

FRASERS CENTREPOINT TRUST

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

ACQUISITION OF A 6⅔% INTEREST IN WATERWAY POINT

1. INTRODUCTION

Fraser's Centrepoint Asset Management Ltd., as manager of Fraser's Centrepoint Trust ("**FCT**") and together with its subsidiaries, the "**Group**", and Fraser's Centrepoint Asset Management Ltd. as manager of FCT, the "**Manager**", is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of FCT) (the "**Trustee**") has today entered into:

- (a) a conditional unit sale and purchase agreement with Sekisui House, Ltd. (the "**Vendor**"), (the "**Target Units SPA**") to acquire 6⅔% of the total issued units of Sapphire Star Trust ("**SST**", and 6⅔% of the total issued units of SST, the "**Target Units**") and the Vendor's 6⅔% share of a unitholders' loan previously extended by the unitholders of SST to SST (the "**Vendor's Unitholders' Loan**"), from the Vendor (the "**Property Acquisition**"); and
- (b) a conditional share sale and purchase agreement with the Vendor (the "**SST Trustee-Manager SPA**") to acquire 6⅔% of the issued share capital of FC Retail Trustee Pte. Ltd. (the "**SST Trustee-Manager**", and 6⅔% of the issued share capital of the SST Trustee-Manager, the "**SST Trustee-Manager Shares**") from the Vendor (the "**SST Trustee-Manager Acquisition**", and the SST Trustee-Manager Acquisition and the Property Acquisition, the "**Acquisition**"). The SST Trustee-Manager is the trustee-manager of SST.

SST currently holds the retail units in the property known as "Waterway Point" located at 83 Punggol Central, Singapore 828761 (the "**Property**" or "**Waterway Point**") (with the SST Trustee-Manager as the trustee-manager of SST).

The Trustee had previously acquired 33⅓% of the total issued units of SST and 33⅓% of the issued share capital of the Trustee-Manager from FCL Emerald (2) Pte. Ltd., an indirectly wholly owned subsidiary of Fraser's Property Limited (the "**Antecedent Acquisition**"). The Acquisition will increase FCT's interest in SST and the SST Trustee-Manager (and thereby FCT's effective interest in Waterway Point) from 33⅓% to 40.0%.

Please refer to the previous announcements issued by FCT dated 16 May 2019, 28 June 2019 and 11 July 2019 and the circular to unitholders dated 13 June 2019 for further details on the Antecedent Acquisition and the Property.

2. THE ACQUISITION

2.1 Valuation and Total Purchase Consideration

The purchase consideration payable to the Vendor under the Target Units SPA in cash for the Target Units and the Vendor's Unitholders' Loan is approximately S\$50.4 million¹ (the "**Target**

¹ The consideration for the Target Units is based on the net asset value of SST as at 30 June 2019 of approximately S\$471.7 million and will be (i) adjusted based on the pro forma completion management accounts and (ii) adjusted post-completion based on the unaudited and audited accounts of SST in accordance with the Target Units SPA.

Units Purchase Consideration”), subject to post-completion adjustments. The Target Units Purchase Consideration is based on the agreed value of the Property of S\$1,300 million (the **“Agreed Property Value”**) after taking into account the Vendor’s Unitholders’ Loan of approximately S\$19.0 million² and the estimated net assets and liabilities of SST³ 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 herein.

The Trustee has previously commissioned an independent valuer, Jones Lang LaSalle Property Consultants Pte Ltd (**“JLL”**), and the Manager has previously commissioned an independent valuer, CBRE Pte. Ltd. (**“CBRE”** and together with JLL, the **“Independent Valuers”**), to respectively value the Property⁴. 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 the capitalisation approach and a 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 SST Trustee-Manager Acquisition, the purchase consideration payable to the Vendor under the SST Trustee-Manager SPA for the SST Trustee-Manager Shares is approximately S\$1,842, excluding stamp duty and GST (the **“SST Trustee-Manager Purchase Consideration”**).

The SST Trustee-Manager Share Purchase Consideration was determined based on the adjusted net asset value of the SST Trustee-Manager of approximately S\$27,631.

2.2 Estimated Total Acquisition Outlay

The estimated total acquisition outlay for the Acquisition (the **“Total Acquisition Outlay”**) is approximately S\$89.6 million, comprising:

- (i) the Target Units Purchase Consideration of approximately S\$50.4 million (which comprises the consideration for the Target Units and the Vendor’s Unitholders’ Loan);
- (ii) the SST Trustee-Manager Share Purchase Consideration of approximately S\$1,842;
- (iii) the acquisition fee payable to the Manager for the Acquisition pursuant to the trust deed dated 5 June 2006 (as amended, restated and supplemented) constituting FCT (the

2 The Unitholders’ Loan as at 30 June 2019 is approximately S\$284.5 million and the Vendor’s 6% share of the Unitholders’ Loan is approximately S\$19.0 million as at 30 June 2019.

3 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\$38.2 million. For the avoidance of doubt, this bank loan will not be discharged by SST under the Property Acquisition.

4 The valuation reports prepared by the Independent Valuers were prepared for the Antecedent Acquisition and were prepared no more than six months prior to the entry by the Trustee into the Target Units SPA and the SST Trustee-Manager SPA. Please refer to the previous announcements issued by FCT dated 16 May 2019, 28 June 2019 and 11 July 2019 and the circular to unitholders dated 13 June 2019 for further details on the Antecedent Acquisition and the Property.

“**Trust Deed**”), which amounts to approximately S\$866,667 (the “**Acquisition Fee**”)⁵;

- (iv) the estimated professional and other fees and expenses incurred or to be incurred by FCT in connection with the Acquisition of approximately S\$100,000; 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 Property Acquisition, being approximately S\$38.2 million⁶ (which will not be discharged by SST and will remain after completion of the Acquisition).

2.3 Payment of Acquisition Fee in Units

Pursuant to Trust Deed, the Manager has elected to have the Acquisition Fee paid in the form of units in FCT.

2.4 Certain Principal Terms of the Target Units SPA

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; and
- (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.

2.5 Certain Principal Terms of the SST Trustee-Manager SPA

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; and
- (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.

2.6 Method of Financing the 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 from a combination of debt and internal sources. The Acquisition is not expected to have a material effect on the net asset value per unit and distribution per unit of FCT for the current financial year.

5 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 in the Property being acquired by FCT, being 6 $\frac{2}{3}$ %), and will only be paid on completion of the Acquisition in accordance with the terms of the Target Units SPA.

6 The pro rata share attributable to the Target Units amounts to S\$38.2 million as at 30 June 2019.

2.7 Non-Discloseable Transaction

The Manager is of the view that the Proposed Acquisition is in the ordinary course of FCT's business. Further, based on the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual, the Acquisition is a "Non-Discloseable Transaction" within the meaning of Rule 1008 of the Listing Manual.

3. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (i) the Target Units SPA;
- (ii) the SST Trustee-Manager SPA; and
- (iii) the valuation certificates and the full valuation reports on the Property issued by the Independent Valuers.

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

BY ORDER OF THE BOARD

Frasers Centrepoint Asset Management Ltd.

As manager of Frasers Centrepoint Trust
Company Registration No: 200601347G

Catherine Yeo
Company Secretary
6 September 2019

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IMPORTANT NOTICE

This announcement 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 and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

The value of units in FCT ("**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.

This announcement is for information purposes only and does not constitute an offer for sale or an invitation or offer to acquire, purchase or subscribe for Units in the United States. This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada or Japan. The Units referred to herein have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States or other jurisdiction, and the Units may not be offered or sold in the United States, absent registration or an exemption from, the registration requirements under the Securities Act and applicable state or local securities laws. No public offering of securities is being made in the United States.

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

This publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of FCT and the Manager is not necessarily indicative of the future performance of FCT and the Manager.

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