

FRASERS CENTREPOINT TRUST

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

THE PROPOSED DIVESTMENT OF YEWTEE POINT**1. INTRODUCTION****1.1 Divestment of the Property**

Fraser's Centrepoint Asset Management Ltd., in its capacity as manager of Fraser's Centrepoint Trust ("**FCT**") and as manager of FCT, the "**Manager**", wishes to announce that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of FCT (the "**Trustee**"), has entered into a sale and purchase agreement (the "**SPA**") with an unrelated third party (the "**Purchaser**"), in relation to the proposed sale of the three strata lots (together with the accessory lots), which collectively comprise the property known as "YewTee Point" (the "**Property**" and the proposed sale of the Property, the "**Sale**").

1.2 Information on the Property

The Property is a retail mall with net lettable area of approximately 6,844 square metres (73,669 square feet) and comprises two retail levels (including one basement level). As at 30 September 2020, the Property has a total of 70 tenants and key tenants include NTUC FairPrice, Koufu food court, Watson's, KFC and Saizeriya. The Property is located at 21 Choa Chu Kang North 6, Singapore 689578.

Savills Valuation and Professional Services (S) Pte. Ltd. (the "**Independent Valuer**") has been commissioned by the Manager and the Trustee to value the Property for FCT. The methods used by the Independent Valuer were the Income Capitalisation Method and Discounted Cash Flow Analysis.

2. PRINCIPAL TERMS OF THE TRANSACTION**2.1 Principal terms of the SPA**

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

- (i) the Purchaser shall be entitled to terminate or, as the case may be, rescind the SPA if:
 - (a) on or before completion of the Sale, the competent authority shall acquire or give notice of acquisition or intended acquisition which affects the boundary line of the building in which the Property is comprised to any extent or measure;
 - (b) any reply received by the Purchaser prior to completion of the Sale from the relevant authorities to its legal requisitions in respect of the Property is unsatisfactory; and

- (c) there is any breach of the Trustee's warranty that the Trustee is the registered legal owner of the Property, holding the Property on trust in its capacity as trustee of FCT, and such breach is not remedied on or before completion of the Sale; and
- (ii) either the Purchaser or the Trustee shall be entitled to terminate the SPA if prior to completion of the Sale, any material damage (as defined in the SPA) of the Property or any part(s) thereof occurs.

Completion of the Sale is expected to take place on 28 May 2021.

2.2 Sale consideration and valuation

The sale price of the Property is S\$220.0 million¹ (the "**Sale Consideration**"), which was negotiated on a willing-buyer and willing-seller basis after taking into account the independent valuation of the Property (conducted by the Independent Valuer) of S\$200.0 million as at 31 January 2021.

On the signing of the SPA on 19 March 2021, the Purchaser shall pay to the Trustee's solicitors a deposit amounting to S\$22.0 million (which represents 10.0% of the Sale Consideration), and the Purchaser will pay the balance of the Sale Consideration to the Trustee or such other party(ies) as the Trustee may direct on completion of the Sale. The Sale Consideration will be paid by the Purchaser in cash.

3. RATIONALE FOR THE SALE

The Manager believes that the Sale will benefit unitholders of FCT ("**Unitholders**") as it is in line with the Manager's proactive portfolio management strategy² to optimise portfolio composition and its returns objectives for FCT and Unitholders.

4. USE OF SALE PROCEEDS AND FINANCIAL EFFECTS

4.1 Use of sale proceeds

After taking into account the divestment fee³ and other divestment related expenses of approximately S\$0.1 million, the net proceeds from the Sale would be approximately S\$219.9 million.

The Manager intends to use the net sale proceeds to repay debt which will lower FCT's gearing level.

4.2 Pro forma financial effects

FOR ILLUSTRATIVE PURPOSES ONLY

The pro forma financial effects of the Sale on the distribution per Unit ("**DPU**") and net asset value ("**NAV**") per Unit of FCT presented below were prepared based on the audited financial statements of FCT for the financial year ended 30 September 2020 (the "**FY2020 Audited Financial Statements**").

¹ The difference between the Sale Consideration of S\$220.0 million and the book value of the Property of S\$190.0 million as at 30 September 2020 is approximately 15.8%.

² The Manager regularly reviews the property portfolio of FCT as part of its proactive portfolio management strategy and where the Manager considers that any property has reached a stage where its divestment is in the interest of Unitholders, the Manager may recommend the divestment and redeploy the divestment proceeds into the acquisition of properties that meet its investment criteria.

³ Assuming that the divestment fee is to be paid in units in FCT ("**Units**").

4.2.1 Pro forma DPU of the Sale

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Sale on FCT's DPU for the financial year ended 30 September 2020, as if FCT had completed the Sale on 1 October 2019, are as follows:

	Effects of the Sale	
	Before the Sale	After the Sale
DPU (cents)	9.042 ⁽¹⁾	8.831
Dilution	N.A.	2.33%

Note:

(1) Based on the FY2020 Audited Financial Statements.

4.2.2 Pro forma NAV of the Sale

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Sale on the NAV per Unit as at 30 September 2020, as if the Sale was completed on 30 September 2020, are as follows:

	Effects of the Sale	
	Before the Sale	After the Sale
NAV (S\$'000)	2,538,276 ⁽¹⁾	2,568,126 ⁽²⁾
Issued and Issuable Units ('000)	1,120,330 ⁽¹⁾	1,120,780 ⁽³⁾
NAV per Unit (S\$)	2.27 ⁽¹⁾	2.29

Notes:

(1) Based on the FY2020 Audited Financial Statements.

(2) Included gain on the Sale.

(3) Assumed the issue of approximately 0.45 million new Units as payment of the divestment fee for the Sale.

FOR ILLUSTRATIVE PURPOSES ONLY

The pro forma financial effects of the Sale on the DPU and NAV per Unit of FCT presented below were prepared based on the FY2020 Audited Financial Statements, as if FCT had completed the Sale on 1 October 2019, together with the divestments of Bedok Point and Anchorpoint Shopping Centre (the "**Divestments**"), and FCT held 100.0% of AsiaRetail Fund Limited ("**ARF**") on 1 October 2019 (the "**ARF Ownership**").

4.2.3 Pro forma DPU of the Sale

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Sale on FCT's DPU for the financial year ended 30 September 2020, as if on 1 October 2019, FCT had completed the Sale together with the Divestments, and the ARF Ownership took place on 1 October 2019, are as follows:

	Effects of the Sale		
	FY2020 Audited Financial Statements	Before the Sale and after the Divestments and the ARF Ownership	After the Sale, the Divestments and the ARF Ownership
DPU (cents)	9.042	9.500 ⁽¹⁾	9.411
Accretion/(Dilution)	N.A.	5.06%	(0.94%)

Notes:

- (1) Based on FY2020 Audited Financial Statements and adjustments made to assume that the ARF Ownership and the equity fund raising in connection therewith (the “**ARF Equity Fund Raising**”) took place on 1 October 2019 and the distributable income from ARF has been consolidated for 12 months ended 30 September 2020.

4.2.4 Pro forma NAV of the Sale

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Sale on the NAV per Unit for the financial year ended 30 September 2020, as if on 30 September 2020, FCT had completed the Sale together with the Divestments, and the ARF Ownership took place on 1 October 2019 and FCT held ARF through to 30 September 2020, are as follows:

	Effects of the Sale		
	FY2020 Audited Financial Statements	Before the Sale and after the Divestments and the ARF Ownership	After the Sale, the Divestments and the ARF Ownership
NAV (S\$'000)	2,538,276	3,844,037 ⁽¹⁾	3,873,887 ⁽³⁾
Issued and Issuable Units ('000)	1,120,330	1,699,166 ⁽²⁾	1,699,616 ⁽⁴⁾
NAV per Unit (S\$)	2.27	2.26	2.28

Note:

- (1) Included net gain on the Divestments.
- (2) Based on FY2020 Audited Financial Statements and adjusted for the issuance of approximately 569.3 million new Units pursuant to the ARF Equity Fund Raising and approximately 9.5 million new Units as payment of the acquisition fee for the ARF Ownership and the divestment fees for the Divestments.
- (3) Included gain on the Sale.
- (4) Assumed the issue of approximately 0.45 million new Units as payment of the divestment fee for the Sale.

5. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

As at the date of this announcement and based on information available to the Manager as at the date of this announcement, save for the Unitholding interests in FCT held by certain directors of the Manager and the controlling Unitholders, none of the directors of the Manager or the controlling Unitholders has an interest, direct or indirect, in the Sale.

6. OTHER INFORMATION

6.1 Directors' Service Contracts

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

6.2 Disclosure under Rule 1010(13) of the Listing Manual

Chapter 10 of the Listing Manual⁴ 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-discloseable transactions;
- (ii) discloseable transactions;
- (iii) major transactions; and
- (iv) very substantial acquisitions or reverse takeovers.

A 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 under Rule 1006 of the Listing Manual:

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

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

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

⁴ The Listing Manual of Singapore Exchange Securities Trading Limited (the "SGX-ST").

	Sale (S\$ million)	FCT (S\$ million)	Relative figure (%)
<u>Rule 1006(a)</u> NAV of the assets to be disposed of	216.7 ⁽¹⁾	2,538.3 ⁽²⁾	8.5
<u>Rule 1006(b)</u> Net profits attributable to the assets to be disposed of, compared with FCT's net profits	25.8	151.7 ⁽²⁾	17.0
<u>Rule 1006(c)</u> Aggregate value of the consideration received compared with FCT's market capitalisation based on the total number of issued Units	220.0	4,349.7 ⁽³⁾	5.1

Notes:

- (1) Based on selling price of \$220.0 million for the Sale after transferring tenants' deposits.
- (2) Based on the FY2020 Audited Financial Statements.
- (3) Based on the weighted average price of the Units transacted on the SGX-ST on 18 March 2021, being the market day preceding the date of signing of the SPA, of S\$2.5609 per Unit.

Under Rule 1010 of the Listing Manual, where any of the relative figures computed on the bases set out above exceeds 5.0% but does not exceed 20.0%, the Sale is regarded as being a discloseable transaction.

6.3 Documents for Inspection

Copies of the SPA and the valuation report of the Independent Valuer are available for inspection⁵ during normal business hours at the registered office of the Manager at 438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958 for a period of three months, commencing from the date of this announcement.

BY ORDER OF THE BOARD

Frasers Centrepoint Asset Management Ltd.

As manager of Frasers Centrepoint Trust

Company Registration No: 200601347G

Catherine Yeo
Company Secretary
19 March 2021

For further information, kindly contact:

Mr. Chen Fung Leng
Vice President, Investor Relations
Frasers Centrepoint Asset Management Ltd.
T +65 6277 2657
E funleng.chen@frasersproperty.com

⁵ Prior appointment with the Manager (telephone number: +65 6277 2657 or email: ir@fraserscentrepointtrust.com) will be appreciated.

IMPORTANT NOTICE

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

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

Investors 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 holders of Units 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.

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. 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.