Frasers Centrepoint Trust to Acquire Remaining 63.1% in AsiaRetail Fund Limited\(^1\) for S$1.06 billion

- Frasers Centrepoint Trust (“FCT”) to be one of Singapore’s largest suburban mall owners with 11 malls, 2.3 million square feet of retail net lettable area and 40% increase in catchment population to 3 million\(^2\)
- Top-10 largest Singapore Reit (“S-REIT”) by market capitalisation
- Increases FCT’s portfolio total asset size to S$6,650 million\(^3\)
- Resilient portfolio with 53.6% of gross rental income\(^4\) from Essential Services\(^5\)
- Accretion to Distribution per Unit (“DPU”) of 8.59%\(^6\) on a FY2019\(^7\) pro forma basis

SINGAPORE, 3 SEPTEMBER 2020

Frasers Centrepoint Asset Management Ltd. (“FCAM”), the manager of FCT (FCAM as manager of FCT, the “Manager”) is pleased to announce the proposed acquisition of the remaining approximately 63.1% of the total issued share capital of AsiaRetail Fund Limited (“ARF”, and the acquisition, the “ARF Acquisition”) for approximately S$1,057.4 million from a wholly-owned subsidiary of Frasers Property Limited, the sponsor of FCT (“FPL” or the “Sponsor”).

Mr Richard Ng, Chief Executive Officer of FCAM said, “This transaction is a follow-through of our strategy to increase FCT’s stake in ARF. We acquired the initial 17.1% stake in ARF in April 2019, followed by acquisitions of additional interest that increased FCT’s stake to the current 36.9% when the opportunity presented itself. The acquisition of the remaining 63.1% stake is the final step to carry that strategy to fruition.

Upon completion of the Transactions, FCT’s retail properties in its portfolio will increase from seven to 11\(^8\), and its net lettable area will expand by about 64% to 2.3 million square feet, placing FCT among the largest suburban retail mall owners in Singapore. FCT’s portfolio size will increase to approximately S$6,650 million.

Post the proposed Equity Fund Raising (as defined below), FCT is expected to be among the top ten largest S-REITs by market capitalisation.”

ENLARGED SCALE WITH PORTFOLIO GROWTH AND DIVERSIFICATION

ARF’s portfolio of suburban retail malls shares similar characteristics to FCT’s malls, which includes the focus on Essential Services\(^5\), being located in populous residential areas and above or near transportation nodes. ARF’s Singapore portfolio includes five retail malls: Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square and Tampines 1 (the “ARF Singapore Retail Assets”) and one office property Central Plaza (together

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\(^1\) Prior to 1 September 2020, AsiaRetail Fund Limited was known as PGIM Real Estate AsiaRetail Fund Limited

\(^2\) Based on 3km catchment. Source: The Independent Market Research Report by Cistri Pte. Ltd.

\(^3\) Excludes Bedok Point and Setapak Central

\(^4\) As at 30 June 2020, on a pro forma basis

\(^5\) The groupings of essential and non-essential services are based on Ministry of Trade and Industry’s press release on 21 April 2020

\(^6\) Pro forma effects of the proposed Transactions (as defined herein) for FY2019. “Transactions” means the proposed ARF Transaction, the proposed Equity Fund Raising, the proposed Sponsor Placement the proposed Whitewash Resolution and the proposed Bedok Point Divestment, each as described in the circular to Unitholders dated 3 September 2020 (the “Circular”)

\(^7\) Financial year ended 30 September 2019

\(^8\) Excludes Bedok Point
with the ARF Singapore Retail Assets, the “ARF Singapore Assets”, see Appendix). The total agreed property value of the ARF Singapore Assets is S$3.065 million9.

The enlarged retail portfolio10 (the “Enlarged Retail Portfolio”) will have a diversified asset base and reduced concentration risk from any single asset. The single largest asset would represent no more than 22% of the aggregate value of the Enlarged Retail Portfolio compared to around 30% now.

With the Enlarged Retail Portfolio, FCT will be in a stronger competitive position in both physical and omnichannel retail spaces. It will continue to leverage its broad catchment population, its accessibility from neighbouring residences, and the trend of working from home to serve as fulfillment hubs for Essential Services5 and F&B for consumers.

SUBURBAN MALLS REMAIN AN ATTRACTIVE ASSET CLASS

The addition of the ARF Singapore Retail Assets to FCT’s portfolio will boost the overall catchment population by 40% to approximately 3.0 million3. The catchment population is supported by a diversified base of more than 1,500 leases across the 11 malls in the Enlarged Retail Portfolio. The Enlarged Retail Portfolio derives 53.6% of its total gross rental income from the Essential Services5 sector, which will continue to underpin FCT’s resilience and relevance to its consumers.

Since the commencement of Phase 2 of Singapore’s re-opening on 19 June 2020, more than 99% of the retailers in the ARF Singapore Retail Assets and FCT’s existing portfolio have resumed business. For both FCT and ARF portfolios, shopper traffic as at July 2020 have recovered to between 60% and 70% of last year’s level. Similarly, portfolio tenants’ sales in July 2020 has recovered to between 97% and 99% of last year’s level. The pace of the recovery has demonstrated the resilience of suburban retail malls through challenging times.

DIVESTMENTS

Prior to FCT’s proposed ARF Acquisition, ARF will be divesting Mallco Pte. Ltd., a wholly-owned subsidiary of ARF which holds Setapak Central, a retail mall in Malaysia, for a sale price of approximately S$39.7 million, to a wholly-owned subsidiary of the Sponsor. Hence, the Enlarged Retail Portfolio will not include Setapak Central, and this is in line with FCT’s current strategy to grow its portfolio of Singapore assets.

As part of its proactive portfolio management strategy, the Manager is also seeking to divest Bedok Point (the “Bedok Point Divestment”) for a sale price of S$108.0 million11. The Manager believes that the proposed Bedok Point Divestment will benefit Unitholders as it allows FCT to unlock value and redeploy it to acquire higher yielding assets with larger scale.

PROPOSED EQUITY FUND RAISING AND COMMITMENT OF THE SPONSOR

The Manager proposes an equity fund raising (“Equity Fund Raising”) to raise approximately S$1.3 billion12. The Equity Fund Raising may comprise a private placement (the “Private Placement”) of new FCT units (the

9 Approximately the aggregate of the averages of the two independent valuations of each ARF Singapore Asset as at 1 August 2020
10 Excludes Bedok Point and Central Plaza
11 The valuation of Bedok Point was conducted on the basis of Bedok Point as a redevelopment site, assuming that the change of use/re-zoning of Bedok Point to “Residential with Commercial on 1st Storey” is approved and the land lease can be topped up to 99 years subject to payment of lease renewal premium
12 Based on the illustrative issue of 585,585,586 New Units and an illustrative issue price of S$2.22 per New Unit. The structure and timing of the proposed Equity Fund Raising have not yet been determined by the Manager, and are subject to, among others, prevailing market conditions. The Manager will announce the details of the proposed Equity Fund Raising on the SGXNET at the appropriate time
PRESS RELEASE

“New Units”) to institutional and other investors and/or a non-renounceable preferential offering of New Units to the existing Unitholders on a pro rata basis (the “Preferential Offering”). The Manager expects to use the net proceeds from the Equity Fund Raising to fund the total cost of the proposed ARF Acquisition and to pare down existing indebtedness.

To demonstrate its support for FCT, the Sponsor has provided an irrevocable undertaking that, in the event the Equity Fund Raising comprises a Private Placement, the Sponsor and its subsidiaries (the “Sponsor Group”) will subscribe for such number of New Units under the Private Placement allocated to it up to its proportionate pre-placement unitholdings in FCT. The Sponsor has also undertaken that in the event the Equity Fund Raising comprises a Preferential Offering, the Sponsor will procure that its wholly-owned subsidiaries subscribe for their pro rata share of the New Units and apply and subscribe for excess New Units in the Preferential Offering, such that the total number of New Units applied for by its subsidiaries under the Preferential Offering is equivalent to 100% of the total number of New Units in the Preferential Offering.

Based on FY2019 pro forma, these Transactions upon completion are expected to provide an 8.59%5 DPU accretion. This is in line with FCT’s objective to deliver long-term steady returns to its Unitholders.

The proposed Transactions are subject to the approval of Unitholders of FCT at an extraordinary general meeting to be convened by way of electronic means on 28 September 2020 and all other relevant conditions specified in the announcements and the Circular relating to these Transactions.

This press release is to be read in conjunction with FCT’s announcements and the Circular available on FCT’s website on https://www.frasersproperty.com/reits/fct.

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About Frasers Centrepoint Trust

Frasers Centrepoint Trust (“FCT”) is a leading developer-sponsored retail real estate investment trust (“REIT”). FCT’s property portfolio comprises the following suburban retail properties in Singapore: Causeway Point, Northpoint City North Wing (including Yishun 10 Retail Podium), Anchorpoint, YewTee Point, Bedok Point, Changi City Point and Waterway Point (40%-interest). FCT malls are strategically located in various established residential townships and have a large and diversified tenant base covering a wide variety of trade sectors.

FCT holds 36.89% stake in AsiaRetail Fund Limited (“ARF”) through its wholly owned subsidiary FCT Holdings (Sigma) Pte. Ltd. ARF owns five retail malls (Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square and Tampines 1) and an office property (Central Plaza) in Singapore, and one retail mall 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 increasing shareholder value by pursuing organic, enhancement and acquisition growth strategies. With proactive lease management initiatives, FCT is well placed to achieve sustainable rental growth. To unlock the full potential of its assets, FCT continues to enhance existing assets to maximise their performance. The potential acquisitions of new assets will help FCT gain greater scale and drive further income growth for unitholders.

Listed on the Main Board of the Singapore Exchange Securities Trading Limited since 5 July 2006, FCT is managed by Frasers Centrepoint Asset Management Ltd., a real estate management company and a subsidiary of Frasers Property Limited.

For more information on FCT, please visit www.frasersproperty.com/reits/fct

About Frasers Property Limited

Frasers Property Limited (“Frasers Property” and together with its subsidiaries, the “Frasers Property Group” or the “Group”), is a multi-national owner-operator-developer of real estate products and services across the property value chain. Listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and headquartered in Singapore, the Group has total assets of approximately S$38.7 billion as at 31 March 2020.
Frasers Property's multi-national businesses operate across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities across Asia, Australia, Europe, the Middle East and Africa.

Frasers Property is also the sponsor of two real estate investment trusts ("REITs") and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust and Frasers Logistics & Commercial Trust are focused on retail, and industrial & commercial properties respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties. In addition, the Group has two REITs listed on the Stock Exchange of Thailand. Frasers Property (Thailand) Public Company Limited is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on industrial & logistics properties in Thailand, and Golden Land Property Development Public Company Limited is the sponsor of Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial properties.

The Group is unified by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging its people, knowledge and capabilities from across markets to deliver value in its multiple asset classes.

For more information on Frasers Property, please visit www.frasersproperty.com

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

Unitholders 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.

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This advertisement has not been reviewed by the Monetary Authority of Singapore.
**APPENDIX – ARF SINGAPORE ASSETS**

<table>
<thead>
<tr>
<th>Asset Name</th>
<th>Description</th>
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<tbody>
<tr>
<td>Tiong Bahru Plaza</td>
<td>Retail mall with 4-storeys and 3 basement levels</td>
</tr>
<tr>
<td>Tampines 1</td>
<td>Retail mall with 5-storeys and 2 basement levels</td>
</tr>
<tr>
<td>Century Square</td>
<td>Retail mall with 5-storeys and 3 basement levels</td>
</tr>
<tr>
<td>Hougang Mall</td>
<td>Retail mall with 5-storeys and 2 basement levels</td>
</tr>
<tr>
<td>White Sands</td>
<td>Retail mall with 5-storeys and 3 basement levels</td>
</tr>
<tr>
<td>Central Plaza</td>
<td>20-storey office building with 3 basement levels</td>
</tr>
</tbody>
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