GRI of the Enlarged Portfolio as at 31 March 2019.



3.2 Trade Sector Analysis for the Enlarged Portfolio (as at 31 March 2019)

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



3.3 Top 10 Tenants Analysis for the Enlarged Portfolio (as at 31 March 2019)

The table below sets out the top 10 tenants of the Enlarged Portfolio by GRI.

Top 10 Tenants	Percentage Contribution to GRI (%)
Cold Storage Singapore (1983) Pte Ltd ⁽¹⁾	21.6
NTUC ⁽²⁾	
Copitiam Pte Ltd ⁽³⁾	
Metro (Private) Limited ⁽⁴⁾	
Courts (Singapore) Limited	
Koufu Pte Ltd	
Cotton On Singapore Pte Ltd ⁽⁵⁾	
Hanbaobao Pte Ltd ⁽⁶⁾	
Uniqlo (Singapore) Pte Ltd	
Food Republic Pte Ltd	
Other Tenants	78.4
Total	100.0

Notes:

- (1) Includes leases for Cold Storage supermarkets, Guardian Pharmacy & 7-Eleven
- (2) Includes NTUC FairPrice, NTUC Healthcare (Unity), Fairprice Finest and NTUC Club
- (3) Operator of Kopitiam food courts, includes Kopitiam, Bagus
- (4) Includes leases for Metro Department Store & Clinique Service Centre
- (5) Includes leases for Cotton On, TYPO, Rubi Shoes, Cotton On Body, Cotton On Kids
- (6) Operates McDonald's outlets

INDEPENDENT FINANCIAL ADVISER'S LETTER

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD
(Incorporated in the Republic of Singapore)
Company Registration Number: 200200144N

13 June 2019

HSBC Institutional Trust Services (Singapore) Limited
 (as Trustee of Frasers Centrepoint Trust)
 21 Collyer Quay #13-02
 HSBC Building
 Singapore 049320

and;

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

Dear Sirs,

THE PROPOSED ACQUISITION OF A 33 $\frac{1}{3}$ % INTEREST IN WATERWAY POINT FROM AN INTERESTED PERSON OF FRASERS CENTREPOINT TRUST ("FCT")

*Unless otherwise defined in this IFA Letter or the context otherwise requires, all terms defined in the Circular dated 13 June 2019 to unitholders of Frasers Centrepoint Trust ("**Circular**") shall have the same meaning herein.*

1. INTRODUCTION

FCT is a Singapore real estate investment trust ("**REIT**") sponsored by Frasers Property Limited ("**Frasers Property**" or the "**Sponsor**") with six quality suburban malls in Singapore. The current portfolio comprises Causeway Point, Northpoint City North Wing (including Yishun 10 Retail Podium), Changi City Point, Bedok Point, YewTee Point and Anchorpoint (the "**Existing Portfolio**"). The Existing Portfolio has an aggregate appraised value of approximately S\$2.75 billion as at 30 September 2018. The malls in the Existing Portfolio enjoy good connectivity to public transport such as MRT and public buses, wide catchment areas that provide healthy footfall to the malls as well as high occupancy rates. The resilient and stable income from the portfolio underpins stable and regular distributions that FCT provides to its unitholders ("**Unitholders**").

FCT also holds an 18.8% share in PGIM Real Estate AsiaRetail Fund Limited. As at 10 June 2019, being the latest practicable date prior to the printing of the Circular (the "**Latest Practicable Date**"), PGIM Real Estate AsiaRetail Fund Limited is the largest non-listed retail mall fund in Singapore, owning and managing five retail malls (being Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square and Tampines 1) and an office property (Central Plaza) in Singapore and four retail malls in Malaysia. FCT also holds a 31.15% stake in Hektar Real Estate Investment Trust, a retail-focused REIT in Malaysia listed on the Main Market of Bursa Malaysia Securities Berhad.

FCT is focused on delivering regular and stable distributions to Unitholders by pursuing organic, enhancement and acquisition growth strategies. With proactive lease management initiatives, FCT

is well-placed to achieve sustainable rental growth. To unlock the full potential of its assets, FCT continues to enhance existing assets to optimise their performance. The potential acquisitions of new assets will also help FCT gain greater scale and drive further income growth for Unitholders. Listed on the Main Board of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") since 5 July 2006, FCT is managed by Frasers Centrepoint Asset Management Ltd., a real estate management company and a subsidiary of the Sponsor.

Frasers Property (and together with its subsidiaries, the "**Frasers Property Group**") is a multi-national company that owns, develops and manages a diverse, integrated portfolio of properties. Listed on the Main Board of the SGX-ST and headquartered in Singapore, the Frasers Property Group has total assets of approximately S\$33.2 billion as at 31 March 2019.

Frasers Property's assets range from residential, retail, commercial and business parks, to logistics and industrial in Southeast Asia, Australia, Europe and China. Its well-established hospitality business owns and/or operates serviced apartments and hotels in over 80 cities across Asia, Australia, Europe, the Middle East and Africa. The Frasers Property Group is unified by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging on its knowledge and capabilities from across markets and property sectors, to deliver value in its multiple asset classes.

1.1 Background

1.1.1 Overview of the Proposed Acquisition

FCL Emerald (2) Pte. Ltd. (the "**Vendor**") is an indirect wholly-owned subsidiary of the Sponsor. The Vendor holds 33⅓% of the total issued units of a private trust known as "Sapphire Star Trust" ("**SST**") and 33⅓% of the issued share capital of the trustee-manager of SST, FC Retail Trustee Pte. Ltd. (the "**SST Trustee-Manager**") as part of a three-way joint venture to develop and hold the retail units in the property known as "Waterway Point" located at 83 Punggol Central, Singapore 828761 (the "**Property**" or "**Waterway Point**") under SST (with the SST Trustee-Manager as a special purpose company incorporated to act as the trustee-manager of SST). In addition, the Vendor also holds a 33⅓% interest in a unitholders' loan previously extended by the unitholders of SST (being the parties to the three-way joint venture) of approximately S\$284.5 million, with the Vendor's share of the unitholders' loan amounting to approximately S\$94.8 million (the "**Vendor's Unitholders' Loan**"). For the avoidance of doubt, the Property is the sole real estate asset held by SST and SST is the only trust managed by the SST Trustee-Manager.

On 16 May 2019, the Trustee entered into a conditional unit sale and purchase agreement with the Vendor (the "**Target Units SPA**") to acquire 33⅓% of the total issued units of SST as held by the Vendor (the "**Target Units**") and the Vendor's Unitholders' Loan from the Vendor (the "**Proposed Property Acquisition**").

In connection with the Proposed Property Acquisition, the Trustee also entered into a conditional share sale and purchase agreement with the Vendor (the "**SST Trustee-Manager SPA**") to acquire 33⅓% of the issued share capital of the SST Trustee-Manager as held by the Vendor (the "**SST Trustee-Manager Shares**"), from the Vendor (the "**Proposed SST Trustee-Manager Acquisition**"), and the Proposed SST Trustee-Manager Acquisition and the Proposed Property Acquisition, the "**Proposed Acquisition**").

The Proposed Acquisition will give FCT an effective 33⅓% interest in the Property.

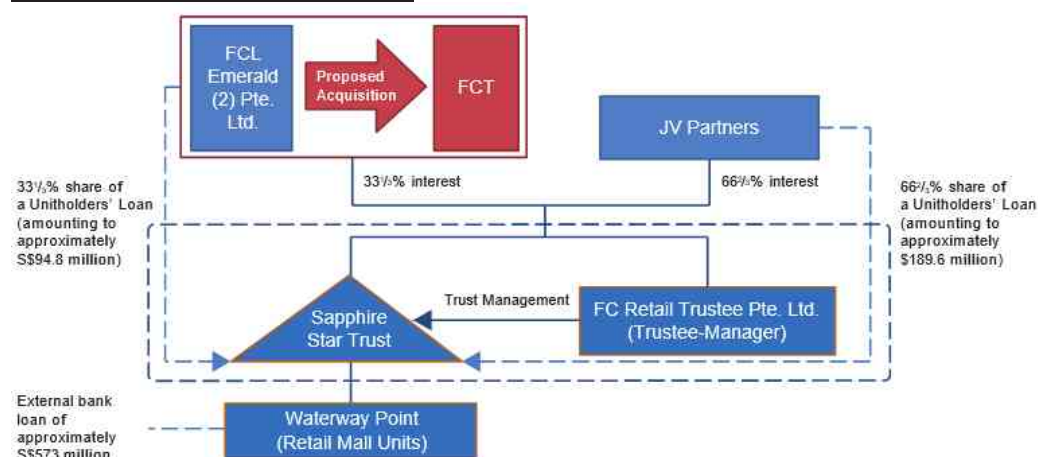
The agreed property value for the Property, which takes into account the independent valuation conducted on 1 April 2019 by the Independent Valuers (as defined herein), is

S\$1,300 million¹ (the “**Agreed Property Value**”). The Agreed Property Value is equal to the average of the independent valuations conducted on 1 April 2019 by the Independent Valuers.

The unit purchase consideration (the “**Target Units Purchase Consideration**”) payable under the Target Units SPA is approximately S\$240.8 million subject to further adjustments based on the actual consolidated net assets and liabilities of SST at completion of the Proposed Property Acquisition. The Target Units Purchase Consideration is based on the estimated value of the Target Units, being approximately S\$146.0 million² (as derived from the estimated net assets and liabilities of SST of approximately S\$437.8 million based on the Agreed Property Value), and the value of the Vendor’s Unitholders’ Loan of approximately S\$94.8 million as at the date of completion under the Target Units SPA which was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuations described therein.

The purchase price for the Proposed SST Trustee-Manager Acquisition is approximately S\$8,700 (the “**SST Trustee-Manager Share Purchase Consideration**” and together with the Target Units Purchase Consideration, the “**Total Purchase Consideration**”), excluding stamp duty and GST. The SST Trustee-Manager Share Purchase Consideration was determined based on the adjusted net asset value of the SST Trustee-Manager of approximately S\$26,000. The SST Trustee-Manager Share Purchase Consideration is subject to further adjustments based on the actual consolidated net assets and liabilities of SST Trustee-Manager as at the date of completion under the SST Trustee-Manager SPA.

Illustration of the Proposed Acquisition



We understand that the Manager is convening an extraordinary general meeting (“**EGM**”) of FCT to seek approval from Unitholders in respect of the following ordinary resolution³:

- (1) **The Resolution:** To approve the Proposed Acquisition of a 33 1/3% interest in Waterway Point from an Interested Person of FCT (as a Related Party Transaction)

In accordance with Rule 919 of the Listing Manual of the SGX-ST (the “**Listing Manual**”) the Frasers Property Group and each of Frasers Property Retail Trust Holdings Pte. Ltd. (“**FPRTH**”)

¹ Based on 100.0% interest in the Property and on the basis of the completion of the committed asset enhancement works (where applicable).

² This takes into account a bank loan owed by SST to certain financial institutions, of which the pro rata share attributable to the Target Units amounts to S\$191.0 million. For the avoidance of doubt, this bank loan will not be discharged by SST under the Proposed Property Acquisition.

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.

and the Manager (as subsidiaries of Frasers Property and part of the Frasers Property Group) (i) will abstain, and will procure that their associates abstain, from voting at the EGM on the resolution (to approve the Proposed Acquisition) and (ii) will not, and will procure that their associates do not, accept appointments as proxies in relation to the resolution (to approve the Proposed Acquisition), unless specific instructions as to voting are given.

We, Deloitte & Touche Corporate Finance Pte Ltd ("**DTCF**"), have been appointed as independent financial adviser ("**IFA**") to the Independent Directors and the Audit Committee of the Manager and the Trustee in respect of whether the Proposed Acquisition is on normal commercial terms and not prejudicial to the interests of FCT and its minority Unitholders.

This Letter, which sets out our evaluation for the Independent Directors and the Audit Committee of the Manager and the Trustee in respect of this engagement, is an integral part of the Circular.

1.2 Requirement for Unitholder Approval

1.2.1 Related 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 NTA, Unitholders' approval is required in respect of the transaction.

Paragraph 5.2(b) of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an "interested party transaction" by the Trustee whose value is equal to or exceeds 5.0% of FCT's latest audited NAV.

Based on the latest audited financial statements of FCT ("**FCT Audited Financial Statements**") for the financial year from 1 October 2017 to 30 September 2018 ("**FY2018**") as disclosed in the annual report of FCT issued on 21 December 2018, the latest audited NTA and NAV of FCT as at 30 September 2018 was S\$1,933.8 million. Accordingly, if the value of a transaction which is proposed to be entered into by the Trustee during the current financial year ending 30 September 2019 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 ending 30 September 2019, equal to or greater than S\$96.7 million, such a transaction would be subject to approval from Unitholders under Rule 906(1) the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

As at the Latest Practicable Date, save for the Target Units SPA and the SST Trustee-Manager SPA, the value of all "interested person transactions" entered into between FCT and the Frasers Property Group and its associates during the course of the current financial year ending 30 September 2019 up to the Latest Practicable Date that are subject to disclosure under Chapter 9 of the Listing Manual⁴ is approximately S\$19.9 million (the "**Existing Interested Person Transactions**") (which is approximately 1.0% of the latest audited NTA and NAV of FCT as at 30 September 2018).

Details of the Existing Interested Person Transactions may be found in **Appendix E** of the Circular.

1.2.2 The Target Units SPA and the SST Trustee-Manager SPA

As at the Latest Practicable Date, the Frasers Property Group holds an aggregate direct and indirect interest in 391,659,517 Units, which is equivalent to approximately 36.10% of the Units in issue as at the Latest Practicable Date, and is therefore regarded as a

⁴ Rules 905(1), 905(2) and 906 of the Listing Manual do not apply to any transaction below S\$100,000.

“controlling unitholder” of FCT for the purposes of both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of Frasers Property, Frasers Property is therefore regarded as a “controlling shareholder” of the Manager under both the Listing Manual and the Property Funds Appendix.

As the Vendor is an indirect wholly-owned subsidiary of Frasers Property, for the purposes of Chapter 9 of the Listing Manual and paragraph 5 of the Property Funds Appendix, the Vendor (being a subsidiary of a “controlling unitholder” of FCT and subsidiary of a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of FCT and (for the purposes of the Property Funds Appendix) an “interested party” of FCT.

Therefore, the entry by FCT into each of the Target Units SPA and the SST Trustee-Manager SPA 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.

Under the Target Units SPA and the SST Trustee-Manager SPA, the Total Purchase Consideration payable to the Vendor is approximately S\$240.8 million⁵ (being 12.5% of FCT’s latest audited NTA and NAV as at 30 September 2018). The value of the Proposed Acquisition exceeds 5.0% of the latest audited NTA and the latest audited NAV of FCT, being the respective thresholds under Rule 906(1)(a) of Listing Manual and the paragraph 5.2(b) Property Funds Appendix in respect of Related Party Transactions, and would therefore be subject to Unitholders’ approval in accordance with Rule 906(1)(a) of the Listing Manual.

Frasers Property and its associates are prohibited from voting on the resolution to approve the Proposed Acquisition.

2. TERMS OF REFERENCE

Our responsibility is to provide our opinion as to whether the proposed acquisition of a 33⅓% interest in Waterway Point is on normal commercial terms and is not prejudicial to the interests of FCT and its minority Unitholders.

We were neither a party to the negotiations entered into in relation to the Proposed Acquisition nor were we involved in the deliberations leading up to the decision on the part of the Manager to undertake the Proposed Acquisition.

We do not, by this Letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the Proposed Acquisition. All such evaluations, advice, judgements or comments remain the sole responsibility of the management of the Manager (the “**Management**”) and their advisers. We have however, drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of FCT. We do not express any view as to the price at which the Units may trade upon completion of the Proposed Acquisition nor on the future value, financial performance or condition of FCT after the Proposed Acquisition.

⁵ Based on the estimated value of the Target Units, being approximately S\$146.0 million (as derived from the estimated net assets and liabilities of SST of approximately S\$437.8 million based on the Agreed Property Value and taking into account a bank loan owed by SST to certain financial institutions, of which the pro rata share attributable to the Target Units amounts to S\$191.0 million), the value of the Vendor’s Unitholders’ Loan of approximately S\$94.8 million and the estimated value of the SST Trustee-Manager Shares, being approximately S\$8,700 based on the adjusted net asset value of the SST Trustee-Manager of approximately S\$26,000.

It is also not within our terms of reference to compare the merits of the Proposed Acquisition to any alternative arrangements that were or may have been available to FCT. Such comparison and consideration remain the responsibility of the Directors and their advisers.

In the course of our evaluation, we have held discussions with the Management, and have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided to us by the management. We have relied upon and assumed the accuracy of the relevant information, both written and verbal, provided to us by the aforesaid parties and have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness and adequacy of such information. We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

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

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

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

Our opinion in relation to Proposed Acquisition as set out under paragraph 5 of this Letter should be considered in the context of the entirety of our advice. This letter is prepared for the purpose of compliance with Listing Rule 921(4)(a) as well as for the benefit and use by the Trustee, Independent Directors and the Audit Committee of the Manager and will be incorporated as an Appendix to the Circular. While a copy of this letter may be reproduced in the Circular, you may not reproduce, disseminate or quote this letter or any part thereof for any purpose, other than for the purpose stated herein, without our prior written consent in each instance.

3. DETAILS OF THE PROPOSED ACQUISITION

Details of Proposed Acquisition are set out in Paragraphs 2 to 6 of the Circular. We recommend that the Independent Directors advise the Unitholders to read this section of the Circular carefully.

We have reproduced excerpts of this section in respect of the Proposed Acquisition as below:

3.1 The Proposed Acquisition

On 16 May 2019, the Trustee entered into the Target Units SPA with the Vendor, an indirect wholly-owned subsidiary of the Sponsor, to acquire a 33⅓% interest in SST and the Vendor's Unitholders' Loan from the Vendor.

In connection with the Proposed Property Acquisition, the Trustee also entered into the SST Trustee-Manager SPA with the Vendor to acquire a 33⅓% interest in the SST Trustee-Manager from the Vendor.

3.1.1 Description of the Property

Waterway Point is a 4-storey suburban family and lifestyle shopping mall located at 83 Punggol Central, Singapore 828761, the heart of Singapore's first waterfront eco-town, Punggol. The mall enjoys direct connection to the public transportation system including the Punggol MRT & LRT stations and a temporary bus interchange. It is also served by major expressways including Tampines Expressway (TPE) and Seletar Expressway (SLE) which provide vehicular accessibility to other parts of Singapore.

Waterway Point's primary shopper catchment includes the growing residential population in Punggol as well as secondary catchment in the neighbouring precincts. The mall has an NLA of 371,200 sq ft and is awarded the BCA Universal Design (UD) Gold^{Plus} and the BCA Green Mark Gold^{Plus} certifications.

The mall offers its shoppers a diverse range of shopping, dining and entertainment experiences and caters to their necessity and convenience shopping as well as their leisure needs. Notable retailers and restaurant operators at the mall include Uniqlo, Daiso Japan, Din Tai Fung, H&M and a 24-hour NTUC FairPrice Finest supermarket. It also offers a wide range of food and dining outlets including some with alfresco options. The mall also has a cineplex operated by Shaw Theatres that features 10 screens, including an IMAX theatre.

The following table sets out a summary of selected information on the Property as at 31 March 2019:

Property	Waterway Point
Location	83 Punggol Central, Singapore 828761 (Strata Lot: U96899V, U96900T & U96901A, Mukim 21)
Title	99-year leasehold title commencing 18 May 2011
Strata Area (sq ft)	873,563 (including void area of 320,789 sq ft)
GFA (sq ft)	542,493
NLA (sq ft)	371,200 ⁽¹⁾
Number of Storeys	Four (Includes two basement levels)
Number of Car Parks Lots	623
Committed Occupancy as at 31 March 2019	98.1% ⁽²⁾
Weighted Average Lease Expiry as at 31 March 2019 (years)	By Gross Rental Income ("GRI"): 1.80 By NLA: 1.89
Agreed Property Value per sq ft of NLA	S\$3,502
NPI (FY2018)	S\$61,100,000 ⁽³⁾
NPI Yield Based on Agreed Property Value	4.7%

Notes:

- (1) This excludes the area of approximately 17,954 sq ft currently used as Community Sports Facilities Scheme (CSFS) space.
- (2) Source: Valuation reports of Waterway Point by Jones Lang LaSalle Property Consultants Pte Ltd and CBRE Pte. Ltd., both dated 1 April 2019.
- (3) NPI (adjusted for reduced maintenance fund contributions to the retail sub-management committee) without Financial Reporting Standards Adjustments.

(See Appendix A of the Circular for further details regarding the Property, the Existing Portfolio and the "**Enlarged Portfolio**" comprising the Property and the Existing Portfolio)

3.1.2 Valuation and Total Purchase Consideration

The Trustee has commissioned an independent valuer, JLL, and the Manager has commissioned an independent valuer, CBRE, to respectively value the Property. JLL, in its report dated 1 April 2019, stated that the open market value of the Property as at 1 April 2019 was S\$1,305 million. CBRE, in its report dated 1 April 2019, stated that the open market value of the Property as at 1 April 2019 was S\$1,295 million. In arriving at the open market value of the Property, both JLL and CBRE relied on capitalisation approach and discounted cash flow analysis.

The Agreed Property Value of S\$1,300 million is equal to the average of the independent valuations conducted on 1 April 2019 by the Independent Valuers.

In relation to the Proposed SST Trustee-Manager Acquisition, the SST Trustee-Manager Share Purchase Consideration for the SST Trustee-Manager Shares is approximately S\$8,700, excluding stamp duty and GST.

The SST Trustee-Manager Share Purchase Consideration was determined based on the adjusted net asset value of the SST Trustee-Manager of approximately S\$26,000.

The Total Purchase Consideration is approximately S\$240.8 million.

(See **Appendix C** of the Circular for further details regarding the valuations of the Property.)

3.1.3 Estimated Total Acquisition Outlay

The estimated total acquisition outlay for the Proposed Acquisition (the "**Total Acquisition Outlay**") is approximately S\$440.6 million, comprising:

- (i) the Target Units Purchase Consideration of approximately S\$240.8 million (which comprises the purchase consideration for the Target Units and the Vendor's Unitholders' Loan);
- (ii) the SST Trustee-Manager Share Purchase Consideration of approximately S\$8,700;
- (iii) the acquisition fee payable to the Manager for the Proposed Acquisition pursuant to the trust deed dated 5 June 2006 (as amended, restated and supplemented) constituting FCT (the "**Trust Deed**"), which amounts to approximately S\$4.3 million (the "**Acquisition Fee**")⁷;

⁷ The Acquisition Fee in respect of the Property is 1.0% of the Agreed Property Value of the Property (in proportion to the effective interest which FCT will hold in the Property, being 33⅓%), and will only be paid on completion of the Proposed Acquisition.

- (iv) the estimated cost of the Equity Fund Raising (as defined below), professional fees and other fees and expenses incurred or to be incurred by FCT in connection with the Proposed Acquisition of approximately S\$4.5 million; and
- (v) the pro rata share of the Bank Loan attributable to the Target Units under the Proposed Property Acquisition, being S\$191.0 million (which will not be discharged by SST and will remain after completion of the Proposed Acquisition).

3.1.4 Payment of Acquisition Fee in Units

As the Proposed Acquisition will constitute an “interested party transaction” under paragraph 5 of the Property Funds Appendix, the Acquisition Fee⁸ payable to the Manager in respect of the Proposed Acquisition will be in the form of Acquisition Fee Units, which shall not be sold within one year from the date of issuance.

(See details on the proposed method of financing the Proposed Acquisition in paragraph 4.3 of the Circular.)

3.1.5 Certain Principal Terms of the Target Units SPA

In connection with the Proposed Property Acquisition, the Trustee had on 16 May 2019, entered into the Target Units SPA with the Vendor, an indirect wholly-owned subsidiary of the Sponsor, to acquire a 33% interest in SST, which holds the Property, from the Vendor.

The principal terms of the Target Units SPA include, among others, the following:

- (i) the Target Units Purchase Consideration will be based on the net asset value of SST as at the completion date, subject to two rounds of adjustments, the first round of adjustments being within 30 calendar days after the date of completion under the Target Units SPA and a second round of adjustments being within one year after the date of completion under the Target Units SPA;
- (ii) the completion of the Target Units SPA will be inter-conditional on the fulfilment of the conditions precedent of the SST Trustee-Manager SPA;
- (iii) the completion of the Target Units SPA will be conditional on several conditions precedent, including:
 - (a) FCT obtaining the required approvals from Unitholders at the EGM, such approvals not having been cancelled, revoked or withdrawn; and
 - (b) FCT having obtained adequate financing to fund the Proposed Acquisition on terms and conditions acceptable to FCT at its sole discretion, whether through an issue of Units or through debt (the composition and manner of such financing being at the sole discretion of FCT) and all such approvals necessary for such financing not having been cancelled, revoked or withdrawn, and if applicable the conditions to all such approvals having been fulfilled.

3.1.6 Certain Principal Terms of the SST Trustee-Manager SPA

In connection with the Proposed SST Trustee-Manager Acquisition, the Trustee had on 16 May 2019, entered into the SST Trustee-Manager SPA with the Vendor to acquire a

⁸ Based on the Trust Deed, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the issue price of Units issued to finance or part finance the Proposed Acquisition in respect of which the Acquisition Fee is payable.

33⅓% interest in the SST Trustee-Manager from the Vendor. The SST Trustee-Manager is the trustee-manager of SST.

The principal terms of the SST Trustee-Manager SPA include, among others, the following:

- (i) the SST Trustee-Manager Share Purchase Consideration will be based on the net asset value of the Trustee-Manager (in its personal capacity and excluding assets and liabilities incurred in its capacity as a trustee-manager of a trust) as at the completion date, subject to two rounds of adjustments, the first round of adjustments being within 30 calendar days after the date of completion under the SST Trustee-Manager SPA and a second round of adjustments being within one year after the date of completion under the SST Trustee-Manager SPA;
- (ii) the completion of the SST Trustee-Manager SPA will be inter-conditional on the fulfilment of the conditions precedent of the Target Units SPA; and
- (iii) the completion of the SST Trustee-Manager SPA will be conditional on several conditions precedent, including:
 - (a) FCT obtaining the required approvals from Unitholders at the EGM, such approvals not having been cancelled, revoked or withdrawn; and
 - (b) FCT having obtained adequate financing to fund the Proposed Acquisition on terms and conditions acceptable to FCT at its sole discretion, whether through an issue of Units or through debt (the composition and manner of such financing being at the sole discretion of FCT) and all such approvals necessary for such financing not having been cancelled, revoked or withdrawn, and if applicable the conditions to all such approvals having been fulfilled.

4 EVALUATION OF THE PROPOSED ACQUISITION

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

- (a) Rationale for and key benefits of the Proposed Acquisition;
- (b) Assumptions and valuation approaches adopted by the Independent Valuers and the purchase consideration;
- (c) Comparison to Selected Retail Properties of listed peers;
- (d) Comparison to Selected Retail Properties Acquisition; and
- (e) Other relevant considerations which may have a significant bearing on our assessment of the Proposed Acquisition.

4.1 Rationale for and key benefits of the Proposed Acquisition

FCT's views of the rationale and benefits of the Proposed Acquisition are set out in Paragraph 5 of the Circular. We recommend that the Independent Directors advise the Unitholders to read this section of the Circular carefully.

We have reproduced below the section in respect of the Proposed Acquisition:

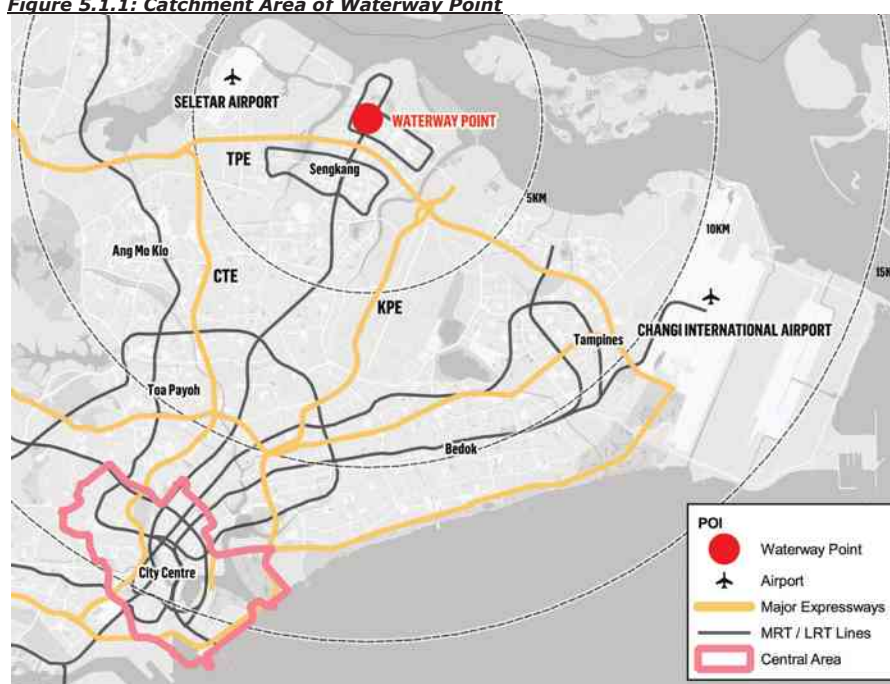
4.1.1 Competitive Strengths of Waterway Point

4.1.1.1 Strategic location and good connectivity in Punggol Central

Waterway Point is strategically located in Punggol Central and directly next to Punggol MRT (which serves the North East Line and the Punggol LRT lines) and a temporary bus interchange. Punggol MRT and the temporary bus interchange serve as key gateways for footfall within Punggol as well as connecting Punggol to other parts of Singapore. The infrastructure supports a very strong primary residential catchment, as well as generating visitation from beyond Punggol.

Waterway Point also benefits from its close proximity to the Tampines Expressway (TPE), which connects the shopping mall by road to the eastern parts of Singapore as well as the Seletar Expressway (SLE), which extends towards the northern parts of Singapore. The TPE also connects Punggol to the Central Expressway (CTE) and the Kallang-Paya Lebar Expressway (KPE), which provides accessibility to other residential estates of Singapore.

Figure 5.1.1: Catchment Area of Waterway Point



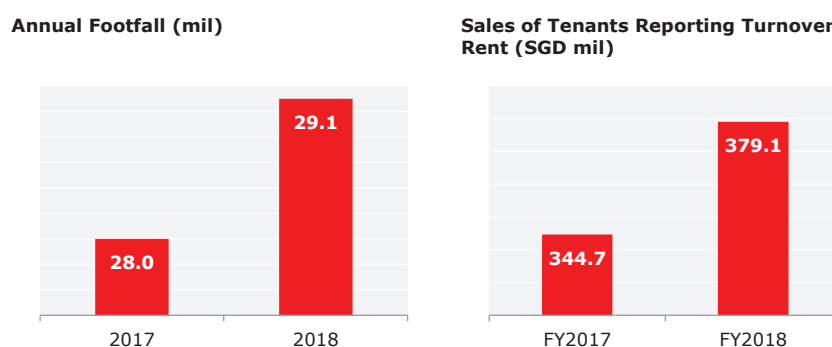
Source: The Independent Market Research Report by Cistri

4.1.1.2 Suburban mall with proven and stabilised performance

Waterway Point is a 371,200 sq ft four-storey shopping mall which was officially opened in April 2016. The mall is part of a mixed-development which also includes a 992-unit private condominium Watertown that sits on top of the mall which obtained temporary occupation permit in the second quarter of 2017.

Waterway Point achieved total footfall of 29.1 million in 2019, which is a very strong performance for a Singapore suburban mall. The reported FY2018 total tenants' sales for the mall grew by 10.0% year-on-year to SGD 379.1 million, which reflects strong tenants' sales growth compared with other suburban malls in Singapore. Waterway Point achieved a committed

occupancy rate of 98.1% as at 31 March 2019⁹ and has maintained a diversified tenant-mix for the past three years of operations since it opened.



Source: The Independent Market Research Report by Cistri

4.1.1.3 Favourable catchment area supported by strong population growth

Punggol has an estimated HDB resident population of 134,100 and 49,229 flats in the town¹⁰. The HDB expects the population and number of HDB flats to continue to grow over the next few years as more flats are completed and new residents and young families move in.

Punggol also offers a range of leisure and local tourist destinations including Coney Island, Marina Country Club and SAFRA Punggol, which draws visitors from other parts of Singapore. In addition, Waterway Point is located in close proximity to the Punggol Digital District (“PDD”) that was jointly launched by the government of Singapore and JTC Corporation in 2018. PDD will ultimately include the (i) new centralised campus of Singapore institute of Technology (SIT), one of six autonomous universities in Singapore with a capacity of 12,000 students; (ii) land sites that are zoned mixed commercial and business parks which are envisaged to collectively support 28,000 jobs; and (iii) a future MRT station (Punggol Coast MRT station). PDD is expected to attract working adults and students from other parts of Singapore, providing Waterway Point with additional source of shopper traffic. In addition, current population of 175,000 within Waterway Point’s primary trade area is expected to grow by a 3.8% compound annual growth rate between 2018 and 2023¹¹.

⁹ Source: Valuation reports of the Waterwat Point by Jones Lang LaSalle Property Consultants Pte Ltd and CBRE Pte Ltd., both dated 1 April 2019

¹⁰ Source: Housing & Development Board, (2017). About Us, Punggol. Retrieved May 13, 2019, from <https://www.hdb.gov.sg/cs/infoweb/about-us/history/hdb-towns-your-home/punggol>

¹¹ Source: The Independent Market Research Report by Cistri

Figure 5.1.3: Surroundings of Waterway Point

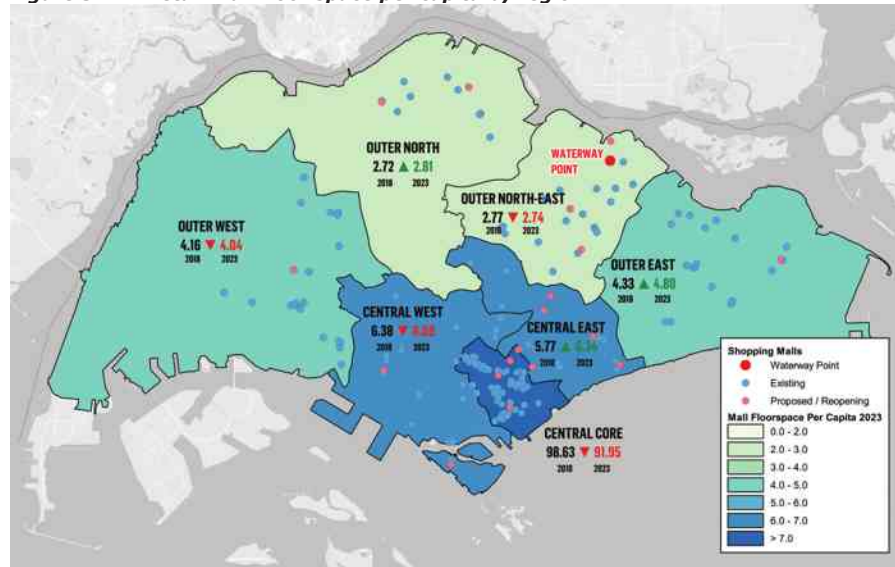


Source: The Independent Market Research Report by Cistri

4.1.1.4 The trade area has one of the lowest retail mall floor space per capita in Singapore

According to retail market study published by the Independent Market Research Consultant (the "**Independent Market Research Report**"), (see figure 5.1.4), the Outer North-East (which Waterway Point is located) and the Outer North regions have the lowest retail mall floor space per capita at 2.77 and 2.76, respectively. Based on the projections by the Independent Market Research Consultant of the population and future retail space supply in the trade area, the Independent Market Research Consultant expects the retail mall floor space per capita supply of the Outer North-East to decrease to 2.74 sq ft per capita in 2023, and it would remain one of the lowest retail mall floor space per capita in Singapore. This implies the population growth in the Outer North-East area would outpace the growth in retail floor space over the next few years, and it would support Waterway Point's future growth.

Figure 5.1.4: Retail mall floor space per capita by region



Source: The Independent Market Research Report by Cistri

According to the Independent Market Research Consultant, the overall retail spending growth rate in the trade area of Waterway Point is set to remain healthy over the next five years, with an estimated total trade area spending increasing by 4.1% per annum from S\$4.19 billion in 2018 to S\$5.13 billion in 2023. In particular, the primary sector is expected to see a growth of 5.4% per annum for the next five years.

Waterway Point sits at the top of the retail hierarchy within its trade area which has no other competing retail malls of similar scale and offering. Given the limited future retail space supply foreseeable in the trade area, the Independent Market Research Consultant expects Waterway Point to remain the dominant retail mall in the trade area until at least 2023. The most relevant competing retail mall for Waterway Point is Compass One, located in its secondary trade sector. Compass One has a net lettable area of approximately 270,000 sq. ft.

4.1.2 Greater Income Diversification and Enlarges Tenant Base of FCT's Property Portfolio

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

The Proposed Acquisition will also allow FCT to diversify its portfolio of properties geographically and to gain exposure to the market in and around the Outer North-East region of Singapore. Additionally, the Proposed Acquisition will enlarge FCT's share in the overall Singapore retail property market and offer a wider choice of business locations to its tenants. Following the Proposed Acquisition, it is expected that FCT's tenant base will be enlarged and further diversified with the addition of more than 200 tenants, including key tenants such as Best Denki, Daiso, H&M, Shaw Theatres and Uniqlo.

4.1.3 Managed by Experienced and Reputable Property Manager

The property manager of Waterway Point, Frasers Property Retail Management Services Pte. Ltd. (the "**Property Manager**"), is a wholly owned subsidiary of Frasers Property.

The Property Manager has extensive retail mall management experience and it manages 12 retail malls across Singapore. For the information of Unitholders, the estimated value of the fees payable under the existing property management agreement appointing the Property Manager for FY2018 is approximately S\$5.4 million¹². Following the Proposed Acquisition, FCT's pro rata share of the payments under the existing property management agreement appointing the Property Manager for FY2018 is estimated to be approximately S\$1.8 million¹³. FCT will comply with the relevant requirements under the Listing Manual as and when the aggregate value of the interested person transactions undertaken by FCT exceeds 3% and 5% as required under Rule 905(2) and Rule 906(1)(b) of the Listing Manual, including any subsequent renewal of the existing property management agreement with the Property Manager.

Additionally, Frasers Property has recently launched a new multi-feature mobile app named "Frasers Experience" ("**FRx**") to provide an enhanced customer experience for shoppers at Frasers malls. FRx aims to provide a seamless customer journey for its users and include features such as a rewards programme, an enhanced digital gift card experience and a digital F&B concierge.

4.1.4 DPU Accretive Transaction

Based on historical pro forma financial information, FCT's Unitholders are expected to enjoy a higher distribution per Unit ("**DPU**") as a result of the Proposed Acquisition being made at a price which is reflective of the cash flows which the Property is expected to generate, using the gross proceeds raised from the Equity Fund Raising.

Based on the pro forma financial effects of the Proposed Acquisition on the DPU for FY2018, the Proposed Acquisition is expected to be DPU accretive, increasing the DPU from 12.015 cents to 12.091 cents, which is approximately 0.63%.

4.1.5 Acquisition Consistent with the Manager's Investment Strategy

The Proposed 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 long-term capital growth.

4.2 Assumptions and valuation approaches adopted by the Independent Valuers and the purchase consideration

The Trustee has commissioned an independent valuer – JLL, and the Manager has commissioned an independent valuer – CBRE to ascertain the current market value of the properties. The valuation summary is set out in Appendix C of the Circular. We recommend that the Independent Directors to advise the Unitholders to read this section of the Circular carefully.

4.2.1 Valuation approaches and assumptions by the Independent Valuers

The basis of the valuation used is "Market Value", the definitions of which are broadly consistent between the Independent Valuers. Market Value is the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length Acquisition after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The relevant date for the valuations undertaken is 1 April 2019.

In respect to the independent valuations of the Property, Independent Valuers have utilised the income capitalization approach and the discounted cashflow approach, with

¹² Based on the audited financial statements of SST for FY2018

¹³ Based on the audited financial statements of SST for FY2018

equal weightage, to derive the adopted values of the Property. In addition, Independent Valuers have used the sales comparables method as a check to compare the sales prices of comparable properties (per square feet) to the Property.

The approaches undertaken by the Independent Valuers are widely accepted methods for the purpose of valuing income producing properties Singapore. We have 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 provided to be reasonable.

4.2.2 Comparison of capitalisation rate, discount rate and terminal yield used in the Valuation Reports

We have compared the capitalisation rates, discount rates and terminal yields used by the Independent Valuers with those used in the latest independent valuation of the retail properties owned by FCT (the "FCT Existing Properties") as out below:

Properties	Capitalisation rate	Discount rate	Terminal yield
Property – CBRE ⁽¹⁾	4.50%	7.00%	4.65%
Property – JLL ⁽¹⁾	4.50%	7.50%	4.75%
FCT Existing properties ⁽²⁾	3.75% to 5.00%	7.00% to 7.75%	4.00% to 5.25%

Notes:

- (1) Capitalisation rate, discount rate and terminal yield are the rates of the Property extracted from the reports of the Independent Valuers; and
- (2) Capitalisation rate, discount rate and terminal yield used by the independent valuers in arriving at the market value of the FCT Existing Properties as at 30 September 2018 as disclosed in the respective independent valuation reports provided by the Manager.

We note that the capitalisation rates, discount rates, and terminal yields applied by the Independent Valuers in their valuations of the Property are in line with the range used in the latest valuation of FCT Existing Properties.

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

4.2.3 Independent valuations of the Property

The adopted values of the Independent Valuers as follow:

Waterway Point	JLL ⁽¹⁾	CBRE ⁽¹⁾	Agreed Property Value ⁽²⁾
Adopted Values	S\$1,305.0 million	S\$1,295.0 million	S\$1,300.0 million
FY2018 NPI ⁽²⁾⁽³⁾	S\$61.10 million		
Implied NPI yield ⁽⁴⁾	4.68%	4.72%	4.70%

Notes:

- (1) Adopted value of the Property are extracted from the reports of the Independent Valuers;
- (2) Agreed Property Value and FY2018 NPI of the Property are provided by the Manager;
- (3) FY 2018 NPI – adjusted for reduced maintenance fund contributions to the retail sub-management committee strata title – without FRS Adjustments; and
- (4) The implied NPI yield is computed by taking the FY2018 NPI over adopted value.

We note the following The Agreed Property Value of S\$1,300 million is within the range of the two respective independent valuations adopted by the Independent Valuers.

4.3 Comparison to Selected Retail Properties of listed peers

We have extracted information in respect of valuations of selected retail properties owned by FCT and certain other Singapore Listed REITs, which own and invest in assets that are used, or predominantly used for retail purposes in Singapore (the "Selected Retail Properties") in order to benchmark the NPI Yield and Valuation per NLA implied by the Agreed Property Value with the NPI yields for the Selected Retail Properties.

We highlight that NPI yield of the Property is based on the FY2018 NPI for the period ending 30 September 2018 whereas the NPI yields for all the Selected Retail Properties are based on the trailing twelve-month ("TTM") financial results.

Selected Retail Properties ⁽¹⁾⁽²⁾	Valuation (S\$ million)	Valuation as at	Remaining land tenure ⁽³⁾ (years)	NPI Yield ⁽⁴⁾
FCT Selected Retail Properties				
Causeway Point ⁽⁶⁾	1,218	Sep-18	75	5.42%
Changi City Point	332	Sep-18	50	5.48%
Northpoint City North Wing ⁽⁶⁾ & Yishun 10 retail podium	809	Sep-18	70	4.89%
YewTee Point	186	Sep-18	86	5.27%
Anchorpoint	110	Sep-18	Freehold	3.42%
Bedok Point	94	Sep-18	58	2.60%
Weighted average ⁽⁵⁾			68	5.08%
High			86	5.48%
Low			50	2.60%
CMT Selected Retail Properties				
Tampines Mall ⁽⁶⁾	1,059	Dec-18	72	5.75%
Junction 8 ⁽⁶⁾	743	Dec-18	71	5.99%
Lot One Shoppers' Mall ⁽⁶⁾	536	Dec-18	73	5.75%
Bedok Mall ⁽⁶⁾	784	Dec-18	91	5.34%
Westgate ⁽⁶⁾	1,128	Dec-18	91	4.91%
Weighted average ⁽⁵⁾			80	5.49%
High			91	5.99%
Low			71	4.91%
MCT Selected Retail Properties				
Vivo City	3,200	Mar-19	77	5.07%
SPH REIT Selected Retail Properties				
The Clementi Mall	586	Aug-18	81	5.18%
The Rail Mall	63	Aug-18	27	6.21%
Weighted average ⁽⁵⁾			54	5.28%
High			81	6.21%
Low			27	5.18%
Selected Retail Properties				
Maximum			91	6.21%
Minimum			27	2.60%
Median			73	5.31%
Average			71	5.09%

Selected Retail Properties⁽¹⁾⁽²⁾	Valuation (S\$ million)	Valuation as at	Remaining land tenure⁽³⁾ (years)	NPI Yield⁽⁴⁾
The Property	1,300	Apr-19	91	4.70%

Sources: Annual reports, investor presentations and circulars of the respective REITs

Notes:

- (1) We have selected only retail properties whereby the planning area is located outside of the Downtown Core, Rochor, Museum, Singapore River, and Orchard Area within each REIT's portfolio; as such, the NPI yields are not representative of the entire portfolio properties for each REIT;
- (2) Shown values are based on the latest publicly available information as at the Latest Practicable Date, as disclosed by the respective REITs;
- (3) Remaining land tenure is rounded to the nearest whole number;
- (4) NPI yield is computed by taking the TTM net property income over the valuation of the Selected Retail Properties;
- (5) Weighted average NPI yield is computed by taking the aggregate of the TTM NPI over the aggregate of latest market value for each respective REITs; and
- (6) Property is located directly at a transport hub (includes both MRT station and bus interchange).

Based on the table above, we note the following:

- (a) The NPI yield of the Property of 4.70% is within the range implied by the Selected Retail Properties of 2.60% to 6.21%, and below the median and average of 5.31% and 5.09% respectively; and
- (b) The NPI yield of the Property of 4.70% is within the range implied FCT Selected Retail Properties of 2.60% to 5.48%, and below the weighted average of 5.08%.

Other than the differing remaining land tenures, we highlight that the above analysis is limited in its utility to the extent that the property also differs from the Selected Retail Properties in other aspects such as location, accessibility, title, net lettable area, composition of tenants, proximity to major venues and/ or attraction, outstanding lease tenure, market risks, track record and other relevant factors. In addition, the valuations of the selected properties were undertaken at different points in time under different market and economic conditions. Accordingly, the Independent Directors should note that any comparisons made with respect to the Property to the Selected Retail Properties serve as an illustrative guide only.

4.4 Comparison to Selected Retail Properties Transaction

We have also extracted information in respect of valuations of selected transactions involving purchase of retail properties in Singapore that are publically available (the "**Selected Retail Properties Transactions**") in order to compare the acquisition price per sq ft and the NPI yields implied by the Property Acquisition.

Comparable Acquisitions for the period 1 January 2015 to the LPD⁽¹⁾					
Property name	Acquirer	Transaction Date	Remaining land tenure⁽²⁾ (years)	Purchase price (S\$ million)	NPI Yield at acquisition
Chinatown Point Mall	PAR Chinatown Point	Apr-19	60	520	4.20%
Rivervale Mall	SC Capital Partners	Mar-19	77	230	4.40%
Westgate	CapitaLand Mall Trust	Aug-18	92	1,128 ⁽³⁾	4.30%
The Rail Mall	SPH REIT	Apr-18	28	63	4.50%
Sembawang Shopping Centre	Lian Beng Group & Apricot Capital	Apr-18	866	248	3.40%
Jurong Point 2	Mercatus Co-operative	Apr-17	88	1,042	4.20%
Jurong Point 1	Mercatus Co-operative	Apr-17	75	1,125	4.20%
Heartland Mall (1 st , 2 nd and 3 rd storeys)	Master Contract Services	Dec-16	67	230	4.20%
Havelock II (2 units)	Master Contract Services	Dec-16	66	20	N.A.

Comparable Acquisitions for the period 1 January 2015 to the LPD ⁽¹⁾					
Property name	Acquirer	Transaction Date	Remaining land tenure ⁽²⁾ (years)	Purchase price (S\$ million)	NPI Yield at acquisition
Chinatown Point Mall (60% stake)	Perennial Real Estate Holdings, SPH REIT	Nov-16	63	443 ⁽⁴⁾	5.20%
Cityvibe	Zhao family from China	Nov-16	61	71	4.00%
10 strata units located within Yishun 10	Frasers Centrepoint Trust	Nov-16	73	38	4.25%
The Verge	Lum Chang and Lao V Serangoon	Sep-16	80	273	N.A.
112 Katong (22.40% stake)	Keppel Land Limited	Jan-16	62	229 ⁽⁵⁾	4.00%
Compass Point (18.99% stake)	M&G Real Estate	Jan-16	83	616 ⁽⁶⁾	N.A.
Rivervale Mall	AEW Asia	Oct-15	81	191	3.50%
Bedok Mall	CapitaLand Mall Trust	Jul-15	95	780	5.20%
Maximum					5.20%
Minimum					3.40%
Median					4.20%
Average					4.25%
The Property					4.70%

Source: Company filings and circulars of the respective REITs, and Independent Valuers' valuation report

Notes:

- (1) Shown values are based on the publically available information such as market reports, circulars, or calculated based on purchase price of the respective property at acquisition;
- (2) The remaining land tenure is calculated at the point of acquisition;
- (3) Purchase price is S\$790 million for a 70.0% stake in the property;
- (4) Purchase price is S\$443 million for a 60.0% stake in the property;
- (5) Purchase price is S\$51 million for a 22.4% stake in the property; and
- (6) Purchase price is S\$117 million for a 19.0% stake in the property.

Based on the table above, we note the following:

- (a) The NPI Yield of the Property of 4.70% is within the range implied by the Comparable Transactions of 3.40% and 5.20%, and above the median and average of 4.20% and 4.25% respectively; and

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

4.5 Other relevant consideration

4.5.1 Pro Forma DPU and NAV

The pro forma financial effects of the Proposed Acquisition are set out in Paragraph 6 of the Circular. We recommend the Independent Directors to advise the Unitholders to read this information carefully.

We set out the following pro forma financial information analysis of the Proposed Acquisition that is prepared for illustrative purposes only:

Pro Forma DPU

The following table sets forth the pro forma financial effects of the Proposed Acquisition on the DPU for FY2018, as if the Proposed Acquisition had been completed on 1 October 2017.

Pro Forma Effects as at 30 September 2018 ⁽¹⁾		
	Before the Proposed Acquisition and PRARFL Acquisition ⁽¹⁾	After the Proposed Acquisition ⁽²⁾
Total return for the year (S\$'000)	166,820	199,781
Distributable Income (S\$'000)	111,316	124,728
Weighted average number of Issued and Issuable Units ('000)	925,881	1,030,984
DPU (Singapore cents)	12.015	12.091
DPU Accretion (%)	-	0.63

Notes:

(1) Based on the FCT Audited Financial Statements for FY2018; and

(2) Taking into account the issue of approximately 103.2 million New Units at an average issue price of approximately S\$2.377 per New Unit under the Equity Fund Raising and the issue of approximately 1.8 million Units as payment of the Acquisition Fee for the Proposed Acquisition.

Pro Forma NAV

The following table sets forth the pro forma financial effects of the Proposed Acquisition on the NAV per Unit as at 30 September 2018, as if the Proposed Acquisition had been completed on 30 September 2018.

Pro Forma Effects as at 30 September 2018 ⁽¹⁾		
	Before the Proposed Acquisition and PRARFL Acquisition ⁽¹⁾	After the Proposed Acquisition ⁽²⁾
NAV (S\$'000)	1,933,756	2,179,593
No. of Issued and Issuable Units ('000)	927,654	1,033,019
NAV per Unit (S\$)	2.08	2.11

Notes:

(1) Based on the FCT Audited Financial Statements for FY2018; and

(2) Taking into account the issue of approximately 103.2 million New Units at an average issue price of approximately S\$2.377 per New Unit under the Equity Fund Raising and the issue of approximately 1.8 million Units as payment of the Acquisition Fee for the Proposed Acquisition.

Pro Forma Capitalisation

The following table sets forth the pro forma capitalisation of FCT as at 30 September 2018, as if FCT had completed the Proposed Acquisition on 30 September 2018.

Pro Forma Effects as at 30 September 2018 ⁽¹⁾		
	Before the Proposed Acquisition and PREARFL Acquisition ⁽¹⁾	As adjusted for the Proposed Acquisition ⁽³⁾
Total Debt (S\$ million):	812.6	1,003.6 ⁽⁴⁾
Total Unitholders' Funds (S\$ million)	1,933.8	2,179.6
Total Capitalisation (S\$ million)	2,746.4	3,183.2
Gearing Ratio ⁽²⁾ (%)	28.6	30.7 ⁽⁴⁾

Notes:

(1) Based on the FCT Audited Financial Statements for FY2018;

(2) Calculated based on gross debt divided by total assets attributable to Unitholders;

(3) Taking into account the issue of approximately 103.2 million New Units at an average issue price of approximately S\$2.377 per New Unit under the Equity Fund Raising and the issue of approximately 1.8 million Units as payment of the Acquisition Fee for the Proposed Acquisition; and

(4) Including a bank loan owed by SST to certain financial institutions, of which the pro rata shares attributable to the Target Units amounts to S\$191.0 million.

As illustrated in the tables above, we note that the Proposed Acquisition:

- (a) will increase DPU from 12.015 cents to 12.091 cents;
- (b) will increase NAV per unit from S\$2.08 to S\$2.11; and
- (c) will increase Gearing Ratio from 28.6% to 30.7%.

5 OUR RECOMMENDATION

In arriving at our recommendation, we have taken into account the various factors deemed pertinent which we consider to have a significant bearing on our assessment of the Proposed Acquisition. We have carefully considered the factors deemed as 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.

The Proposed Acquisition

- (a) The rationale of the Proposed Acquisition;
- (b) The Agreed Property Value of S\$1,300 million is within the range of the Market Value adopted by the Independent Valuers;
- (c) The valuation approaches undertaken by the Independent Valuers are consistent with market practices in valuing income producing properties in Singapore;
- (d) The NPI Yield of 4.70% is within the range of the implied NPI yield for Selected Retail Properties and the FCT Selected Retail Properties;
- (e) The NPI Yield of 4.70% is above the median and average of the NPI yields at which the selected transacted properties were acquired;
- (f) The NPI yield of the Property of 4.70% is within the range, and below the median and average NPI yield implied by the Selected Retail Properties;

- (g) The NPI yield of the Property of 4.70% is within the range, and below the weighted average yield implied by the FCT Selected Retail Properties; and
- (h) The Proposed Acquisition will increase the pro forma DPU from 12.015 cents to 12.091 cents, and increase NAV per unit from S\$2.08 to S\$2.11, and increase Gearing Ratio from 28.6% to 30.7%.

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

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

Our recommendation is addressed to the Independent Directors, the Audit Committee of the Manager and the Trustee for their benefit in connection with and for the purpose of their consideration of the Proposed Acquisition. A recommendation made by the Independent Directors and the Audit Committee of the Manager in respect of the Proposed Acquisition shall remain their responsibility.

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

Yours Faithfully,

Deloitte & Touche Corporate Finance Pte Ltd

Koh Soon Bee
Executive Director

VALUATION CERTIFICATES



Valuation Certificate

Property	:	83 Punggol Central, Waterway Point Singapore 828761 (the "Property")
Client	:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as Trustee of Frasers Centrepoint Trust)
Purpose of Valuation	:	To determine the market value of the Property for the purpose of a proposed acquisition.
Legal Description	:	Strata Lots U96899V, U96900T and U96901A Mukim 21 and Accessory Lots A33P, A34T, A35A, A36K and A38X Mukim 21
Tenure	:	99 years lease commencing from May 18, 2011
Registered Proprietors (for the whole development)	:	Emerald Star Pte. Ltd. (Shares: 448/1000) and FC Retail Trustee Pte Ltd (Shares: 552/1000) (in its capacity as Trustee of Sapphire Star Trust) as tenants in common in unequal shares.
Brief Description of Property	:	<p>The Property is a strata titled shopping mall known as Waterway Point comprising 3 strata titled lots and 5 accessory lots accommodating about 217 retail units.</p> <p>Waterway Point, was built as part of Punggol's first integrated waterfront retail and residential development, together with Watertown. The shopping mall comprises a 2-storey retail podium with two basement levels. It is located within the North East Planning Area of Singapore and is well served by the surrounding road networks.</p> <p>We were informed that the Temporary Occupation Permit of the Property was issued on December 18, 2015.</p> <p>Waterway Point is situated in the heart of Punggol and is easily accessible by the Central Expressway, Kallang-Paya Lebar Expressway (KPE), Seletar Expressway and Tampines Expressway (TPE).</p>
Site Area (for the whole development)	:	29,999.3 sq.m (322,912 sq.ft.)
Gross Floor Area (GFA) (for the whole development)	:	<p>Approximately 135,205.47 sq.m. (1,455,352 sq.ft.) (comprising Commercial GFA of 50,398.82 sq.m. (542,493 sq.ft.), Residential GFA of 75,598.24 sq.m. (813,739 sq.ft.), Community GFA of 1,648.67 sq.m. (17,746 sq.ft.) and additional bonus balcony GFA of 7,559.74 sq.m. (81,373 sq.ft.))</p> <p>- according to Grant of Written vide URA reference number: ES20150410R0181 dated July 15, 2015</p>
Strata Floor Area with 5 accessory lots (Retail component)	:	<p>81,156 sq.m (873,563 sq.ft.)</p> <p>- including void area of 29,802 sq.m. (320,789 sq.ft.)</p>



Valuation Certificate (Cont'd)

Net Lettable Area (NLA) (as provided)	:	Approximately 34,485.31 sq.m. (371,200 sq.ft.)
Master Plan Zoning (2014 Edition)	:	Commercial and residential with a plot ratio of 4.2
Methods of Valuation	:	Discounted Cash Flow Approach and Direct Capitalisation Method.
Material Date of Valuation	:	April 1, 2019
Capitalisation Rate	:	4.50%
Terminal Rate	:	4.75%
Discount Rate	:	7.50%
Market Value	:	S\$1,305,000,000/- (Singapore Dollars One Billion Three Hundred And Five Million)
Value psm on NLA	:	S\$37,842 psm
Value psf on NLA	:	S\$3,516 psf

A handwritten signature in blue ink, appearing to be 'TKC', written over a horizontal line.

Tan Keng Chiam
B.Sc. (Est. Mgt.) MSISV, MRICS
Appraiser Licence No: AD041-2004796D
Senior Director
JONES LANG LASALLE

Valuation Certificate

Property:	Waterway Point 83 Punggol Central Singapore 828761
Client:	Frasers Centrepoint Asset Management Ltd
Purpose:	Proposed Acquisition
Interest Valued:	Leasehold for a term of 99 years commencing from 18 May 2011. Balance term 91.1 years.
Basis of Valuation:	Market Value subject to existing tenancies and occupational arrangements.
Registered Owner:	Emerald Star Pte Ltd (448/1000 shares) and FC Retail Trustee Pte Ltd (as Trustee Manager of Sapphire Star Trust) (552/1000 shares) as tenants in common.
Land Area (sqft):	322,909
Town Planning:	Commercial and Residential with plot ratio 4.2
Brief Description:	Waterway Point is the retail podium of a residential/commercial development with 3 basement levels. Waterway Point has four retail levels (including two basement levels), located beside the Punggol MRT Station. The mall was built as part of Punggol's first integrated waterfront residential and retail development, Watertown. The building accommodates a supermarket, F&B, beauty, healthcare, electronics, education, banks, cinema and retail units. The Temporary Occupation Permit for the development was issued in December 2015.
Tenancy Profile:	Shaw Theatres Pte. Ltd., Fairprice Finest, Best Denki, Koufu, H&M and other specialty tenancies.
NLA (sqft):	371,200 (excluding Community Sports Facilities Scheme ("CSFS") area of about 17,954 sqft)
GFA (sqft):	542,488
Valuation Approaches:	Capitalisation Approach & Discounted Cash Flow Analysis
Date of Valuation:	1 April 2019



Assessed Value: **S\$1,295,000,000** This valuation is exclusive of GST.
(One Billion Two Hundred Ninety Five Million Dollars)

Assumptions, Disclaimers, Limitations & Qualifications
This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the valuation report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within the report. Reliance on the valuation report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

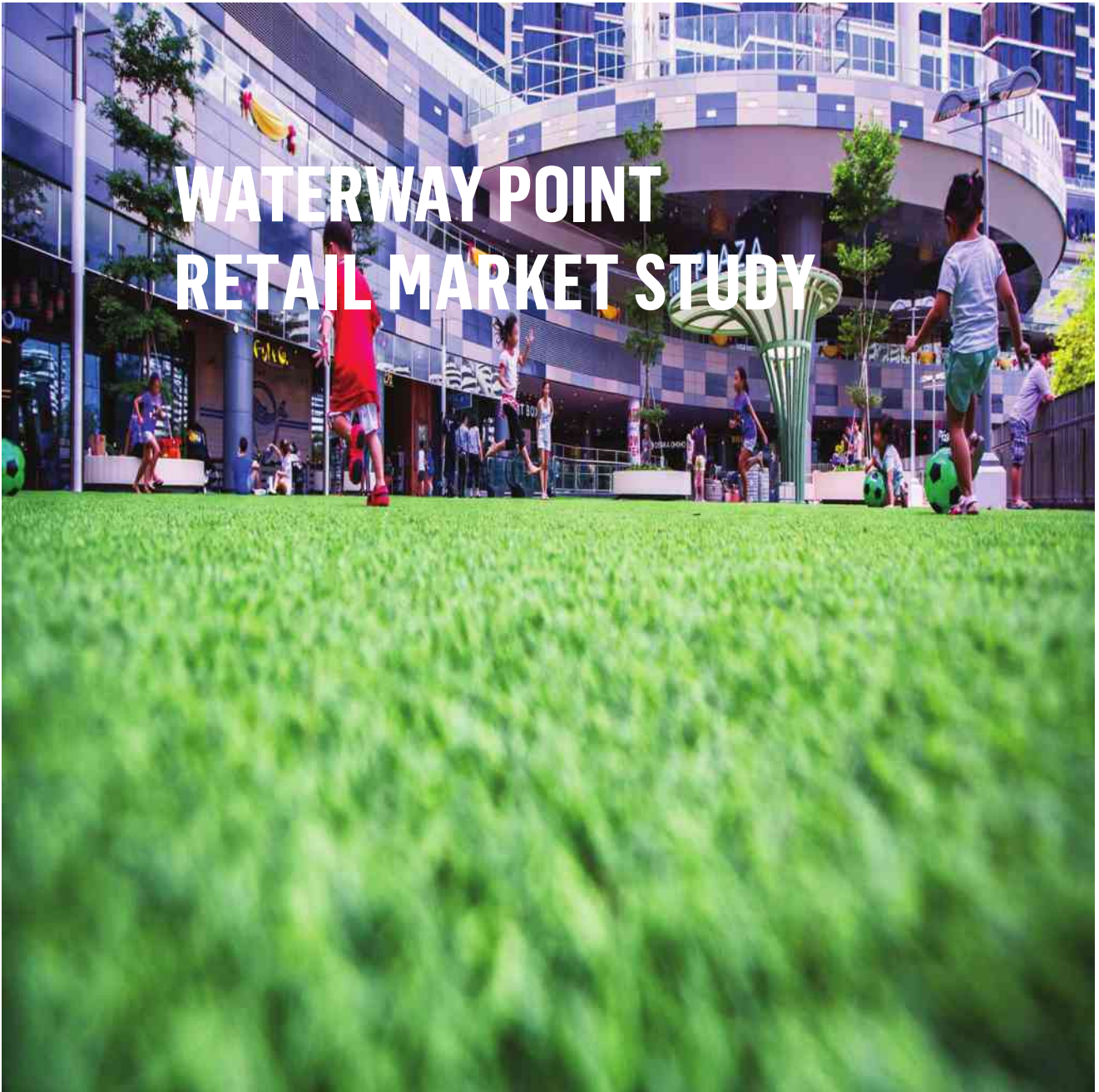
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INDEPENDENT MARKET RESEARCH REPORT



PREPARED FOR
FRASERS CENTREPOINT TRUST
01 APRIL 2019
FINAL REPORT



CISTRI STAFF RESPONSIBLE FOR THIS REPORT WERE:

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Project Code P0008177
Report Number Final Report

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You must read the important disclaimer appearing within the body of this report.

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INTRODUCTION

RESEARCH BRIEF

Cistri has been commissioned by Frasers Centrepoint Trust to undertake a retail market study of Waterway Point

OBJECTIVES OF THE STUDY

The principal aims of the research are to provide the following:

- An overview of the Singapore retail market including an assessment of the outlook for the market over the next five years.
- An overview of Waterway Point as well as an evaluation of mall performance in the year ended 2018.
- An analysis of the existing and future retail market segments from which Waterway Point is expected to draw shoppers.
- An overview of existing and forthcoming retail competition of relevance to Waterway Point.

SOURCES OF INFORMATION

This report draws upon a variety of information, both official and Cistri's. The principal source of information used in this study include:

- Economic data and forecasts provided by Oxford Economics.
- Publications from the Singapore Ministry of Trade and Industry including the Economic Survey of Singapore.
- Statistical information, both published and unpublished, from the Singapore Department of Statistics including:
 - Population Census 2010.
 - Tourism Statistics for 2013 – 2018.
 - Population Trends 2013 - 2018.
 - Retail Sales Index, Singapore Statistics
 - Food & Beverage Index, Singapore Statistics
- Publications from the Singapore Tourism Board (STB), the Urban Redevelopment Authority (URA) and the Housing Development Board (HDB).
- Earlier studies and research undertaken by Cistri on the retail market for specific shopping malls within the Singapore market.
- Information supplied directly by Frasers Centrepoint Trust for the purpose of this study.

1. SINGAPORE RETAIL MARKET OVERVIEW

1.1. ECONOMIC GROWTH

As a small nation, Singapore's economic performance is heavily influenced by the performance of the global macroeconomy. Global economic growth in 2018 was mildly positive, with the United States of America's (USA) economy growing approximately 3.0% in 2018 and unemployment falling to 3.7% at the end of 2018. In other regions, the European Union's (EU) economy is estimated to have grown by 1.9% year on year in 2018, while the Chinese economy is estimated to have grown by 6.6% (both subject to final confirmation).

Growth was particularly solid in the first half of 2018, however growth slowed in the second half for several reasons. One of the primary reasons for the slowdown has been that since early 2018, China and United States imposed "tit-for-tat" tariffs on traded products, the result of an emerging trade war. While both nations agreed to a temporary halt for further tariff increases for 90 days in December 2018, the effects of the trade war have been felt globally.

The United States has also created its own internal problems. The recent Government shutdown, while unlikely to have major long-term ramifications, certainly affects short term confidence and has implications for small and large businesses alike who rely on Government business. The US Congressional Budget Office (CBO) estimated that the shutdown cost the economy USD 11 billion. This was due to the loss of output from federal workers and the loss of business in the private sector. While approximately USD 8 billion could be recovered with federal workers returning to the workforce, the CBO estimated that approximately USD 3 billion will be lost in the private sector.

While the trade war has had its effect on Europe, Europe has also had other issues to deal with. The uncertainty of Brexit, and the ongoing hangover of the Euro crisis continues to be a drag on European economies. China has its own debt concerns, and growth in China appears to be slowing. While the Government has shown great ability to support growth, there are concerns emerging about the sustainability of this.

These global factors have all carried over into 2019 and are likely to continue to present a risk to the global economy over the medium term.

While there are presently uncertainties around the global economy, Singapore's economy has benefited from the early momentum of 2018, resulting in annual growth of 3.2% in 2018. The construction sector shrank by 3.4%, largely due to the decrease in public sector construction works. Conversely, manufacturing grew by 7.2%. Its growth was supported by electronics, transport engineering and biomedical manufacturing clusters. The services sector also contributed positively to the overall growth of Singapore with an increase of 3.0%.

During the Budget 2019, the government announced that both incomes and productivity had been growing at healthy levels over the past few years. The budget set out for 2019 had two primary focus areas, both of which are continuations of current policies:

1. Schemes to develop a skilled workforce with innovative firms and a vibrant economy; and
2. Greater care for certain sections of the population through workfare, healthcare and community schemes.

The continued push for productivity within the workforce has dual impacts. While it has the short-term impacts of making the ability to do business more difficult (for example, retailers continue to complain about the difficulty in hiring staff), the productivity gains announced in the budget suggest the policy will have long term benefits to the economy.

A good indicator of the economics performance is the performance of the property market. Absorption of office space was at its highest since 2012. The residential market was a tale of two halves. While 1H 2018 saw a flurry of collective sales activity, the property cooling measures in July 2018 (higher stamp duties and stricter loan limits as well as the raise in development charges) contributed to the slowdown in en-bloc activity in 2H 2018. House prices have continued their slow recovery after bottoming out.

Going forward, the near-term growth of Singapore’s economy could be affected by the progress and outcomes of the US-China Trade War. Other important factors that could have an impact on Singapore’s economy in the coming year include:

- The risk of a “no-deal” Brexit and its consequences on the British and European economies; and
- The recent bilateral issues between Singapore and Malaysia.

The present Singapore government has forecast an accumulated budget surplus of SGD15.6 billion, indicating a growing economy and room to support the economy should it experience a slowdown. On the global front, the EU entered into a Free Trade Agreement with Singapore in February 2019. This agreement could promote cooperation in education, transport, air services and science and technology.

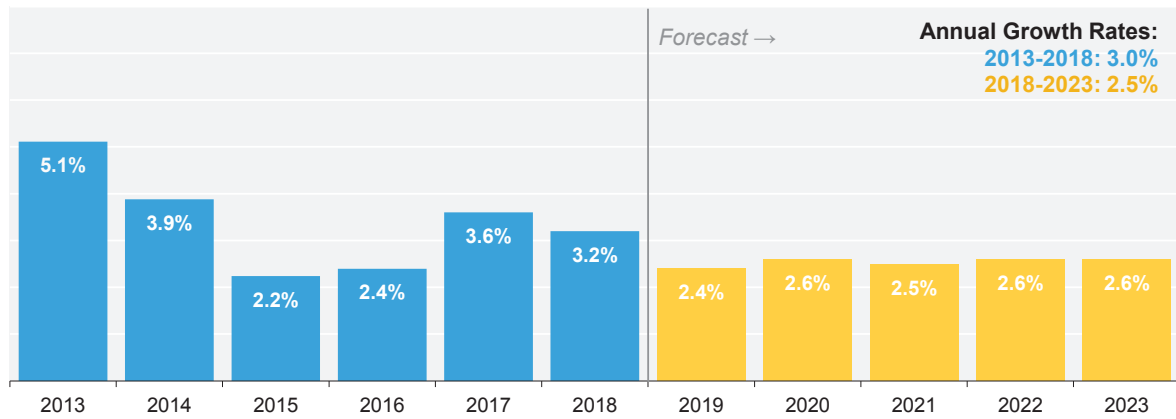
Despite the risk factors which could affect the Singapore economy negatively, Singapore’s fundamentals remain strong and the country continues its economic restructuring to maintain a competitive and productive economy.

All in all, there is cautious optimism in Singapore’s medium-term economic fundamentals, with Oxford Economics’ growth forecast at approximately 2.4% for 2019. The five-year growth forecast between 2018 – 2023 is expected to be approximately 2.5% per annum.

Singapore GDP

2013 - 2023

Chart 1.1



Source: Oxford Economics, MTI

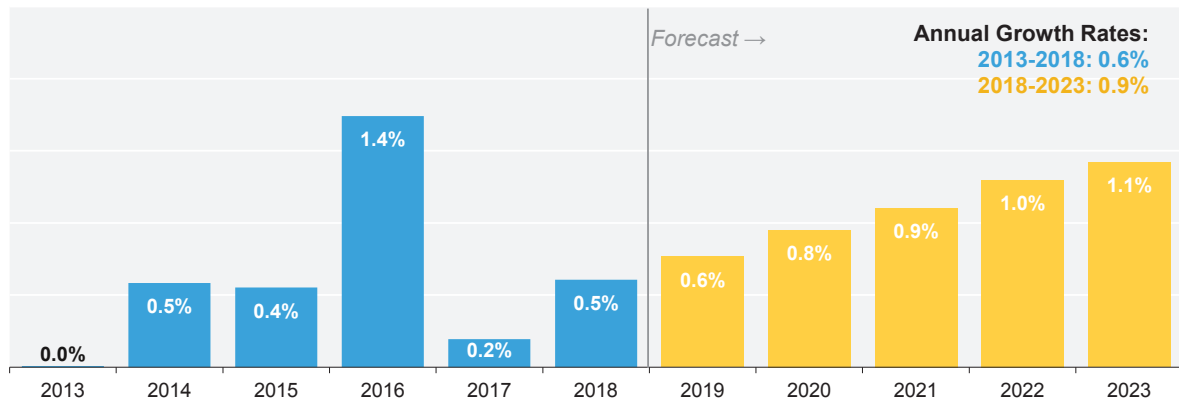
1.2. INFLATION

The year on year Retail Price Index (RPI) grew a modest 0.5% per annum, a slight increase from 2017's growth. The increase in oil prices have bolstered price growth across various product categories. Growth of prices in supermarkets and hypermarkets (1.4%), food retail (1.5%) and apparel and footwear (1.3%) have been key drivers in the growth of inflation in 2018. Inflation is expected to increase slightly over the next five years, averaging 0.9% per annum.

RPI

2013 - 2023

Chart 1.2



Excludes motor vehicles and petrol, includes food catering

RPI takes the proportion of nominal retail sales growth over the proportion of real retail sales growth

Source: Singapore Department of Statistics, Cistri

1.3. POPULATION GROWTH

Singapore's population in 2018 stood at approximately 5.6 million, including 4.0 million residents and 1.6 million non-residents. The total population grew by approximately 0.5% in 2018, significantly below trend levels. Much of this fall is explained by inward migration – construction worker employment fell, as did the number of employment passes issued.

With an ageing population and the fertility rate at 1.14 in 2018, well below the replacement rate of 2.1, Singapore's population growth is a long-term challenge that the government is continually trying to address. The government's broad strategy to increase the resident population includes housing support, increasing the provision of childcare facilities and promoting flexible work arrangements.

In Budget 2019, the government announced it would decrease the Dependency Ratio Ceiling (DRC) in the services sector from 40% in 2019 to 35% in 2021 and the S-Pass Sub-DRC from 15% to 10%. This will tighten the foreign workforce quota in the services sector and could decrease the inflow of non-residents into Singapore going forward.

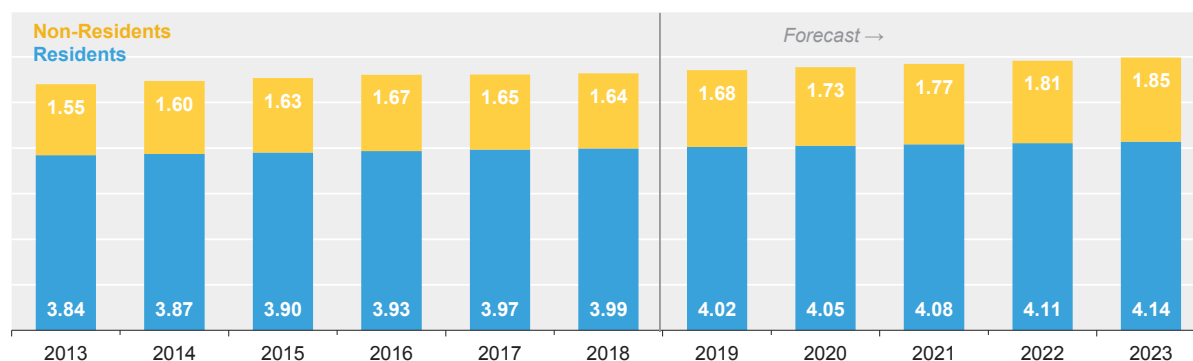
At the same time, Government has kept levels of inward migration at historic low levels. This policy was at first a response to public concern about population growth. The policy has continued for several years now as Government is trying to improve productivity, and support job creation for residents.

Looking forward, the government will likely continue to rely on a steady but moderated inflow of highly-skilled foreign expatriates to keep population growth stable and to support economic growth. At the same time, it will try to ensure the social fabric of Singapore's resident population is not negatively impacted. Population growth over the next five years is expected to average around 1.2% per annum.

Singapore Population (Millions)

2013 - 2023

Chart 1.3



Total Population comprises Residents and Non-Residents staying in Singapore for at least one year. Population is as at June each year.

Source: Singapore Department of Statistics, Cistri

1.4. TOURIST VISITATION TO SINGAPORE

In 2018, Singapore's tourism grew 6.2% to a record high of 18.5 million visitors.

On top of usual events such as the Formula Grand Prix 1 Race, the North Korea – USA summit and premiere of the movie "Crazy Rich Asians", both had a material impact on visitation and helped in raising the reputation of Singapore globally.

China and Indonesia have remained the largest sources of international arrivals. Tourists from China increased year on year by 5.8% to 3.4 million. The number of tourists from Indonesia increasing by 2.3% to 3.0 million during the same period.

According to the Singapore Tourism Board (STB), total tourist spend in the first three quarters of 2018 was up by 1.1% compared to 2017. However, spending on shopping and total retail by tourists¹, decreased by 14% and 4% respectively in 2018 for the same period. This shows that overall spend per tourist as well as retail spend per tourist have fallen. This fall has been driven by the growth of lower spending middle-income travellers from countries such as India and China, who travel on tighter budgets. We note there has also been a decrease in accommodation spend by 5% for the same period. Furthermore, more visitors are arriving on packaged tours, which also affect spending patterns.

There were some bright spots for tourism. The small increase in tourism revenue was largely contributed by tourist spend in sight seeing, entertainment and gaming (6% year on year increase) and 'other' components such as transportation, business, medical and education.

The outlook for Singapore's tourism looks largely positive. Factors such as the increased global reputation of Singapore, a continuously growing middle class in China and India as well as an increase in travellers within Southeast Asia are key drivers of growth for Singapore's tourism going forward. The construction of Terminal 5, which will increase Changi Airport's capacity to 150 million passengers annually when it is completed in 2030, will help to support Singapore's longer-term tourism aspirations.

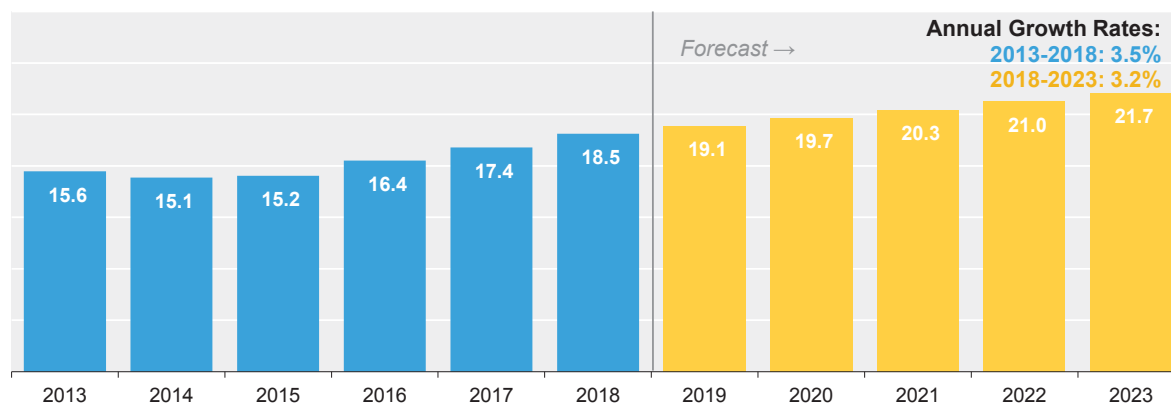
We expect tourism visitation to grow at about 3.2% per annum between 2018 – 2023.

¹ Total retail spending includes both shopping and F&B statistics in STB's reporting

Tourist Arrivals (Millions)

2013 – 2023

Chart 1.4



Source: Singapore Tourism Board, Cistri

1.5. IMPLICATIONS FOR WATERWAY POINT

As Singapore's economy is intertwined with the global economy, uncertainties in the trade war between the USA and China as well as the impact of Brexit could have an impact on business and spending sentiment in Singapore. Closer to home, Singapore's relationship with Malaysia potentially faces unpredictable outcomes with respect to trade, infrastructure and expenditure.

Domestically, the need to structurally transform its economy in the face of uncertainties in the global economy and rapid technological advancement have led to the government implementing schemes to improve productivity.

This drive for productivity will have direct influence on Waterway Point. Developments such as the Punggol Digital District and the development of Punggol Point and Punggol Town Hub will increase the focus of commercial development as an important contributor to Singapore's future economy. The provision of greater job opportunities could serve as an attraction for people to move to Punggol, further supporting population growth. These factors coupled with Waterway Point's position as a sub-regional mall within Punggol would help to increase the resilience of the mall's performance if it faces a challenging economic environment.

Broadly however, Singapore's diverse economy, educated workforce, quality infrastructure and sound governance provides the nation with strong fundamentals for income growth and thus expenditure. While in recent years economic growth has been lower than longer term trends, this has been at least partially due to a period where the economy is gradually restructuring to be repositioned for the future. We remain optimistic about the long-term future of Singapore's economy; it has historically shown good resilience and a capacity to bounce back from inevitable economic shocks that occur.

2. RETAIL MARKET

2.1. RETAILERS PERFORMANCE

In recent years the retail market has thrown up a range of challenges and opportunities for retailers. Some retailers have adapted to the challenging period quite well, while others have struggled.

Don Don Donki, a Japanese discount chain expanded with the opening of the second and third outlets at Tanjong Pagar (June 2018) and City Square Mall (January 2019). The discount chain has also added a fourth store at Novena Square 2 in March 2019. In total, Don Don Donki targets to have five stores in 2019. Uniqlo has expanded its presence in Singapore with the opening of two more stores in Downtown East and Great World City while JD Sports is a new entrant in Singapore with two outlets opened in Ion Orchard (flagship) and Jurong Point. Gucci reopened its revamped 10,000 sq.ft flagship store at Paragon in July 2018.

New concepts continue to enter the market. In November 2018, Singapore's first "phygital" store (physical and digital) multi-label concept store NOMADX opened in Plaza Singapura. The two-storey space houses upcoming brands as well as physical stores of online brands, including Taobao and Style Theory.

Malls too, are looking to adjust their positioning to adapt to rapidly changing consumer tastes. The rebranded KINEX (formerly One KM) has seen the addition of various lifestyle and community-based facilities, which includes a 300-metre-long running track and an indoor theme park. The Jewel at Changi Airport, which has opened in April 2019, features the first Pokemon Centre outside Japan.

While there are many positive stories in the market, the recent weak market has taken its toll on other retailers, with several underperforming retailers closing. Emporium Shokuhin closed in Marina Square, while Gap, Banana Republic and American Eagle Outfitters are exiting the market. The market is proving quite challenging for many retailers.

2.2. RETAIL SALES GROWTH

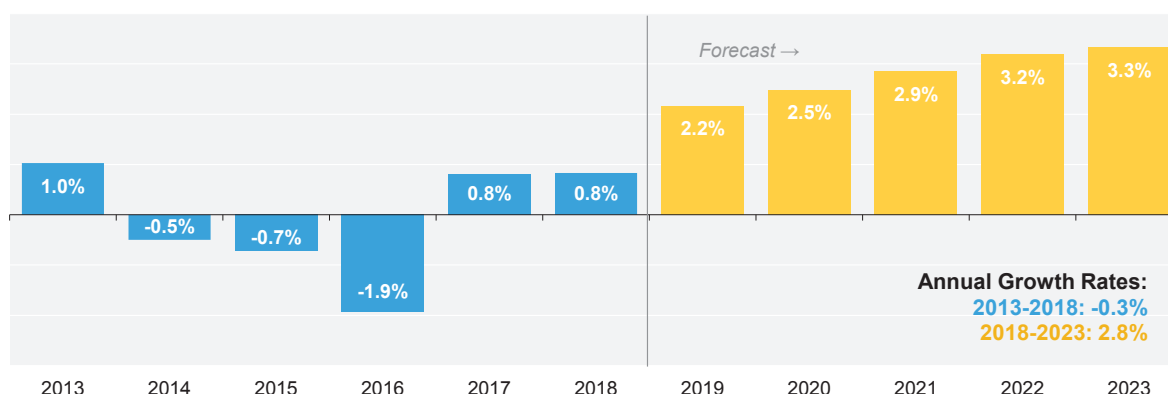
Nominal retail sales growth, which includes both tourist and resident spend on retail (including F&B, excluding motor vehicles and petrol) grew by 0.8% in 2018. Food retailers (2.0% y-o-y), apparel and footwear (3.3% y-o-y), medical goods / toiletries (4.8% y-o-y) and furniture / household equipment (3.5% y-o-y) saw levels of growth while computer and telecommunications equipment, as well as optical goods and books saw declines in 2018.

In the next five years, we expect nominal retail sales to in Singapore to grow at approximately 2.8% per annum (Chart 2.1).

Total Retail Sales Growth

2013 – 2023

Chart 2.1



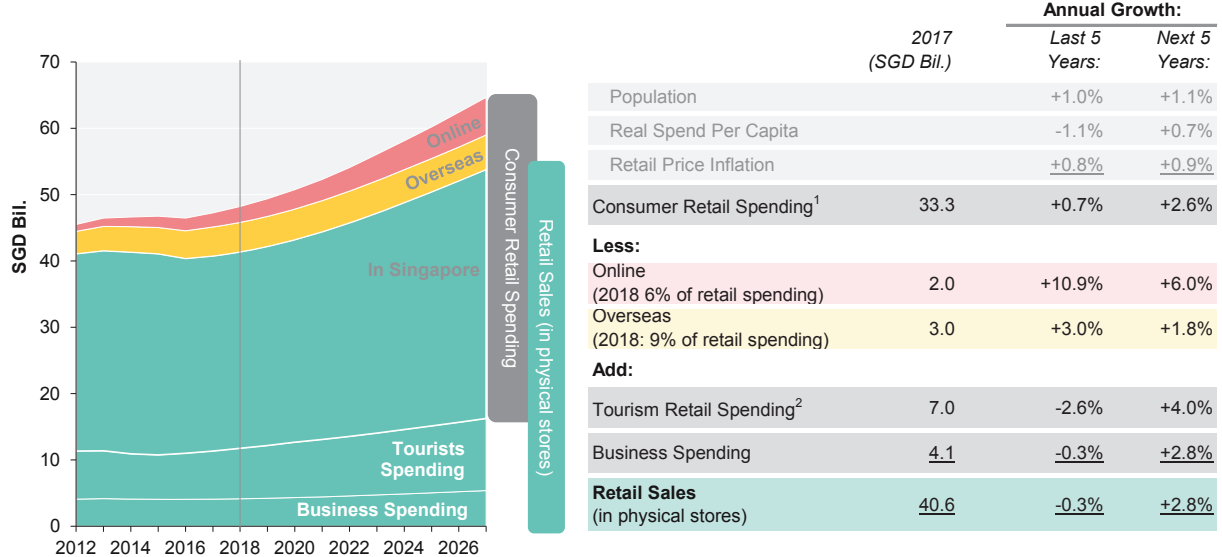
Source: Singapore Department of Statistics, Cistri

Retail sales are generally sensitive to shifts in macroeconomic factors such as overseas spending by residents, online retail and shifts in business and tourist spend. However, the most important drivers of retail sales are still population growth and growth in per capita retail expenditure. Chart 2.2 shows the breakdown in our forecasts for retail sales growth in Singapore. It shows that we forecast sales in physical stores to grow at 2.8% per annum over the next five years, with tourism spending growth slightly higher than local consumer expenditure. Online will continue to have an impact on the market, growing at around 6% per annum over this period.

Nominal Resident Retail Sales Growth

2013 – 2023

Chart 2.2



1. Including Work Pass Holders
 2. Including Malaysian Daytrippers
 Source: Cistri

2.3. RETAIL SUPPLY

Cistri estimates Singapore’s total retail floor space² to be approximately 65.5 million sq.ft at end 2018. Of this, Singapore has approximately 32.9 million sq.ft of shopping mall space. Major projects completed in 2018 include the reopening of Century Square in Tampines and the opening of Wisteria Mall in Yishun outside of the central area. Within the central area, VivoCity launched a new 32,000 sq.ft expansion in Basement 1.

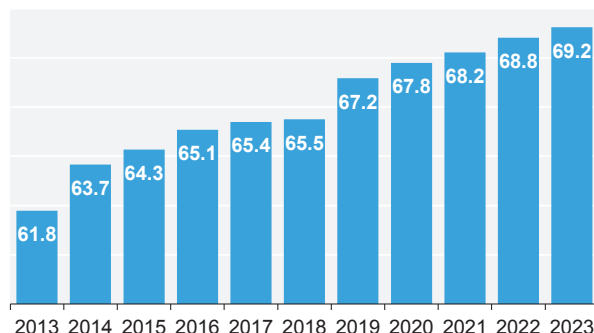
² Retail floorspace includes both shopping mall and non-shopping mall floorspace.

Total Retail Floorspace

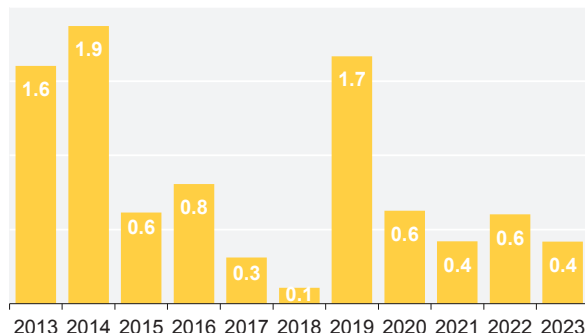
2013 - 2023

Chart 2.3

Total Retail Floorspace (Mil. sq.ft)



Growth in Retail Floorspace (Mil. sq.ft)



Sources: URA; Cistri

Three major projects are expected to come into the market in 2019 including:

- The recently opened Changi Airport Group – Capitaland project– the 576,000 sq.ft (NLA) Jewel at Changi Airport
- The reopening of CapitaLand Mall Trust’s Funan Mall (325,000 sq.ft NLA), and
- Lendlease’s Paya Lebar Quarter (341,000 sq. NLA).

These three malls will increase Singapore’s mall floorspace by 1.24 million sq.ft, and with other smaller malls opening in 2019, Cistri projects the total shopping mall floorspace and retail floorspace to increase to 34.4 million sq.ft and 67.2 million sq.ft in 2019 respectively.

By 2023, Cistri forecasts total retail space at approximately 69.2 million sq.ft, with shopping malls comprising 52% of all retail floorspace (35.8 million sq.ft).

Total Retail Floorspace by Category

2013 - 2023

Table 2.1

	Retail Floorspace (sq.ft Mil.)			% of Retail Floorspace			Annual Growth (%)		Annual Growth (sq.ft Mil.)	
	2013	2018	2023	2013	2018	2023	2013-	2018-	2013-	2018-
							2018	2023	2018	2023
Malls:										
Central Area	13.1	13.8	14.7	21%	21%	21%	1.2%	1.2%	0.8	0.9
Other	15.8	19.0	21.1	26%	29%	30%	3.8%	2.0%	3.3	2.0
	28.9	32.9	35.8	47%	50%	52%	2.7%	1.7%	4.0	2.9
Non-Malls	32.9	32.6	33.4	53%	50%	48%	-0.2%	0.5%	-0.3	0.8
Total	61.8	65.5	69.2	100%	100%	100%	1.2%	1.1%	3.7	3.7

Sources: URA (total retail floorspace 2008-2018); Cistri

2.4. PER CAPITA SHOPPING MALL PROVISION

Map 2.1 presents the shopping mall floorspace per capita by region in 2023, as well as the change in provision between 2018 - 2023. Of key relevance to Waterway Point is the growth in supply in the northern parts of Singapore.

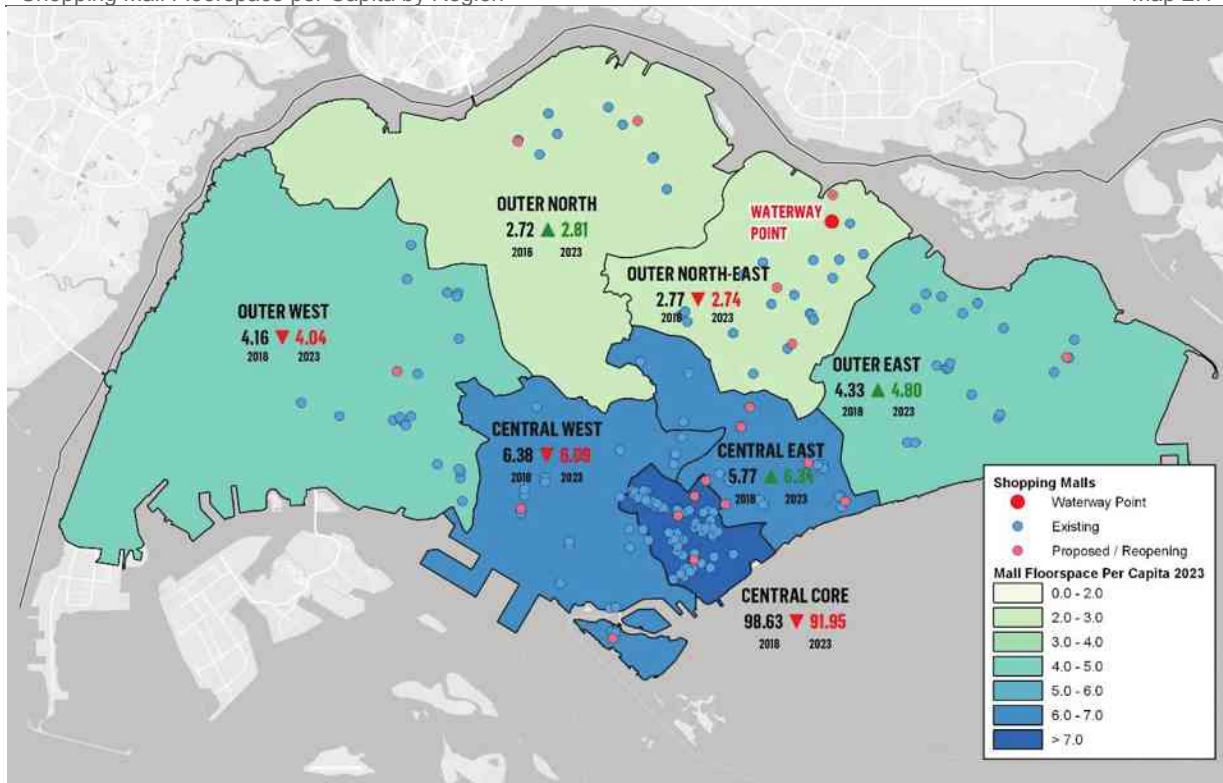
The northern parts of Singapore continue to see growth in shopping malls floorspace on a per capita basis:

- The Outer North region has seen an increased mall supply, particularly with the expansion of Northpoint City and the addition of two neighbourhood malls (Kampung Admiralty and Wisteria Mall) in 2017. Looking forward, the major addition will be Canberra Plaza in 2019.
- The Outer North-East region has seen the addition of Waterway Point, Seletar Mall and Oasis Terraces. In the next few years there will be some new HDB neighbourhood mall such as Buangkok Square and Northshore Plaza coming into the market.
- Between 2018 and 2023 we expect the Outer North's per capita supply to increase from 2.72 sq.ft per capita in 2018 to 2.81 sq.ft in 2023. In the Outer North East, it will decrease slightly, from 2.77 sq.ft per capita to 2.74 sq.ft. This shows that population growth and mall supply growth in both regions have been broadly in line.

It should be noted that the Outer North and Outer North-East regions discussed above have the lowest per capita provision of shopping mall floorspace across Singapore's seven regions.

Shopping Mall Floorspace per Capita by Region

Map 2.1



Note: Population for the purposes of analysis excludes domestic workers and construction workers.

2.5. IMPLICATIONS FOR WATERWAY POINT

- Singapore's retail market has clearly gone through a difficult period. While the impact of online shipping or e-commerce has been material, the biggest driver of this downturn has simply been the lower overall expenditure by residents, coupled with growth in supply impacting retail productivity. We consider much of this to be cyclical (as opposed to structural).
- Despite the departure of some brands from the market, some brands have expanded, and some introduced into the market. These examples which include NOMADX and Pokemon Centre reflect a level of long-term confidence that many retailers have in Singapore's retail market.
- We remain cautiously optimistic about the future for Singapore's retail market. We expect a gradual return to stronger growth in retail sales over the next few years, which will support both online retail and the improved performance of physical stores and malls.

3. GEOGRAPHIC CONTEXT

3.1. LOCATION AND ACCESSIBILITY

Waterway Point is in the north-eastern region of Singapore, within the Punggol Planning Area (PPA). It is 21 km north east of Singapore's Central Business District, 12 km north west of Changi International Airport and 6 km east of Seletar Airport (Map 3.1).

Waterway Point and the broader PPA is connected to the rest of Singapore by the following road and public transport infrastructure (shown in Maps 3.1 and 3.2):

- The **Tampines Expressway (TPE)**, which runs approximately 1.5 km south of Waterway Point, is the main expressway that serves Punggol and Waterway Point. It also connects the shopping mall to the eastern parts of Singapore (Tampines and Changi Airport) as well as the **Seletar Expressway (SLE)**, which extends towards the northern parts of Singapore.
- The TPE also connects Punggol to the **Central Expressway (CTE)** and the **Kallang-Paya Lebar Expressway (KPE)**, which connects Punggol to various parts of the central regions of Singapore, including the Central Business District (CBD) and Orchard Road.
- The **Punggol Temporary Bus Interchange** is located diagonally opposite Waterway Point and has services to the North (Sembawang, Yishun), North east (Hougang), East (Changi, Tampines, Upper East Coast, Pasir Ris), and Central (Ang Mo Kio, Bishan) parts of Singapore.
- Waterway Point is located next to the Punggol MRT / LRT Interchange. The **North East Line (NEL)** is the MRT service which connects Punggol to the southern parts of Singapore. Key stations along the route include Serangoon (a key regional centre and transport hub in the north east), Little India Interchange, Dhoby Ghaut Interchange, Clarke Quay, Outram Park Interchange and Harbourfront Interchange.

Moving forward, the NEL terminus will move northwards to **Punggol Coast MRT Station**, which will be located within the Punggol Digital District and completed in 2023. This will be further discussed in Section 3.3.

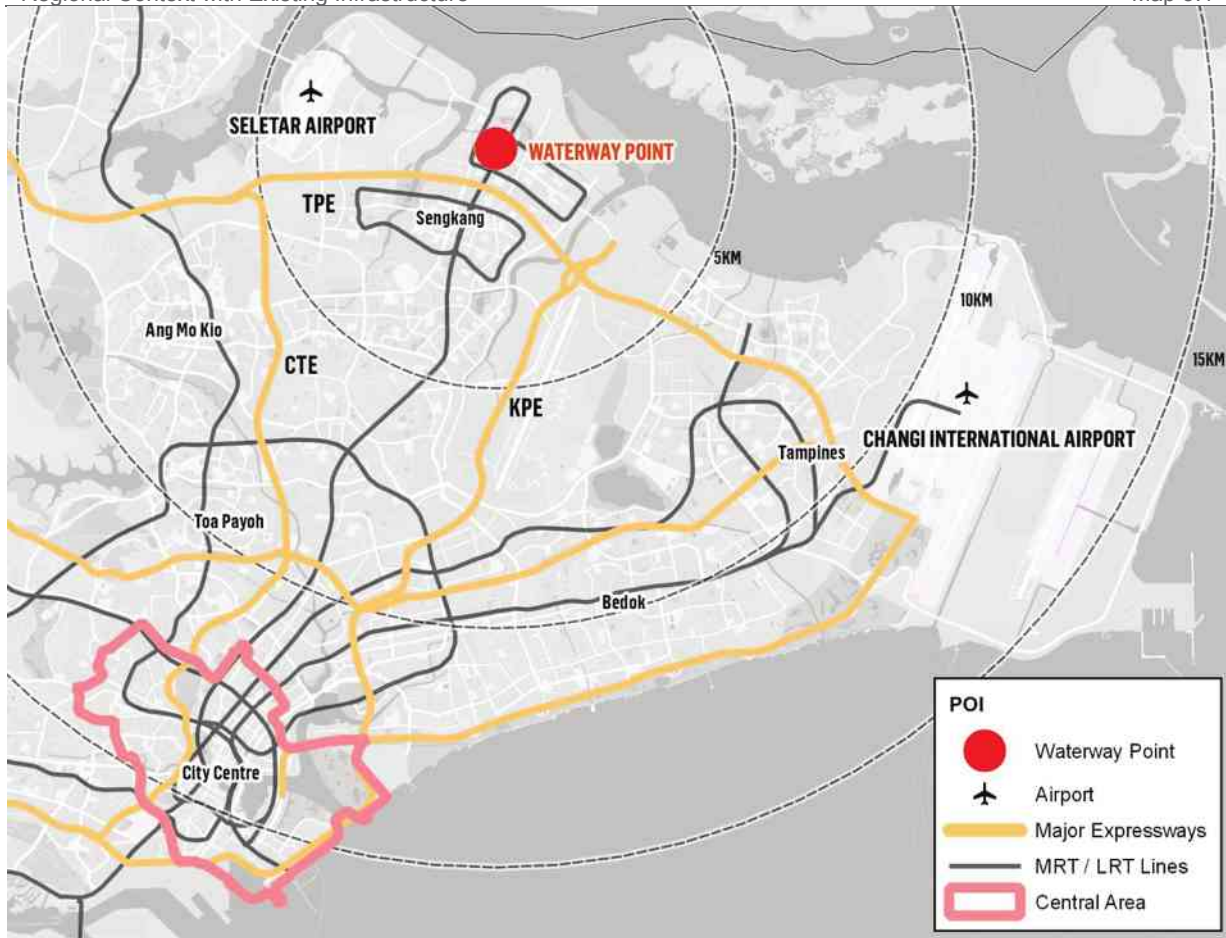
- The LRT Interchange connects Waterway Point to other parts of the PPA via the **East** and **West** LRT loops.

From an accessibility perspective, Waterway Point is very well-serviced:

- The Punggol MRT and LRT as well as the Temporary Bus Interchange serve as key gateways for footfall within Punggol as well as connecting Punggol to other parts of Singapore. The infrastructure supports very strong primary residential catchment, as well as generating visitation from beyond Punggol.
- Conversely, the accessibility provided by the NEL as well as the KPE and CTE provides residents of Punggol with numerous options to travel to other major regional centres. As a result, we expect Waterway Point to have a relatively smaller geographic catchment, but with very high frequency of visits. Residents living further out will make greater use of other regional shopping malls.

Regional Context with Existing Infrastructure

Map 3.1



Road and Public Transport Accessibility

Map 3.2



3.2. SURROUNDING LAND USES

Map 3.3 highlights the key surrounding land uses for Waterway Point:

- Waterway Point is surrounded by numerous residential developments. Within a radius approximately 500 metres of Waterway Point, there are approximately 2,180 condominium units and about 8,950 HDB units. This amounts to an estimated population of 39,500 within the immediate vicinity.
- Immediately next to Waterway Point is a mixed-use site that will have direct access to the Punggol MRT / LRT Interchange. The mixed-use site will ultimately include a residential and commercial mix, as zoned in the URA Masterplan 2014. The site has a land area of approximately 460,000 sq.ft and a plot ratio of 4.2, giving it a maximum allowable gross floor area of approximately 1.94 million sq.ft.

The ultimate mix of residential, retail and other commercial component is not yet known. Assuming an allocation of 20% to retail, the plot could provide a sub-regional retail provision of approximately 360,000 sq.ft GFA, which could translate to an NLA of around 234,000 sq.ft.

While there are no government land tenders for the site announced yet, this site could potentially prove to be very competitive from a retail perspective. We note, however, that even if the site was released in 2H 2019, a mixed-used development would take a few years to eventuate, giving Waterway Point time to further establish itself in the market. Regardless, the future of this site must be an important consideration in Waterway Point's future strategy.

- Additionally, immediately to the north and south of Waterway Point, are four plots of land currently zoned as reserve sites in the URA Masterplan 2014. These four plots of land have an aggregate land area of approximately 970,000 sq.ft. These sites could present themselves as an opportunity if they are zoned for residential or a source of competition if they are zoned with commercial elements.
- To the north-east of Waterway Point, Punggol Town Hub (which will include a library, a childcare centre and a hawker centre among other amenities) as well as the Punggol Regional Sports Centre, are projected to open by 2021. This will potentially help to increase the flow of traffic to and around Waterway Point from within and around the PPA.

Surrounding Land Use

Map 3.3



3.3. PUNGGOL DIGITAL DISTRICT

In early 2018, the Punggol Digital District (PDD) was launched by the government of Singapore with the JTC Corporation announced as the master developer of the 50-hectare development. At its nearest, the PDD is just 700 metres to the north of Waterway Point. The development will ultimately include:

- The new centralised campus of the Singapore Institute of Technology (SIT), one of six autonomous universities in Singapore. The new campus in Punggol will have a capacity of 12,000 students and offer courses in growth sectors such as aerospace engineering, sustainable infrastructure, chemical engineering and food technology, infocomm technology, health and social sciences, and design. The university campus is expected to be completed in 2023.
- Land sites that are zoned mixed use commercial and business parks which the government has said could collectively support approximately 28,000 jobs. Jobs to be supported in the innovation district are expected to span areas such as cyber-security, data analytics, artificial intelligence and the internet of things.
- The NEL will extend further northwards of Punggol and a new station, Punggol Coast MRT Station is projected to open in 2023. The new station will be the new terminus of the northern end of the NEL.
- The new district will be an expansion of the current Punggol Town Centre and will also have retail and F&B options in the form of an “E-Payment” hawker centre and a “Market Village” with waterfront retail and dining. The scale and variety of retail options at the Market Village is still unknown. However, it would be expected to have a F&B – centric focus given its location and potential of placemaking for dining options by the waterfront.

We see the introduction of the PDD as a positive for the district and Waterway Point. The PDD will attract workers and students from other parts of Singapore, providing Waterway Point with another source of shopper traffic. While its retail offer will offer some competition to Waterway Point, particularly with the offer of future F&B options, we do not believe the URA will allow the PDD to impact Waterway Point’s position at the top of the retail hierarchy for Punggol.

Punggol Digital District

Map 3.4



3.4. OTHER PLACES OF INTEREST

Punggol has a range of leisure and local tourist destinations which draw visitors from other parts of Singapore. These attractions are found within a radius of 4km by foot or bicycle of Waterway Point. Punggol MRT / LRT Interchange and the Punggol Temporary Bus Interchange serve as a key stopover or transit point for visitors who do not travel to these destinations by car.

These places of interests are listed in the table below, and their respective locations are presented on Map 3.5:

Place	Nearest Transport	Walking Distance from Waterway Point	Comments
SAFRA Punggol	Punggol Point LRT	0.8 km	A recreational club targeted for the families of National Servicemen. Facilities at SAFRA Punggol include an indoor water playground, preschool, bowling centre, darts bar and water activities.
Marina Country Club	Samudera LRT	1.4 km	A recreational club with facilities for water sports such as wakeboarding, water skiing and fishing among others.
Punggol Point Jetty	Punggol Point LRT	2.6 km	A popular fishing spot
The Punggol Settlement	Punggol Point LRT	2.7 km	A popular waterfront F&B precinct with about 12 F&B operators.
Coney Island	Punggol Point LRT	3.5 km	A 133-hectare park, of which 87 hectares are park space. The island / park is a popular hiking and cycling spot for the locals and is home to approximately 80 species of birds in a forest and mangrove habitat.
Punggol Park Connector	Punggol MRT	-	A series of scenic park connectors including Punggol Waterway, Punggol Promenade and the Punggol Park connector.



3.5. IMPLICATIONS FOR WATERWAY POINT

- Waterway Point is central to a densely populated part of northern Singapore. The area has multiple reasons for people to visit (including Waterway Point) and is supported by excellent infrastructure ensuring accessibility from throughout the city. The area has seen significant growth and development in recent years, which is set to continue in the future.
- The layout of infrastructure means that Waterway Point is likely to have a very strong and loyal primary catchment, from which it would generate strong levels of sales.
- The development of the PDD will materially increase the number of students and workers travelling into Punggol. Waterway Point stands to benefit from this given its proximity to the PDD.
- There are also several opportunities for more residential development within the area which will support ongoing population growth.
- However, Waterway Point is not without challenges:
 - The vacant site immediately across Waterway Point (zoned for mixed use) serves as a long-term competition, given that it has the potential to provide a significant retail offer (potentially between 230,000 sq.ft to 350,000 sq.ft).
 - While the mall is likely to have a very strong and loyal catchment, we expect it is more challenging to generate loyalty amongst shoppers from beyond the local area. The MRT as well as the road connectivity from KPE and CTE enables residents in neighbouring townships and planning areas, such as Sengkang and Hougang, to have multiple inboard shopping options such as Compass One and NEX.
 - While the numerous new development sites available in the PDD and surroundings provide an increase in catchment for Waterway Point, it is also competition which the additional retail could bring to the market.

4. WATERWAY POINT

Waterway Point is part of a mixed-use development including:

- a 371,200 sq.ft, four storey shopping mall and
- Watertown, a 992-unit residential development which sits on top of Waterway Point and is fully sold.

The retail component was opened in January 2016 while the residential part was completed in Q1 2017. Waterway Point has also been awarded the BCA Green Mark Gold^{Plus} award in 2015 and the BCA Universal Design Mark Gold^{Plus} Award in 2018 by the Building & Construction Authority.

4.1. DESCRIPTION OF MALL LAYOUT

Waterway Point has four levels of retail and is divided into the East Wing and the West Wing. While the East and West Wing are connected at Basement 2 and Basement 1, a central “outdoor” walkway (Picture 1) divides the two wings on Level 1. This walkway connects directly to the MRT station, acting as a commuter conduit to the mall.

The mall has a mix of indoor and outdoor space, creating more of a ‘town-centre’ feel. The mall also has strong placemaking elements which has the potential to facilitate community events such as:

- The Cove at Basement 2 (Picture 2): A water fountain play area and “arena” styled seating
- Wonderland at Level 2: An indoor children playground
- Party Room at Level 2: An event space catered to children parties and events.
- Happy Park at Level 2: An outdoor wet and dry playground with features such as water curtains and tunnel slides.
- Pet Path, which allows shoppers to bring their pets across a 24-hour boardwalk on Level 1
- Direct connectivity to the Punggol Park Connector.

The layout of the mall is somewhat constrained. While the parts of the mall have good lines of sight, several parts are quite narrow with modest lines of sight (Picture 4). Wayfinding for a new visitor can be somewhat challenging. However, this is unlikely to have a material impact on residents who know the mall well.

The L1 al-fresco dining precinct is reasonably well presented with a strong Japanese theme among the restaurants (Picture 5). It overlooks the My Waterway @ Punggol (Punggol Creek), creating a pleasant evening atmosphere (Picture 6). However, the equivalent space on L2 is underutilised representing an opportunity for the future.

The mall has a heavy focus on smaller specialty³ shops. Only the B2 is has anchor tenants⁴, including a Fairprice Finest supermarket and a cineplex operated by Shaw Theatres. Remaining levels provide a small number of other anchor tenants such as Uniqlo, H&M and Best Denki.

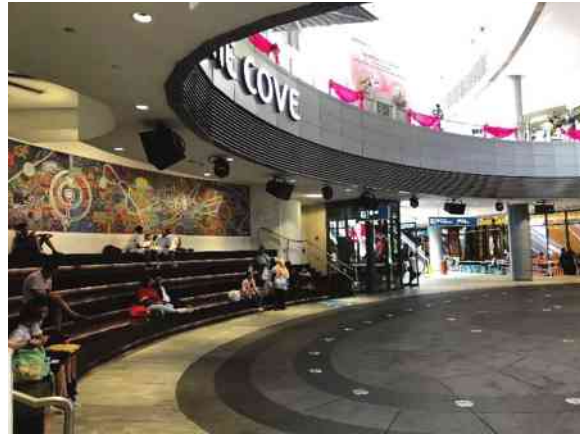
³ Specialty shops are defined as providing less than 10,000 sq.ft NLA

⁴ Anchor tenants defined as providing >10,000 sq.ft NLA



Picture 1 – “Outdoor” Walkway Level 1”

Source: Cistri



Picture 2 – The Cove

Source: Cistri



Picture 3 – Internal Atrium

Source: Cistri



Picture 4 – Sightlines along walkway

Source: Cistri



Picture 5 – L1 Al fresco Dining Precinct

Source: Cistri



Picture 6 – Frontage to My Waterway @ Punggol

Source: Cistri

4.2. TENANT MIX

Table 4.1 lists out some key points about the tenant mix in Waterway Point:

- The mall is anchored by Shaw Theatres and NTUC Finest. They are located in basement 2. Collectively, these anchor tenants occupy 16.9% of the total mall floorspace.
- Other anchor tenants in Waterway Point include Best Denki (homewares, basement 1), Toys R Us (children / gifts, basement 1), fashion anchors H&M (across level 1 and 2) and Uniqlo (level 1) and the food court Koufu on level 2.
- Collectively, anchors make up 35.9% of total NLA, which is below the Singapore average of 45.0%.
- The remaining 64.1 % of total NLA comprises 210 large specialty and specialty tenancies. Of the large specialty and specialty area, there are 7 vacant tenancies that makes up 1.9% of total mall space. This indicates that the mall has stabilized with healthy occupancy levels.
- Cistri also notes that the mall is also in a transient period, as it is in the first lease renewal cycle in 1H 2019.
- The mall has 623 car park spaces, which equates to 1.7 spaces per 1,000 sq.ft of NLA.

Mall Composition (Latest Composition)

Waterway Point

Table 4.1

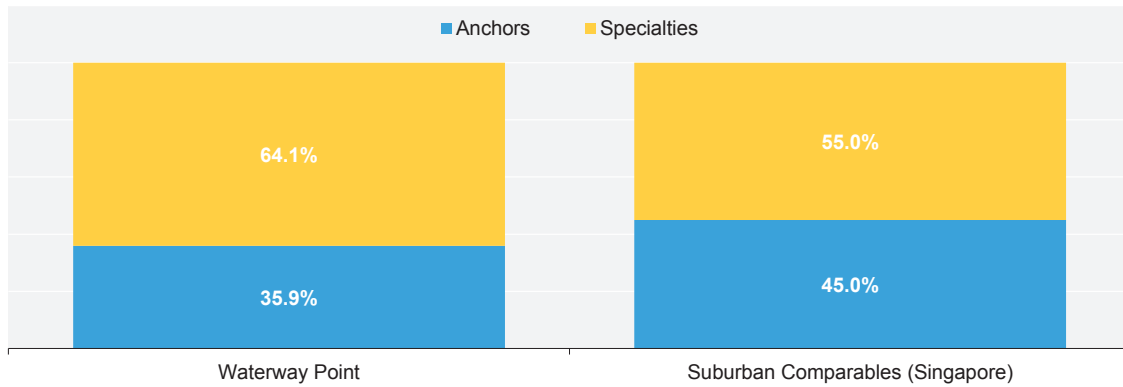
	No. of Tenants	NLA (sq.ft)	NLA (%)
Anchors			
Shaw Theatres	1	32,994	9%
NTUC Finest	1	29,705	8%
H&M	1	18,565	5%
Koufu	1	16,647	4%
Uniqlo	1	12,108	3%
Best Denki	1	11,970	3%
Toys R Us	1	11,174	3%
	7	133,163	36%
Large Specialty Shops:			
Daiso	1	8,721	2%
Times	1	7,335	2%
Cotton On	1	5,436	1%
Home-Fix	1	5,091	1%
	4	26,583	7%
Specialty Shops:			
	199	204,504	55%
Vacant	7	6,950	2%
Total Centre	217	371,200	100%
% Specialty Shops			64%

Source: Frasers Property

Mall Composition Benchmarks

Waterway Point vs Suburban Comparable Malls (Singapore)

Chart 4.1



Source: Frasers Property, Cistri

4.3. MALL PERFORMANCE TO DATE

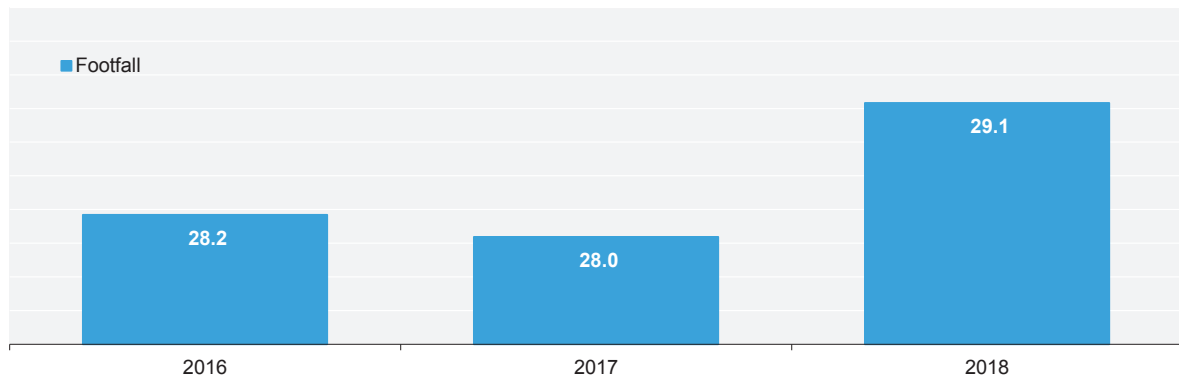
We were only provided with high-level performance data for the mall. As a result, we are unable to provide detailed comments on the performance of the mall. The comments below are based on partial data, and thus should be read in that context.

Charts 4.2 and 4.3 present the annual and monthly footfall at Waterway Point. While 2017 experienced a slight dip in footfall, 2018 saw a rebound by 3.9%, with approximately 29.1 million visitors. Over the three years, December has consistently seen the highest level of footfall, largely due to the holiday season. Total visitation of 29 million for an outer suburban mall is a very strong performance, although this is not uncommon for MRT connected malls in Singapore.

Annual Footfall (Millions)

2016 – 2018

Chart 4.2

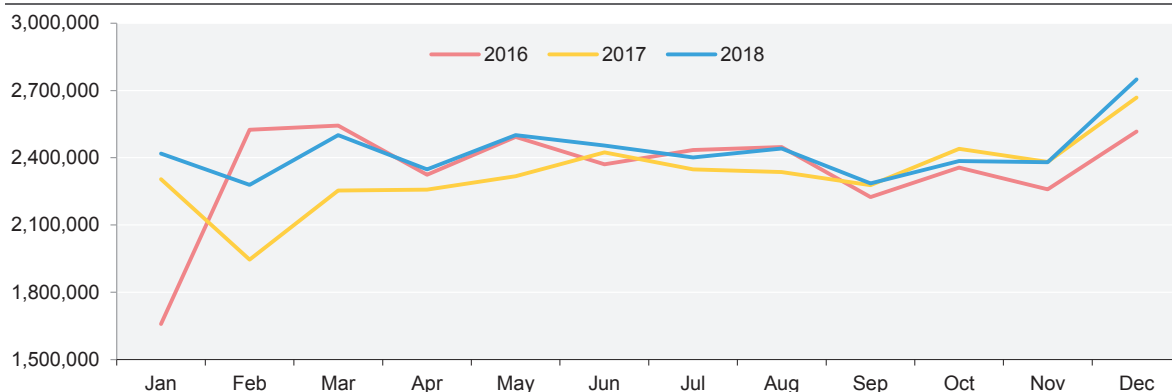


Sources: Frasers Property

Monthly Footfall

2016 – 2018

Chart 4.3



Sources: Frasers Property

Chart 4.4 presents the tenant sales for tenants **who report sales** and the **gross rents**⁵ for the same tenants. It also provides **total mall gross rents** (total and per sq.ft per month)⁶ for Waterway Point in FY 2017 and FY 2018.

Between the two years, sales for tenants reporting increased by 10.0%, reaching SGD 379.1 million in FY 2018. This is a healthy level of growth, reflecting a mall that is stabilising in a high growth market. At an average trading level of SGD 85.11 psf per month, this is in line with the average of better performing malls in Singapore, which ranges between SGD 80 – 90 psf per month.

During FY 2018, Waterway Point's **average gross rent** rose by 3.4% from SGD 16.3 to SGD 16.9 per sq.ft. This average is within the range we see for high-quality, modern sub-regional malls in Singapore, particularly those with limited anchor tenant provision. Among tenants reporting sales, total gross rent increased by 1.4%, from SGD 66.2 million in FY 2017 to SGD 67.1 million in FY 2018.

The average OCR for tenants reporting turnover decreased from 19.2% in FY 2017 to 17.7% in FY 2018. These figures are generally in line with the average for malls in Singapore (18% - 22%). Without further detail, we cannot comment on the sustainability of the OCRs by tenant type.

⁵ Gross rents for tenants reporting GTO was derived by multiplying reported Occupancy Cost Ratio with the reported sales figures for reporting tenants provided to Cistri

Gross rents comprise of base rents, service charges, advertisement & promotional charges and turnover rents

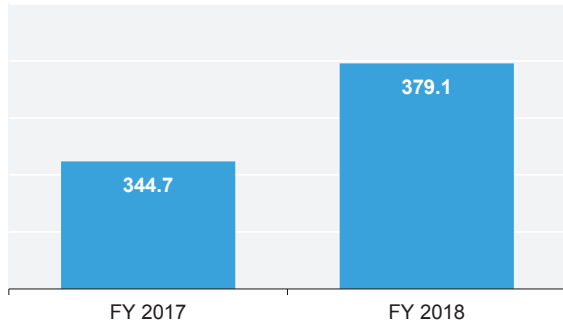
⁶ Average total mall rent psf pm is the total mall gross rent divided by the NLA of Waterway Point

Tenant Sales, OCRs, Gross Rent, Average Rent psf pm

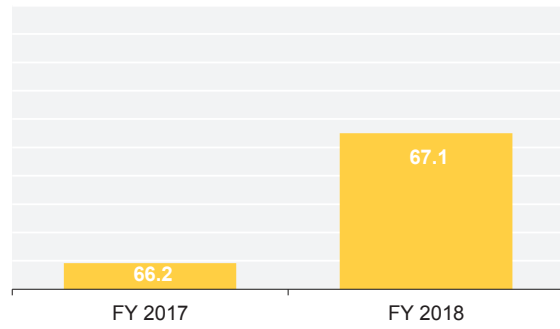
FY 2017 – FY 2018, Total Mall

Chart 4.4

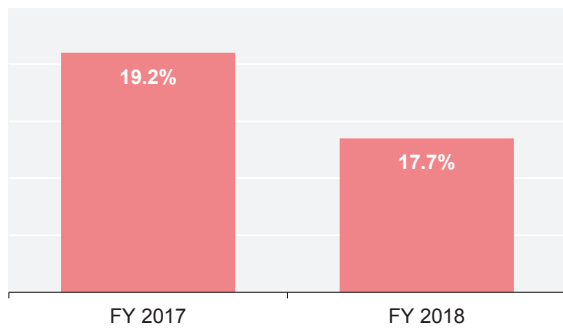
Sales of Tenants Reporting GTO (mil SGD)



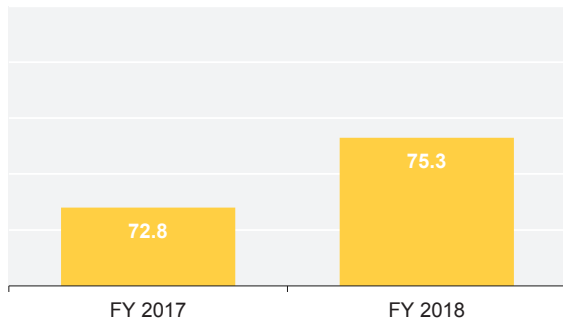
Gross Rent of Tenants Reporting GTO (mil SGD)



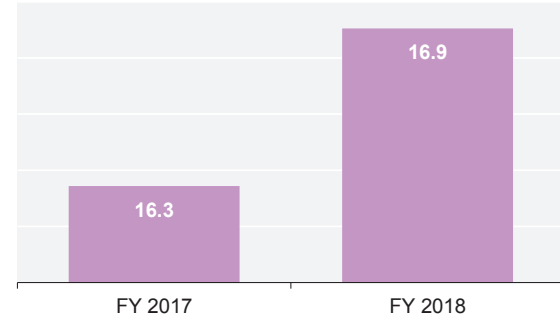
OCR of Tenants Reporting GTO



Total Mall Gross Rent (mil SGD)



Average Mall Gross Rent (psf pm)



Sources: Frasers Property

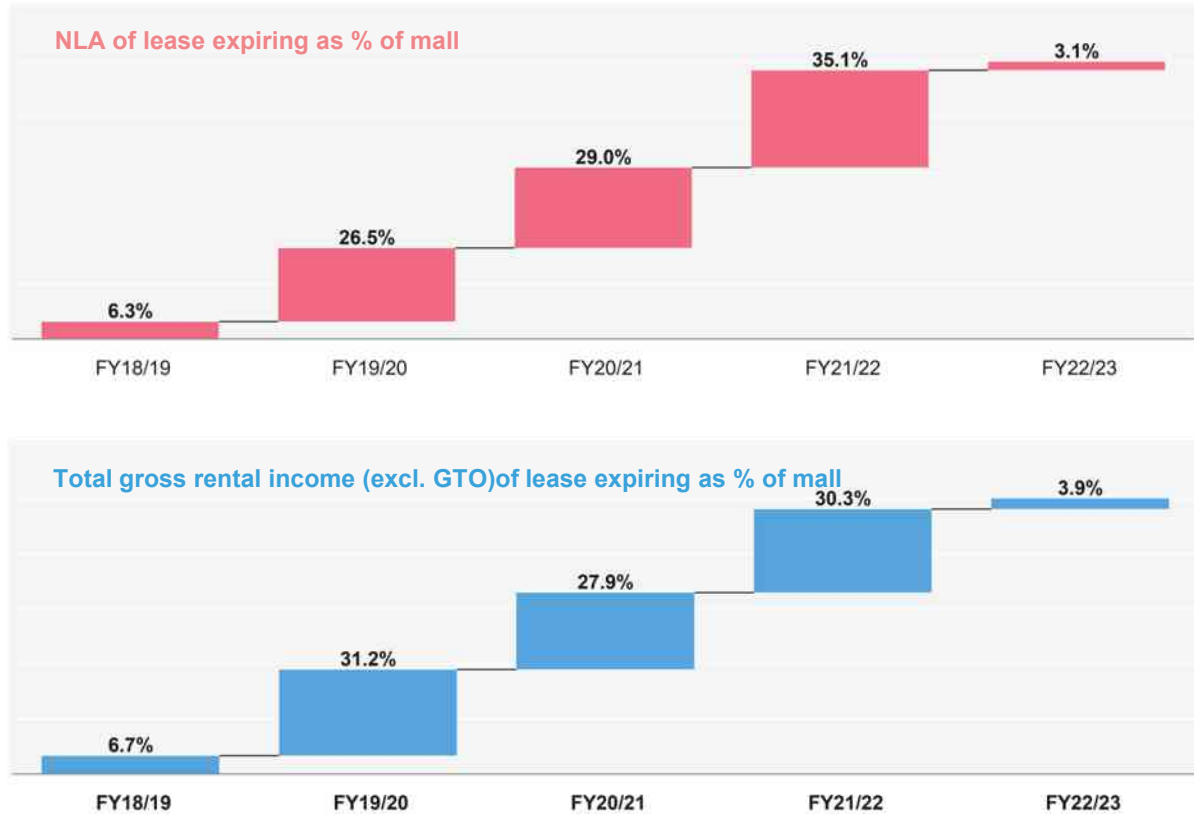
4.4. MALL LEASE EXPIRY AND RENT PROFILE

Chart 4.5 presents Waterway Point's lease expiry profile as well as the respective tenants' rental contribution to the mall's gross rent. The expiries are well distributed across the next three financial years, ranging from 26.5% to 35.1% of NLA between FY 19/20 and FY 21/22. These 169 leases represent 90.6% of currently tenanted spaces or 86.2% of total NLA in Waterway Point. Furthermore, they account for 89.4% of the mall's total base rent.

Lease Expiry and Rent Profile

FY18/19 – FY22/23, Total Mall

Chart 4.5



The lease expiry profile is as at 31 March 2019

Sources: Frasers Property

4.5. IMPLICATIONS FOR WATERWAY POINT

Some key considerations and takeaways for Waterway Point include:

- We have been provided with limited performance data to enable us to provide a high level and indicative view of the performance of Waterway Point.
- Waterway Point is a modern, good quality mall with several strong features. Its connection to the MRT is a major strength, generating very high levels of visitation. The mall generally presents well and provides ample opportunities for placemaking elements that are necessary to support popular retail in today's market. The main weakness of the mall is that it can be difficult to navigate, and some of the external areas could be improved. Presently, Waterway Point has sales, rents and OCR figures which are in line with other good quality malls in Singapore.

5. TRADE AREA ANALYSIS

5.1. RESIDENT TRADE AREA DEFINITION

Historically, trade areas were best defined using an exit survey that showed where customers came from and how much they spent. In recent years data sources such as mobile phone movement analytics or credit card transaction data have increasingly been used. However, in this case these sources are not available. In such a situation, we use our own experience to define the trade area, examining several key factors:

- Where the subject mall sits in the retail hierarchy.
- Competitive shopping malls, their proximity and composition.
- The location and the level of accessibility by road and public transport.
- Natural or man-made physical barriers such as rivers, mountains, expressways or places with restricted access. Examples of this include Tampines Expressway (TPE) and the Punggol River (Sungei Punggol).

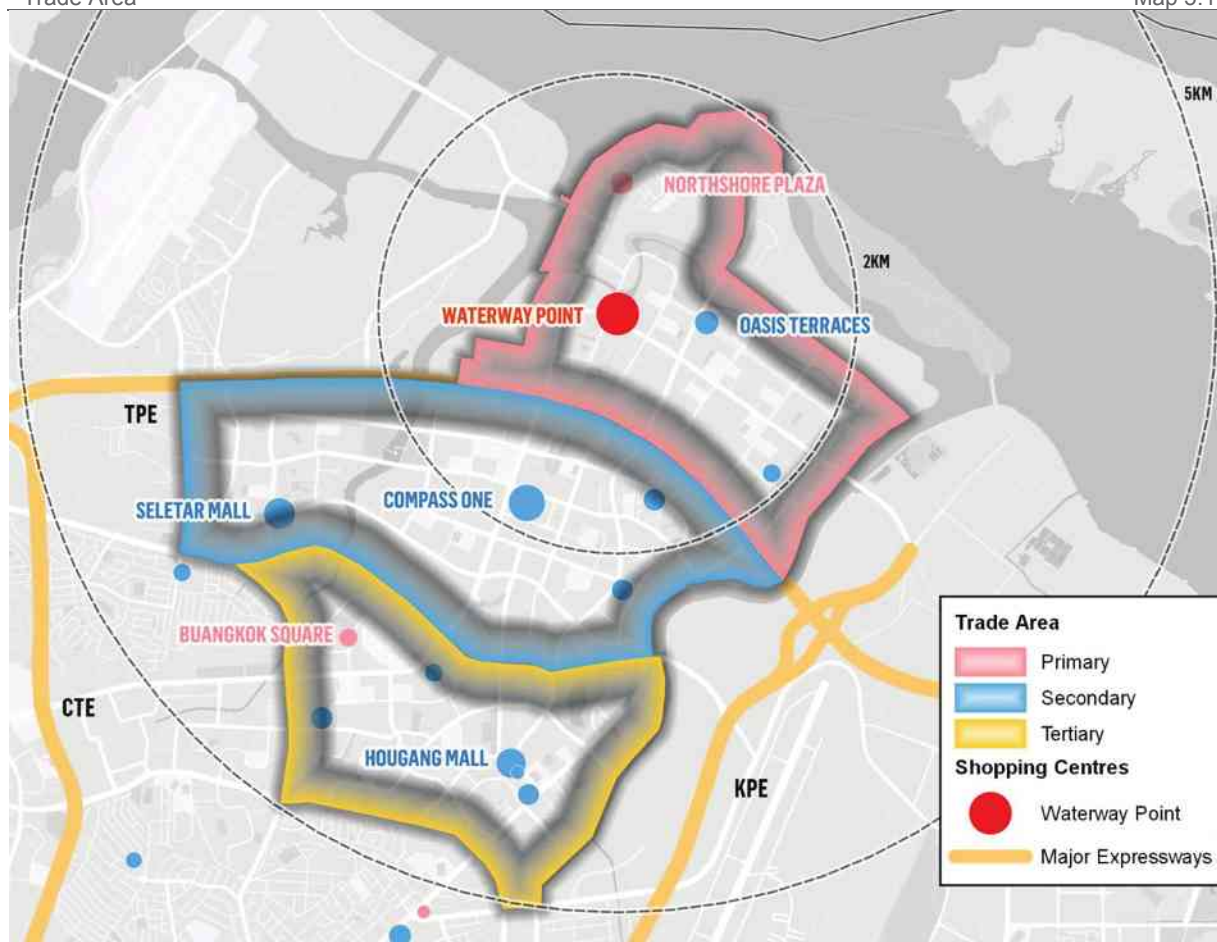
The trade area for Waterway Point has been defined with these factors taken into consideration, as well as the administrative boundaries defined by the administrative subzones. Map 5.1 shows the trade area we have defined for the mall. It includes three sectors:

- The **primary sector** largely consists of the PPA, with the Serangoon River / Punggol Serangoon Reservoir bordering the east; the TPE bordering the south and Sungei Punggol bordering the west. The topographic layout of the PPA, including waterways and the TPE, play a large role in shaping the primary sector. The sector broadly covers an area between 1 – 2 km radius from Waterway Point.
- The **secondary sector** includes the Sengkang Planning Area (SPA), with
 - TPE bordering the north,
 - Serangoon River / Punggol Serangoon Reservoir bordering the east,
 - The natural vegetation, Sengkang MRT Depot and Sengkang East Avenue bordering the south, and
 - Sengkang West Road bordering the west.

This sector is likely to generate significant visitation to Waterway Point, however the TPE as well as competition from Compass One is likely to limit this compared to the primary sector.

- The **tertiary sector** includes a large portion of the Hougang Planning Area (HPA), with
 - Natural vegetation, the Sengkang MRT Depot and Sengkang East Avenue bordering the north,
 - Serangoon River bordering the east,
 - Hougang Avenue 2 and 3 bordering the south and
 - Yio Chu Kang Road bordering the west.

The Primary and Secondary trade area sectors collectively include Waterway Point's **main trade area** and together with the Tertiary trade area, form the **total trade area**.



5.2. TRADE AREA POPULATION, CURRENT & FORECASTS

Table 5.1 shows the estimated resident population of the trade area between 2013 to 2023. Presently we estimate the main trade area has a population of approximately 437,000 residents, of which 175,000 residents live in the primary trade area. The primary trade area had experienced high growth from a relatively low population base in the past five years, growing at an average of 12.5% per annum based on Cistri's estimates and Singapore Statistic's data. This reflects Punggol's present status as a newer HDB planning area and growth area.

With the northern areas of Punggol (Northshore Plaza and north of Oasis Terraces (Map 5.1)) slated for future residential developments, the primary sector will continue to grow strongly. The western section of the secondary sector will also have capacity for future population growth. We expect the main trade area to grow from 437,000 in 2018 to 511,000 in 2023, or 3.2% per annum, higher than the national population growth rate of ~1.0%.

Together with the tertiary sector, the total trade area is expected to grow from 600,000 in 2018 to 679,000 in 2023, representing an increase in population of 2.5% per annum.

Our population forecast is based on new residential developments coming into the trade area as shown in Map 5.2 and Table 5.2.

Trade Area Population

2013 – 2023

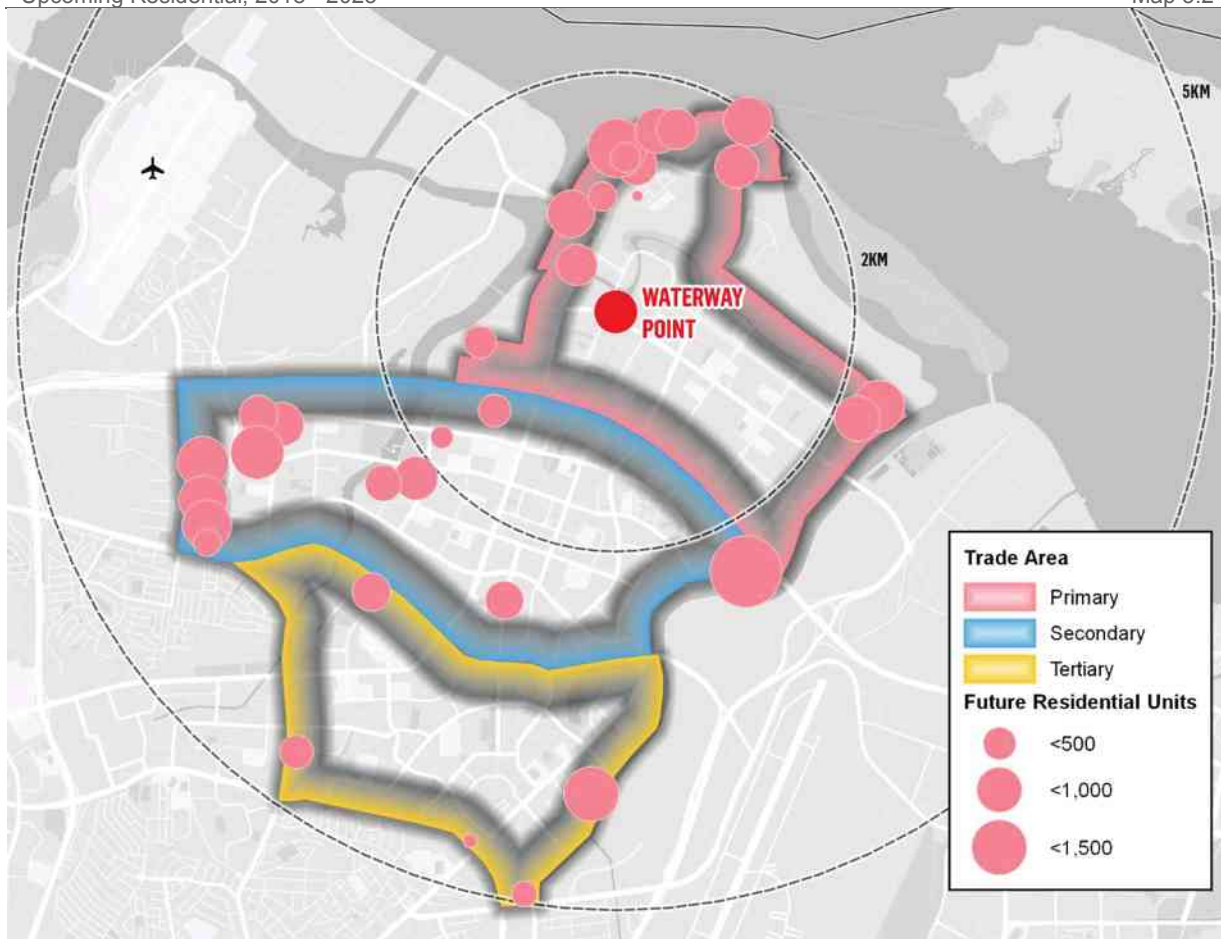
Table 5.1

	Population (000's)			Annual Growth (000's)		CAGR (%)	
	2013	2018	2023	2013-2018	2018-2023	2013-2018	2018-2023
Primary	97	175	210	15.6	7.1	12.5%	3.8%
Secondary	200	262	301	12.4	7.7	5.6%	2.8%
Main Trade Area	297	437	511	28.0	14.8	8.0%	3.2%
Tertiary	157	163	168	1.2	1.1	0.8%	0.6%
Total Trade Area	454	600	679	29.3	15.9	5.7%	2.5%

1. Population excludes construction workers and domestic workers.
Source: Singstat, Cistri

Upcoming Residential, 2018 - 2023

Map 5.2



List of Future Residential Units

2018 – 2023

Table 5.2

	Type	Number of Units	Year of Completion
Primary:			
Matilda Sundeck	HDB	490	2020
Punggol Bayview	HDB	1,096	2019
Northshore Edge	HDB	388	2022
Northshore Residences 1	HDB	588	2020
Northshore Residences 2	HDB	814	2021
Waterfront 1 & 2 @ Northshore	HDB	1,694	2021
Northshore StraitsView	HDB	1,021	2020
Northshore Cove	HDB	801	2021
Northshore Trio	HDB	409	2021
White Cove @ Punggol	Condominium	17	2021
Punggol Point Woods	HDB	940	2023
Punggol Point Cove	HDB	1,172	2023
Waterway Sunrise 1	HDB	1,295	2022
Waterway Sunrise 2	HDB	1,014	2021
Sumwang Walk EC	<u>Executive Condominium</u>	<u>820</u>	<u>2023</u>
		12,559	
Secondary			
Fernvale Glades	HDB	1,300	2021
Fernvale Woods	HDB	1,160	2019
Fernvale Dew	HDB	1,188	2022
Fernvale Acres	HDB	330	2021
Fernvale Vines	HDB	933	2023
Parc Botannia @ Fernvale	Condominium	735	2021
High Park Residences	Condominium	1,390	2020
Anchorvale Village	HDB	207	2022
Anchorvale Plains	HDB	921	2020
Rivercove Residences	Condominium	628	2020
Treasure Crest	Condominium	504	2019
Rivervale Shores	HDB	2,500	2022
Sengkang Central	Condominium	<u>700</u>	2022
		12,496	
Main Trade Area:		25,055	
Tertiary Trade Area			
Hundred Palm Residences	Condominium	531	2020
Hougang RiverCourt	HDB	285	2020
Parkwood Collection	Condominium	53	2021
Riverfront Residences	Condominium	1,472	2025
Buangkok Woods	Condominium	<u>711</u>	2020
		3,052	
Total Trade Area		28,107	

Source: Cistri

We expect population growth in the main trade area beyond 2023 will continue to remain higher than the Singapore average for the following reasons:

- Residential projects coming into the market between 2021 – 2023 filling up to a stabilised population
- There are still several major residential zoned sites across the trade area that will remain undeveloped in 2023. In the long-term, the PPA could potentially support 96,000 HDB units⁷. Assuming an average household size of 3.5 the HDB units alone could support a population of 330,000⁸.

⁷ HDB Annual Report 2017/2018

⁸ Population figure projection does not include condominium units

5.3. PER CAPITA SPENDING AND RESIDENT RETAIL SPENDING FORECASTS

Table 5.3 presents estimated trade area **retail spending** per capita estimates and total retail spend by residents for 2018. The per capita estimates are based on Cistri's own modelling that takes into account the Singapore Census' estimate of resident household income, with adjustments made for non-resident populations.

The primary sector has an estimated per capita retail spend figure of SGD 7,340 which is 5% higher than the average of Singapore's SGD 7,012. The secondary sector has a per capita spend figure that is 2% lower than the Singapore average, resulting in a main trade area per capita retail spending figure of SGD 7,069, 1% higher than the Singapore average.

Taking the tertiary sector into account, the total trade area's per capita spend is approximately 1% lower than the Singapore average, at SGD 6,954.

Taking into account the population presented in Table 5.1, the main trade area and the total trade area total retail spending markets are estimated at SGD 3.1 billion and SGD 4.2 billion respectively. Spending on food (food retail⁹ and food catering¹⁰) makes up 52% of the total.

Trade Area Retail Per Capita Spend

2018

Table 5.3

	Population	Var. From Singapore Spending	Retail Spend Per Capita (SGD)			Retail Spend (SGD Mil)		
			Food	Non-Food	Total	Food	Non-Food	Total
Primary	174,700	+5%	3,731	3,609	7,340	652	631	1,282
Secondary	262,400	-2%	3,501	3,387	6,889	919	889	1,807
Main Trade Area	437,000	+1%	3,593	3,476	7,069	1,570	1,519	3,090
Tertiary	163,000	-5%	3,378	3,268	6,646	551	533	1,083
Total Trade Area	600,000	-1%	3,535	3,420	6,954	2,121	2,052	4,173
<i>Singapore</i>			3,564	3,448	7,012			

Source: Singstat, Cistri

5.4. OTHER MARKET SEGMENTS

Waterway Point is part of a mixed-use development comprising the mall and 992 private condominium units (Watertown), the mall has an on-site market including **residents** and on-site **retail workers**.

RESIDENTS

With 992 residential units, assuming an occupancy of 95% and an average household size of 3.55, we estimate the on-site resident population to be slightly over 3,300. Given the average per capita spending of the Punggol planning area, we expect total on-site resident spending to increase from SGD 24.6 million in 2018 to SGD 26.5 million in 2023.

⁹ Food retail refers to tenant types such as conveniences stores, smaller grocery stores, bakeries, chocolate shops, etc.

¹⁰ Food catering refers to tenant types such as cafes, restaurants, food kiosks, fast food restaurants and food courts.

On-Site Resident Spending

2018 – 2028

Table 5.4

	Unit	2018	2019	2020	2021	2022	2023
New Completions	no.	0	0	0	0	0	0
Available units	no.	992	992	992	992	992	992
Average Occupancy	%	95%	95%	95%	95%	95%	95%
Occupied Units	no.	942	942	942	942	942	942
Persons Per Unit	no.	3.6	3.6	3.6	3.6	3.6	3.6
On-Site Population	no.	3,346	3,346	3,346	3,346	3,346	3,346
Per Capita Spending	SGD/ Annum	<u>7,340</u>	<u>7,400</u>	<u>7,486</u>	<u>7,605</u>	<u>7,753</u>	<u>7,928</u>
On-Site Resident Spending	SGD Mil.	24.6	24.8	25.0	25.4	25.9	26.5

Source : Cistri

RETAIL WORKERS

With approximately 371,200 sq.ft NLA, an occupancy of 97.4% in 2018, we estimate an on-site retail worker population of ~1,000. Assuming spending of SGD 15 per day in 2018, increasing to SGD 16.2 in 2023, we estimate that on-site retail workers spending will increase from SGD 5.4 million in 2018 to SGD 5.8 million in 2023.

On-Site Retail Worker Spending

2018 – 2028

Table 5.5

	Unit	2018	2019	2020	2021	2022	2023
New Completions	sq.ft NLA ('000)	0	0	0	0	0	0
Available Floorspace	sq.ft NLA ('000)	371,200	371,200	371,200	371,200	371,200	371,200
Average Occupancy	%	97%	97%	97%	97%	97%	97%
Worker Space Ratio	sq.ft NLA / Worker	360	360	360	360	360	360
On-Site Retail Workers	no. Workers	1,004	1,000	1,000	1,000	1,000	1,000
Spend Per Working Day ₁	SGD	15.00	15.13	15.31	15.56	15.87	16.23
Average Working Days	no. Days	360	360	360	360	360	360
On-Site Retail Worker Spending	SGD Mil.	5.4	5.4	5.5	5.6	5.7	5.8

Source: Cistri

₁ Estimated figure

5.5. TOTAL AVAILABLE RETAIL SPENDING MARKET

Table 5.6 summarises the total retail spending market for Waterway Point between 2018 – 2023, as discussed above.

The on-site market is relatively small compared with the total overall trade area. Note that the on-site resident market has been excluded from the primary trade area estimate (to avoid double counting). Similarly, we assumed all on-site residents have come from within the trade area, and hence have been excluded from the trade area spending market.

Growth in the market is set to remain very healthy over the next five years. We estimate total trade area spending will increase by 4.1% per annum from SGD 4.19 billion in 2018 to SGD 5.13 billion in 2023. In particular, the primary sector is expected to see a growth of 5.4% per annum for the next five years.

The total resident trade area growth rate of 4.1% includes the following components:

- Trade area population growth of 2.5% per annum;
- Real spend per capita growth of 0.7% per annum; and
- Inflation of 0.9% per annum.

Total Retail Market Spend

2018 – 2028

Table 5.6

	Retail Spending (SGD Mil.)			CAGR (%)	
	2018	2020	2023	2018-2020	2020-2023
Trade Area Residents¹:					
Primary	1,275	1,407	1,659	+5.0%	+5.6%
Secondary	<u>1,805</u>	<u>1,949</u>	<u>2,237</u>	<u>+3.9%</u>	<u>+4.7%</u>
Main Trade Area	3,080	3,356	3,895	+4.4%	+5.1%
Tertiary	1,082	1,118	1,206	+1.6%	+2.6%
Total Trade Area	4,162	4,474	5,102	+3.7%	+4.5%
On Site:					
Retail Workers	5	6	6	+0.9%	+2.0%
On Site Residents	<u>25</u>	<u>25</u>	<u>27</u>	<u>+1.0%</u>	<u>+1.9%</u>
Total On Site	30	31	32	+1.0%	+1.9%
Total Retail Spending Market	4,192	4,504	5,134	+3.7%	+4.5%

1. Excludes spending by on site residents and workers (while at work) assumed to live within the trade area

2. Population excludes construction workers and domestic workers.

Source: Singstat, Cistri

5.6. IMPLICATIONS FOR WATERWAY POINT

The demographic and spend propensity of Waterway Point's catchment is largely positive as it is supported by the following factors:

- A relatively affluent existing primary trade area, which will generate a large share of Waterway Point's tenants' sales.
- Healthy population growth in the trade area, particularly in the primary trade area, with potential for more residential developments which supports further growth.
- An existing on-site market.

We consider the market to be supportive of tenants' sales growth from the on-site market and immediate catchment of Waterway Point, subject to the impact of new competition (discussed in the following section).

6. REVIEW OF RETAIL COMPETITION

The following section discusses the existing and future retail competition relevant to Waterway Point. These include shopping malls found within the trade area and major malls beyond it which have some impact on Waterway Point's performance.

Broadly, some of the key takeaways include:

- **Waterway Point** presently sits at the top of the retail hierarchy within the PPA and primary sector. There are no other malls within the **primary sector** which have the same variety of offer in retail (apparel, entertainment, homewares / furnishing) as Waterway Point.

However, there are malls such as **Oasis Terraces** which are newer generation HDB retail centres which do have a good variety of food retail and catering options as well as a supermarket that would have an impact on Waterway Point's food retail and catering performance.

- Going forward, Waterway Point is expected to remain dominant in the primary sector until at least 2023, with only **Northshore Plaza**, another newer Generation HDB centre which opens in 2020 coming into the market before 2023.

There is potential increase in competition, given that the site directly opposite Waterway Point has a commercial zoning and could have an offer of retail that could rival Waterway Point if developed within similar regulatory guidelines.

Additionally, retail options have been proposed within the Punggol Digital District though it will likely be F&B centric given its location by the waterfront.

- Waterway Point faces further competition in its secondary sector. **Compass One** (~270,000 sq.ft NLA) is the largest shopping mall in the secondary sector and is directly connected to the Sengkang MRT / LRT Interchange.

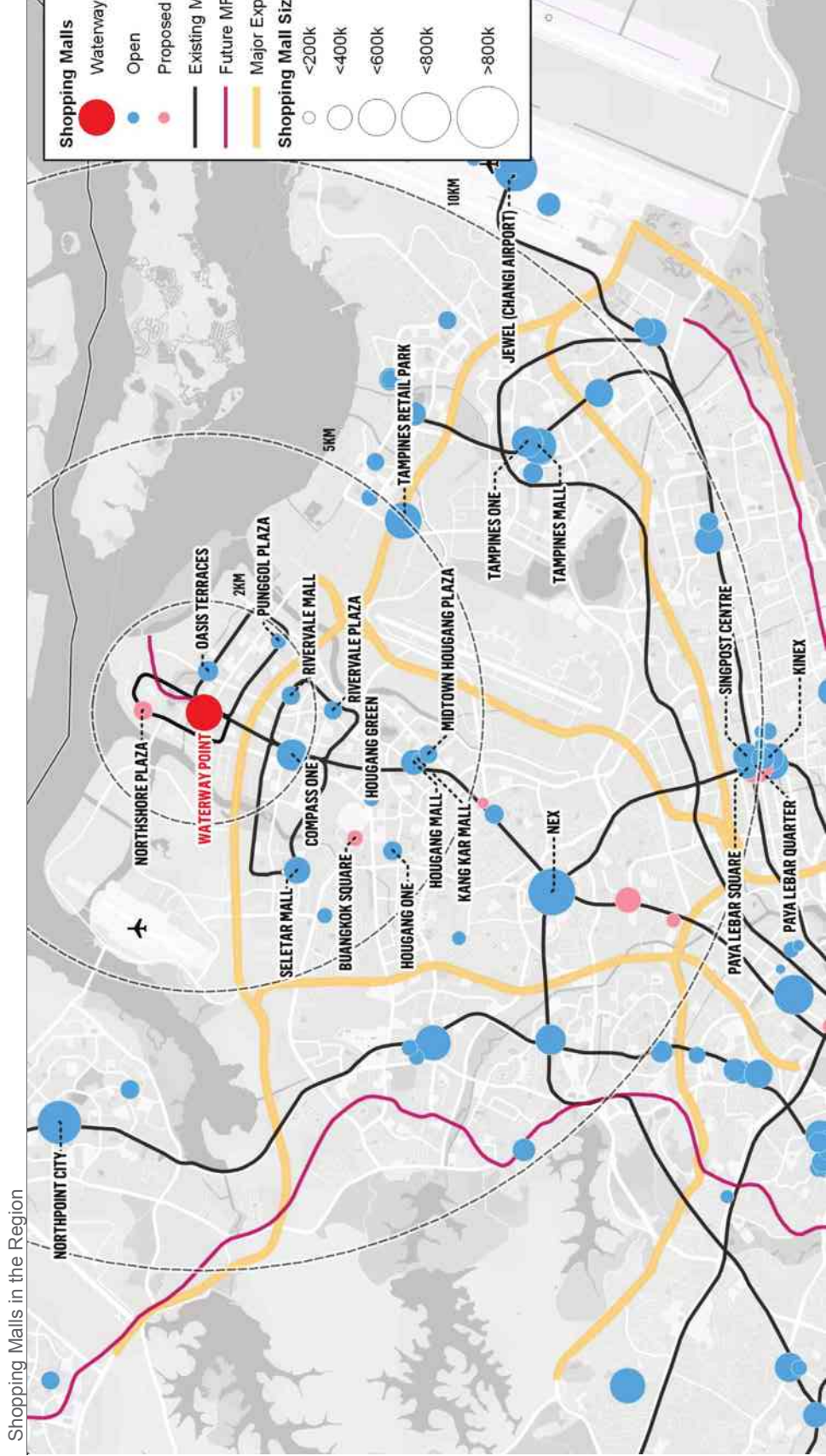
Seletar Mall (188,000 sq.ft NLA), which is also located within the secondary sector has higher order retail offerings such as a cinema, fashion anchors and a department store. More information about Compass One and Seletar Mall is provided in Section 6.1.2.

- The tertiary sector lacks a competitive retail offer, with **Hougang Mall** (at 167,000 sq.ft) being the largest mall in the sector.
- Beyond the total trade area, NEX is the most relevant regional mall which has and will continue to directly impact Waterway Point's competitiveness. This is because the mall is strategically located at the Serangoon MRT Interchange of the NEL and Circle line and serves as a gateway to the north-east of Singapore. It will, therefore, have an impact on Waterway Point's competitiveness in the Secondary and Tertiary sectors as well as its performance with customers from beyond its trade area. Tampines Regional Centre, while not as directly connected to the primary sector as NEX, collectively has a large retail offer with approximately 823,000 sq.ft of retail across three shopping malls.
- Going forward, other regional centres like **Paya Lebar**, which will have a collective mall NLA of approximately 826,000 sq.ft when **Paya Lebar Quarter** opens later this year.

Jewel (Changi Airport), which has unique offerings such as the Pokemon Centre, would have a small impact on Waterway Point's future performance.

Further details about the existing and future shopping malls within the trade area and relevant shopping malls beyond the trade area are detailed in Table 6.1 and 6.2 respectively. Map 6.1 provides the location of the malls discussed in Section 6. Section 6.1 and 6.2 describes the relevant existing and proposed competition within and beyond Waterway Point's trade area.

Map 6.1



Shopping Malls in the Region

6.1. EXISTING COMPETITION

Existing Shopping Malls

Waterway Point Trade Area

Table 6.1

Name	NLA (sq.ft)	Distance (km)	Closest MRT / LRT	Levels	Opening Year	Mall Type	Market Positioning	Key Tenants	Relevance to Waterway Point
Primary									
Oasis Terraces	100,000	1.6	Oasis	4	2018	Neighbourhood	Mid-Market Value	FairPrice	Moderate
Punggol Plaza	50,000	2.0	Coral Edge	6	2004	Neighbourhood	Value	FairPrice, Koufu	Moderate
Secondary									
Compass One	269,546	2.6	Sengkang	6	2002	Sub-Regional	Mid-Market Value	Cold Storage	Moderate-High
Seletar Mall	188,000	4.3	Femvale	6	2014	Neighbourhood	Mid-Market Value	FairPrice Finest, Shaw Theatres, BHG	Moderate
Rivervale Mall	81,159	2.1	Rumbia	3	2000	Neighbourhood	Mid-Market Value	FairPrice	Low
Rivervale Plaza	75,208	3.4	Kangkar	2	1999	Neighbourhood	Value	FairPrice	Low
Tertiary									
Hougang Mall	167,019	4.4	Hougang	6	1997	Neighbourhood	Mid-Market Value	FairPrice, Harvey Norman, Popular	Low
Hougang One	85,915	5.6	Hougang	2	2012	Neighbourhood	Mid-Market Value	FairPrice Xtra	Low
Midtown Hougang Plaza	75,353	4.6	Hougang	2	1997	Neighbourhood	Mid-Market Value		Low
Hougang Green	50,000	5.1	Buangkok	2	1995	Neighbourhood	Value	Giant	Low
Kang Kar Mall	20,000	4.8	Hougang	3	2011	Neighbourhood	Value	FairPrice	Low
Beyond									
NEX	618,000	8.0	Serangoon	7	2010	Regional	Mid-Market Value	FairPrice Xtra, Cold Storage, Courts, Shaw Theatres	Moderate-High
Jewel (Changi Airport)	576,000	16.1	Changi Airport	10	2019	Major Transport Hub	Mid-Market Value	Shaw Theatres, FairPrice Finest,	Moderate-High
Northpoint City	509,499	10.3	Yishun	7	1992	Sub-Regional	Mid-Market Value	FairPrice, Cold Storage, Harvey Norman	Moderate
Tampines Retail Park	377,000	6.2	Tampines	6	2006	Sub-Regional	Mid-Market Value	IKEA, Giant Hypermarket, Courts Megastore	Low
Tampines Mall	354,669	9.7	Tampines	6	1995	Sub-Regional	Mid-Market Value	Isetan, Courts, FairPrice, Golden Village	Low-Moderate
Tampines One	268,928	9.6	Tampines	7	2009	Sub-Regional	Mid-Market Value	Cold Storage	Low-Moderate
Century Square	199,641	9.4	Tampines	6	1995	Neighbourhood	Mid-Market Value	Mahota Market, Filmgarde Cineplex	Low-Moderate
KINEX	210,000	14.8	Paya Lebar	4	2014	Sub-Regional	Mid-Market Value	Cold Storage, Uniqlo	Low-Moderate
SingPost Centre	180,000	13.0	Paya Lebar	4	2017	Neighbourhood	Mid-Market Value	FairPrice, Kopitiam, Golden Village	Low-Moderate
Paya Lebar Square	95,000	13.7	Paya Lebar	3	2014	Neighbourhood	Mid-Market Value	Giant	Low-Moderate

Source: Cistri

6.1.1. Primary Trade Area

Oasis Terraces

The 188,000 sq.ft NLA mall is located 1.6 km east of Waterway Point. The mall was developed by HDB and was opened in 2018. It is one of the first “New Generation Neighbourhood Centres” with wider variety of retail including community-centric facilities such as a Polyclinic.

The mall has a good range of fresh food and groceries (F&G) as well as F&B options, and is anchored by supermarket FairPrice. Being newly opened, it does have vacancies on the highest floor. The mall has a challenging layout, with different adjoining building structures, contributing to an inconsistent mall layout.



Picture 7 – Exterior View

Source: Cistri



Picture 8 – Walkway on Ground Floor

Source: Cistri

Punggol Plaza

The 50,000 sq.ft NLA mall is located approximately 2.0 km east of Waterway Point. The mall was developed by HDB and it opened in 2004. It features an older concept of HDB retail centre and thus has a dated presentation. The mall mainly includes value F&G and apparel as well as non-retail services such as clinics and tuition centres. It is anchored by FairPrice on the third floor, with a food court on the first floor and a wet market in the basement.



Picture 9 – Exterior View Punggol Plaza

Source: Cistri



Picture 10 – Interior View

Source: Cistri

6.1.2. Secondary Trade Area

Compass One

This 270,000 sq.ft mall is located 2.6 km south of Waterway Point. It is directly connected to the Sengkang MRT and LRT Interchange. Its anchor tenants include Cold Storage, Sengkang Public Library and Kopitiam. The mall underwent renovation works and reopened in 2016, with larger common area spaces and an expanded library spreading over two floors.

For a mall its size, it appears to have a high proportion of tenants below 10,000 sq.ft (specialty stores). However, the specialty stores do seem well patronized and there are minimal vacancies even on the upper floors. The mall, however, lacks the range in elements of higher order offerings that other malls similar of size (e.g. Waterway Point) have. This includes larger fashion anchors, a cinema and a large-scale homewares / electrical tenants.



Picture 11 – Exterior View

Source: Cistri



Picture 12 – Interior View

Source: Cistri

Rivervale Plaza

The approximately 75,000 sq.ft NLA mall, which lies within 3.4 km south of Waterway Point is located within 2-min walking distance of Kang Kar LRT Station, on the Sengkang East LRT system. The mall, developed by HDB, is anchored by FairPrice and mainly comprises F&G, F&B, value apparel and retail services. The mall is positioned to serve its immediate population catchment.



Picture 13 – Exterior View

Source: Cistri



Picture 14 – Interior View

Source: Cistri

Rivervale Mall

The 81,000 sq.ft mall lies 2.1 km south of Waterway Point within 2-min walking distance of the Rumbia LRT Station, on the Sengkang East LRT system. The mall largely provides F&G, F&B, retail services, non-retail services and is anchored by FairPrice on the third floor. The mall's provision and positioning serve its immediate population catchment and does not play a higher role in the retail hierarchy.



Picture 15 – Exterior View

Source: Cistri



Picture 16 – Interior View

Source: Cistri

Seletar Mall

The 188,000 sq.ft NLA mall is located 4.3 km southwest of Waterway Point, next to Fernvale LRT Station on the Sengkang West LRT system. While technically defined as a neighbourhood mall, the 6-storey mall has a range of reputable tenants and tenant types which include the 8 screen Shaw Theatres, a smaller scale BHG Department Store, Uniqlo and a FairPrice Finest (the actual presentation of the FairPrice Finest is positioned between a FairPrice Finest and FairPrice). The mall also has a good mix of F&B and F&G options. This well-presented mall thus plays a higher order role despite its relatively smaller size.



Picture 17 – Exterior View

Source: Cistri



Picture 18 – Interior View

Source: Cistri

6.1.3. Tertiary Trade Area

Hougang Mall

Hougang Mall is located 4.4.km south of Waterway Point, within 3-min walking distance from Hougang MRT Station which lies on the NEL MRT Line. Its larger tenants include FairPrice, a concept Kopitiam Food Court (Mei Shi Mei Ke), Harvey Norman and Popular. While the 167,000 sq.ft NLA mall is the largest mall in Hougang, its position in the retail hierarchy is relatively lower than other malls in the North East Region, which would include of Waterway Point, Compass One, Seletar Mall and the biggest regional mall in the North East, NEX.



Picture 19 – Exterior View

Source: Cistri



Picture 20 – Interior View

Source: Cistri

Hougang One

Hougang One is an 85,000 sq.ft NLA mall located 5.6 km south of Waterway Point, within the Hougang Planning Area (HPA). The mall is anchored by a FairPrice Xtra Supermarket on the second level, a food court on the first floor and a good mix of F&B and retail services. While the mall is not particularly well located in proximity to an MRT Station, it is found within a well-established residential catchment.



Picture 21 – Exterior View

Source: Cistri



Picture 22 – Entrance View

Source: Cistri

Midtown Hougang Plaza

Midtown Hougang is part of a mixed-use development comprising a 75,000 sq.ft two storey retail podium and 160 residential apartments. The retail component primarily includes general retail services, mobile accessories and non-retail uses such as tuition centres.



Picture 23 – Exterior View

Source: Cistri



Picture 24 – Interior View

Source: Cistri

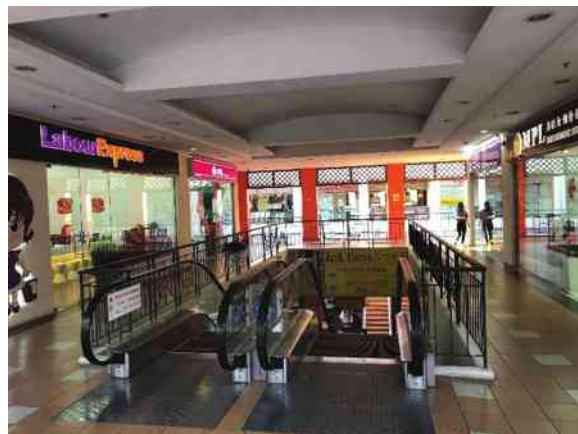
Hougang Green

Hougang Green is an HDB Mall located 5.1km south of Waterway Point. The two-storey development is anchored by Giant Supermarket and its tenant mix mainly comprises value apparel, F&G, F&B, retail services and mobile / electronic accessories tenants. It serves its immediate catchment, which includes a well-established residential neighbourhood.



Picture 25 – Exterior View

Source: Cistri



Picture 26 – Level 2 View

Source: Cistri

Kang Kar Mall

Kang Kar Mall is a neighbourhood retail centre located 4.6 km south of Waterway Point and is next to the Hougang Mall. Its anchor tenants are FairPrice and a food court and is also served by specialty retail services and other non-retail tenants.



Picture 27 – Alley View
Source: Cistri



Picture 28 – Food Court View
Source: Cistri

6.1.4. Beyond the Trade Area

NEX

NEX is a seven-storey 618,000 sq.ft NLA regional mall located 8.0 km south of Waterway Point in Serangoon. The mall is the largest mall in the north-east of Singapore and is well-connected by two interchanging MRT Lines (Circle Line and NEL) as well as the Serangoon Bus Interchange. It is also in the heart of a very large residential catchment. The mall is directly connected to a multi-storey HDB carpark.

Anchor tenants in the mall include a 10-hall Shaw Theatres Cineplex on level 4 and FairPrice Xtra on level 3. Other larger tenants include Food Republic and Cold Storage on basement 2, a Japanese themed F&B concept on basement 1, H&M, Uniqlo and Cotton On on level 1, Ministry of Food and Courts on level 2, a KTV and Food Court on level 4, and the Serangoon Public Library on Level 5.

Given the strategic location of the mall, which is a hub for residents and visitors travelling throughout the east of Singapore (and beyond) NEX is one of the strongest components of the retail hierarchy and directly competes with Waterway Point particularly for higher order shopping trips.



Picture 29 – Exterior View

Source: Cistri



Picture 30 – Interior View

Source: Cistri



Picture 31 – FairPrice Xtra Homeware Section

Source: Cistri



Picture 32 – Cinema Entrance

Source: Cistri

Jewel at Changi Airport

Jewel at Changi Airport will be a 576,000 sq.ft NLA regional mall located 16.1 km east of Waterway Point. It opened in April 2019. The mall has a Shaw Theatres Cineplex and other major tenants include the Nike Store, FairPrice Finest, Muji and Shake Shack restaurant.

The mall is expected to draw shoppers and visitors from a relatively wide geographic area, including a high share of tourist visitation. Given Waterway Point's focus on its local market, we don't expect the impact of Jewel to be material.



Picture 33 – Internal area

Source: Changi Airport



Picture 34 – Rain Vortex

Source: Changi Airport

Northpoint City

Northpoint City is a large Regional mall located in Yishun Central. The 509,499 sq.ft mall, which was expanded in 2017, is well connected to the Yishun MRT Station (via underground), Yishun Bus Interchange and to a large HDB multi storey carpark which adds to its own provision of car park spaces.

The mall, which includes a South Wing and North Wing (refurbished in Dec 2017) has major tenants that include FairPrice, Harvey Norman, Cold Storage and the Yishun Public Library. It also has a large concept food precinct in the basement. Although the mall itself does not have a cinema, it is connected to an adjoining Yishun 10 retail podium which has a Golden Village Cineplex. We note that Frasers Centrepoint Trust's ownership comprises Northpoint City's North Wing and 10 retail units at Yishun 10 retail podium. We also note that it does not include the Golden Village Cineplex.

While the mall's scale is large and serves a higher order role in Singapore's retail hierarchy, its lack of direct MRT connectivity with Waterway Point and the need to drive to the TPE and KPE from Punggol decreases Northpoint City's impact on Waterway Point.



Picture 35 – Exterior View

Source: Cistri



Picture 36 – Mall connects to Golden Village

Source: Cistri



Picture 37 – Interior View

Source: Cistri



Picture 38 – Food Precinct

Source: Cistri

Tampines Retail Park

Tampines Retail Park is located approximately 6.2 km south-east of Waterway Point. The park includes Ikea, Giant and Courts and collectively provide a 'warehouse' retail offer with an NLA of approximately 377,000 sq.ft. While the Retail Park is not directly connected by MRT, it is near the Tampines Expressway (TPE). The retail park has shuttle bus services to ferry shoppers to and from Tampines, Pasir Ris, Bedok and Sengkang. These three retailers collectively provide a large provision of retail, homewares and furnishing to residents in the East and North-East of Singapore, presenting an element of competition to Waterway Point.



Picture 39 – Giant Exterior View

Source: Cistri



Picture 40 – Courts Exterior View

Source: Cistri



Picture 41 – Ikea Exterior View

Source: Cistri

Tampines Town Centre

Tampines Town Centre is located approximately 9.5 km south-east of Waterway Point, comprising Tampines Mall, Tampines One and Century Square. Collectively, these three malls have a provision of over 820,000 sq.ft NLA of mall floorspace making Tampines Town Centre a regional shopping precinct with a wide variety of tenants and tenant types. The key components are described below.

Tampines Mall

The 355,000 sq.ft NLA Tampines Mall has six-levels and is the largest of the three malls located in Tampines Town Centre. It is anchored by FairPrice in the basement, Isetan Department Store on levels 1 and 2, H&M on level 2 and 3, Toys R Us and Courts on level 3, an 8 Hall Golden Village cineplex on Level 4 and education tenants on level 5. The mall has a wide variety of tenants and presents itself as a strong mall.



Picture 42 – Exterior View

Source: Cistri



Picture 43 – Interior View

Source: Cistri

Tampines One

Tampines One is a seven-level 269,000 sq.ft NLA mall. It is anchored by Cold Storage in the basement, a KTV at level 4 and a Kopitiam concept food court on level 5. The mall has a good mix of F&B and F&G tenants as well as apparel tenants such as Uniqlo, Benjamin Barker, Under Armour, Muji and an online turned brick and mortar retailer, The Editor's Market. While the mall generally has a mid-market positioning, its presentation and quality of some of its tenants present at almost a mid-high positioning and thus gives Tampines One a slightly unique positioning within the Tampines Town Centre.



Picture 44 – Exterior View

Source: Cistri



Picture 45 – Interior View

Source: Cistri

Century Square

Century Square is a six-storey mall with a NLA of approximately 200,000 sq.ft. The mall is anchored by a concept supermarket “Mahota Market” in basement 1, a “farm-to-plate” concept food court on level 3 and by a 6 hall Filmgarde Cineplex at level 5. The mall has a mix of apparel, shoes (Foot Locker and Birkenstock), F&B, homewares and furnishing (Tools of the Trade), retail services and non-retail uses such as clinics and education. The mall underwent an SGD 60 million renovation in 2017 / 2018 with new features such as free Wi-fi, bike stations with shower facilities and e-doodling wall for shoppers. Given the intent of the renovation and the tenant changes post renovation, Century square has the most “experimental” concept of the three malls in Tampines Town Centre.



Picture 46 – Exterior View

Source: Cistri



Picture 47 – Interior View

Source: Cistri

6.2. PROPOSED COMPETITION

Future Shopping Malls

Waterway Point Trade Area

Table 6.2

Name	NLA (sq.ft)	Distance (km)	Closest MRT /LRT	Opening Year	Mall Type	Market Positioning	Key Tenants	Relevance to Waterway Point
Primary								
Northshore Plaza	88,802	1.8	Samudera	2020	Neighbourhood	Mid-Market	N.A.	Low
Tertiary								
Buangkok Square	54,000	5.0	Buangkok	2019	Neighbourhood	Mid-Market	Cold Storage	Low
Beyond								
Paya Lebar Quarter	341,068	12.0	Paya Lebar	2019	Sub-Regional	Mid-Market	FairPrice Finest, Shaw Theatres, Kopitiam	Low-Moderate

Source: Cistri

6.2.1. Primary Trade Area

Northshore Plaza

Northshore Plaza is an upcoming HDB Neighbourhood Mall being developed 1.8 km north of Waterway Point. It is located next to the Samudera LRT, on the Punggol West LRT System. When completed, we expect it will have a retail NLA of approximately 88,000 sq.ft. The mall will likely be constructed in the same vein as Oasis Terraces, with a mix of F&G and F&B tenants and the provision of community spaces.

The mall is slated to be completed in 2020 and is likely to have a moderate impact on Waterway Point's F&B and F&G performance.



Picture 48 – Artist Impression Exterior View

Source: Cistri



Picture 49 – Actual Exterior View

Source: Cistri

6.2.2. Tertiary Trade Area

Buangkok Square

Buangkok Square is an upcoming neighbourhood mall located 5.0 km south of Waterway Point in Buangkok. It is integrated with the multi-storey carpark, within the HDB residential estate. While the construction was largely finished at the time of inspection, the only operational tenant at the time of inspection is 7-eleven. It presents itself well, with higher quality of finishing and is HDB's vision for newer styled neighbourhood malls.



Picture 50 – Exterior View

Source: Cistri



Picture 51 – Interior View

Source: Cistri

6.3. TRADE AREA FLOORSPACE

The current provision of shopping mall floorspace within the trade area is currently estimated to be 2.6 sq.ft per capita. While this has increased in the past few years, it remains well below the average for all of Singapore excluding the central areas (4.2 sq.ft), as shown in Map 2.1.

Looking forward, the population across the trade area is forecast to increase by 2.5% per annum (Table 6.3) between 2018 – 2023. This is slightly higher than the growth of shopping mall floorspace for the same period, meaning that the per capita provision should decrease slightly.

In the future there will be more opportunities for floorspace to increase. The PDD will supply its own retail offering, and the vacant site next to the Punggol MRT station will almost certainly have a retail component.

However, subject to the timing and scale of these projects, we believe there is capacity to support more floorspace in the market. The current supply is not high by Singaporean standards. Further, the PDD will significantly increase the worker and student market in the area, providing more opportunity for Waterway Point.

Population, Supply and Floorspace Per Capita

2013 - 2023

Table 6.3

Annual
Growth (%)

		2013	...	2018	2019	2020	2021	2022	2023	2018-2023
Population	Mil.									
	Trade Area	0.45		0.60	0.62	0.63	0.65	0.66	0.68	2.5%
	Outside Central Area	4.28		4.50	4.55	4.59	4.64	4.69	4.74	1.0%
	Singapore	4.41		4.64	4.69	4.74	4.79	4.84	4.89	1.1%
Floorspace	Total (Mil sq.ft)									
	Trade Area	0.9		1.5	1.6	1.7	1.7	1.7	1.7	1.8%
	Outside Central Area	15.8		19.0	20.2	20.3	20.3	20.5	20.5	1.5%
	Singapore	28.9		32.9	34.6	34.7	34.7	34.9	34.9	1.2%
	per capita (sq.ft)									
	Trade Area	2.0		2.6	2.6	2.7	2.6	2.5	2.5	-0.7%
	Outside Central Area	3.7		4.2	4.4	4.4	4.4	4.4	4.3	0.5%
	Singapore	6.5		7.1	7.4	7.3	7.2	7.2	7.1	0.1%

Source: URA, Cistri

Population does not include domestic workers, construction workers and other workers

6.4. IMPLICATIONS FOR WATERWAY POINT

The key implications for Waterway Point are as follows:

- Waterway Point sits at the top of the retail hierarchy within its trade area. It faces competition from several smaller good quality malls (Compass One, Seletar Mall), with the remaining competition from typically smaller neighbourhood malls.
- Waterway Point will likely remain at the top of the retail hierarchy within the primary sector, until at least 2023. While future new HDB neighbourhood malls within the primary catchment will have some impact on Waterway Point, it is expected to be moderate.
- Beyond 2023, the site beside Waterway Point poses as potential competition to the mall. To date no information is available on the scale of retail likely on this site. Similarly, details surrounding the Market Village in the Punggol Digital District remain unclear. But both developments could impact Waterway Point's trading performance in the future.

- Residents of the catchment will continue to shop at north-eastern Singapore's other regional malls. NEX has an enviable location, inbound for a huge population and on the interchange of two MRT lines. Tampines, likewise, has a broad offer which attracts shoppers from a broad area. These malls, as with Jewel and Paya Lebar in the future, will continue to influence trade area resident's shopping patterns.
- The provision of shopping mall floorspace within the trade area is not high. Indeed, as Punggol becomes a more population destination for working and studying, the per capita provision from a floorspace perspective could increase without any meaningful impact on Waterway Point.

7. MARKET & MALL OUTLOOK

Waterway Point has opened for three years and reached stabilisation, with committed occupancy of 98.1% and a healthy trading performance.

The mall has key strengths and opportunities as follows, to continue to improve its sales performance:

- The shopping mall sits at the top of the retail hierarchy within its primary trade area, and in this sense faces a relatively uncompetitive market – the per capita provision of shopping malls in the north-west of Singapore is lower than other regions.
- The mall is more modern and contemporary than its competition, providing some strong place making elements.
- Its co-location with the MRT means it receives very high levels of foot-traffic, and there may be opportunities to increase spend per visitor.
- The main trade area will continue to see relatively high growth in population. The growth in population will contribute to the increase in the total spending market available for Waterway Point.
- We expect that development of the Punggol Digital District to be positive for Waterway Point, with a significant increase in workers and students coming into the area.

However, Waterway Point is not without existing challenges. These include:

- As an outbound mall, it is somewhat cut-off from the population to its south, particularly those in the tertiary sector and beyond.
- NEX is strategically well located, the largest mall in the north-east of Singapore, and has very strong accessibility. It will continue to draw shoppers from Waterway Point's trade area. While possibly less impactful, other regional malls in the north-east of Singapore (Northpoint City, Tampines) continue to be upgraded and improve their competitive position.

The mall also has some future considerations including:

- The potential of a competing mall being developed opposite Waterway Point in the longer-term future. As far as we are aware, there has been no announcement about the release of this site, which suggests that it will be some time before this development will occur. We don't believe that this is likely to pose as serious competition in the near-term.
- As new residential development continues to occur, we will also see new community retail development, particularly newer HDB centres. The quality of these retail centres continues to improve, and they will certainly increasingly provide competition to Waterway Point, particularly for F&G, F&B, convenience retail and retail services.
- The scale and variety of retail within the Punggol Digital District (including the Market Village) is unknown at this stage. However, it is likely to have a focus on F&B (given the waterfront setting coupled with significant worker market). We don't expect Market Village to be completed in the short term.

In summary, we expect Waterway Point to retain a very strong position within its catchment over the next 5 years. Furthermore, there are several avenues to generate further sales growth supported by a growing market as well as through ongoing mall improvements. There is potential for new competition in the future, but we expect growth in retail supply could be largely offset by growth in the market.

DISCLAIMER

This report is dated 01 April 2019 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Cistri Pte. Ltd.'s opinion in this report. Cistri Pte. Ltd. prepared this report on the instructions, and for the benefit only, of Frasers Centrepoint Trust (**Instructing Party**) for the purpose of Retail Market Study (**Purpose**) and not for any other purpose or use. To the extent permitted by applicable law, Cistri Pte. Ltd. expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Cistri Pte. Ltd. was required to make judgements which may be affected by unforeseen future events, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or associated with this report are made in good faith and on the basis of information supplied to Cistri Pte. Ltd. at the date of this report, and upon which Cistri Pte. Ltd. relied. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Cistri Pte. Ltd. has no control.

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This report has been prepared with due care and diligence by Cistri Pte. Ltd. and the statements and opinions given by Cistri in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.

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EXISTING INTERESTED PERSON TRANSACTIONS

The table below sets out details of the Existing Interested Person Transactions entered into between (1) FCT and (2) the Frasers Property Group and its associates, during the course of the current financial year from 1 October 2018 up to the Latest Practicable Date that are subject to disclosure under Chapter 9 of the Listing Manual¹.

Interested Person	Transaction Type	Value of Transaction (S\$'000)
Frasers Property Group and its associates	Asset management fees	9,211
Frasers Property Group and its associates	Property management fees	3,276
Frasers Property Group and its associates	Reimbursement of expenses	1,823
HSBC Institutional Trust Services (Singapore) Limited	Trustee Fees	258
Frasers Property Group and its associates	Acquisition Fees	3,760

¹ Rules 905(1), 905(2) and 906 of the Listing Manual do not apply to any transaction below S\$100,000.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the holders of units of Frasers Centrepoint Trust (“**FCT**”, and the holders of units of FCT, the “**Unitholders**”) will be held on 28 June 2019 at 10.00 a.m. at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958, for the following purposes:

ORDINARY RESOLUTION

THE PROPOSED ACQUISITION OF A 33 $\frac{1}{3}$ % INTEREST IN WATERWAY POINT FROM AN INTERESTED PERSON OF FCT (AS AN INTERESTED PERSON TRANSACTION)

RESOLVED that:

- (i) approval be and is hereby given for the acquisition of 33 $\frac{1}{3}$ % of the total issued units of Sapphire Star Trust (“**SST**”) and a 33 $\frac{1}{3}$ % interest in an existing unitholders’ loan extended by the unitholders of SST to FC Retail Trustee Pte. Ltd., the trustee-manager of SST (the “**SST Trustee-Manager**”), from FCL Emerald (2) Pte. Ltd. (the “**Vendor**”), an indirect wholly-owned subsidiary of Frasers Property Limited, the sponsor of Frasers Centrepoint Trust, on the terms and conditions set out in the conditional unit sale and purchase agreement between HSBC Institutional Trust Services (Singapore) Limited (as trustee of FCT) (the “**Trustee**”) and the Vendor dated 16 May 2019 (the “**Target Units SPA**”) for a purchase consideration of approximately S\$240.8 million (the “**Proposed Property Acquisition**”);
- (ii) approval be and is hereby given for the acquisition of 33 $\frac{1}{3}$ % of the issued share capital of the SST Trustee-Manager from the Vendor on the terms and conditions set out in the conditional share sale and purchase agreement between the Trustee and the Vendor dated 16 May 2019 (the “**SST Trustee-Manager SPA**”) for a purchase consideration of approximately S\$8,700 (together with the Proposed Property Acquisition, the “**Proposed Acquisition**”); and
- (iii) the Manager, any director of the Manager (“**Director**”) 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 or, as the case may be, the Trustee may consider expedient or necessary or in the interests of FCT to give effect to the Proposed Acquisition, the Target Units SPA, the SST Trustee-Manager SPA and all transactions in connection therewith.

BY ORDER OF THE BOARD

Frasers Centrepoint Asset Management Ltd.
(as manager of Frasers Centrepoint Trust)
(Company Registration No. 200601347G)

Dr Cheong Choong Kong
Chairman and Non-Executive Independent Director

13 June 2019

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee (or their agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

IMPORTANT NOTICE:

The value of Units and the income derived from them, if any, may fall or 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 should note that they have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. The 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.

FRASERS CENTREPOINT TRUST

(CONSTITUTED IN THE REPUBLIC OF SINGAPORE
PURSUANT TO A TRUST DEED DATED 5 JUNE 2006
(AS AMENDED, RESTATED AND SUPPLEMENTED))

IMPORTANT

1. A Relevant Intermediary may appoint more than two proxies to attend the Extraordinary General Meeting and vote (please see Note 2 for the definition of "Relevant Intermediary").
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. **PLEASE READ THE NOTES TO THE PROXY FORM.**

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 13 June 2019 (the "Notice").

PROXY FORM EXTRAORDINARY GENERAL MEETING

I/We _____ (Name), _____ (NRIC No./Passport No.)
of _____ (Address) being a unitholder/unitholders of Frasers
Centrepoint Trust ("FCT", and the units of FCT, the "Units"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 2)	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 2)	
			No. of Units	%

or failing the person, or either or both of the persons, referred to above, the chairman of the Extraordinary General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting to be held at 10.00 a.m. on 28 June 2019 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 EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the Extraordinary General Meeting.

NO.	ORDINARY RESOLUTIONS RELATING TO:	No. of Votes For*	No. of Votes Against*
1.	To approve the Proposed Acquisition of a 33 $\frac{1}{3}$ % Interest In Waterway Point from an Interested Person of FCT (as an Interested Person Transaction)		

* Voting will be conducted by poll. 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 for both "For" and "Against", please indicate the number of Units in the boxes provided.

Dated this _____ day of _____ 2019

**Total Number of Units Held
(Note 5)**

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

IMPORTANT: PLEASE READ THE NOTES TO THE PROXY FORM



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The Company Secretary
Frasers Centrepoint Asset Management Ltd.
(as manager of Frasers Centrepoint Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

Affix
Postage
Stamp

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IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. A holder of units in Frasers Centrepoint Trust (“**FCT**”, and a unitholder of FCT, “**Unitholder**”) who is not a relevant intermediary entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote instead of the Unitholder. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the proportion of the Unitholder’s holdings (expressed as a percentage of the whole) to be represented by each proxy.
2. A Unitholder who is a relevant intermediary entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than two proxies, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.

“*relevant intermediary*” means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or
 - (c) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. The instrument appointing a proxy or proxies (as the case may be) (the “**Proxy Form**”) must be deposited with the company secretary of the Manager at the office of FCT’s Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 72 hours before the time appointed for holding the Extraordinary General Meeting.
 4. Completion and return of this 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 Proxy Form, to the meeting.
 5. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against the Unitholder’s name in the Depository Register maintained by the Central Depository (Pte) Limited (“**CDP**”), the Unitholder should insert that number of Units. If the Unitholder has Units registered in the Unitholder’s name in the Register of Unitholders of FCT, the Unitholder should insert that number of Units. If the Unitholder has Units entered against the Unitholder’s name in the said Depository Register and registered in the Unitholder’s name in the Register of Unitholders, the Unitholder should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder.
 6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. A corporation which is a Unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
 7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
 8. 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 the Unitholder’s name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Manager.

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