

FRASERS CENTREPOINT TRUST

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

RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS FOR THE ANNUAL GENERAL MEETING ON 18 JANUARY 2022

Fraser's Centrepoint Asset Management Ltd., as manager (the "**Manager**") of Fraser's Centrepoint Trust ("**FCT**"), wishes to thank all unitholders of FCT (the "**Unitholders**") who have submitted their questions in advance of the annual general meeting to be held by way of electronic means on 18 January 2022 at 10.00 a.m.

The Manager wishes to inform Unitholders that it has consolidated the questions received from the Unitholders and made editorial amendments to some of the questions to ensure that the meaning of each of the questions is clear. For the avoidance of doubt, the editorial amendments do not change the meaning of the questions.

Please refer to Annex A for the list of substantial and relevant questions, and the Manager's responses to these questions.

BY ORDER OF THE BOARD

Fraser's Centrepoint Asset Management Ltd.

As manager of Fraser's Centrepoint Trust
Company Registration No: 200601347G

Catherine Yeo
Company Secretary
12 January 2022

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Important Notice

The value of the 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, or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of FCT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (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.

RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS

- 1. With the divestment of Yew Tee Point, there seems to be a lack of Frasers Malls representation in the Western Region of Singapore. Is there any potential acquisition opportunities in the West of Singapore, so as to capture the development opportunities and shopper population pool in the up and coming Jurong region?**

As the retail real estate market in Singapore continues to evolve, we believe opportunities for asset acquisition could emerge and we do not preclude the possibility of acquisitions in areas which we currently do not have significant presence. The western region of Singapore is attractive due to its excellent public transportation network, populous residential catchment and economic vibrancy. We will continue to monitor and evaluate opportunities that might present themselves in the future.

- 2. How does the REIT ensure dividend growth?**

FCT's objectives are to deliver regular and stable distributions to FCT Unitholders and to achieve long-term growth in its net asset value. These objectives are supported by its growth strategies which comprise acquisition growth, enhancement growth and organic growth. Acquisition growth is achieved through sourcing, evaluation and acquisition of income-producing properties that meet FCT's investment objectives to enhance yields and returns to Unitholders while improving portfolio diversification. Acquisition opportunities include the pipeline assets from our Sponsor, Frasers Property Limited, and third-party assets, both in Singapore and overseas. Enhancement growth refers to asset enhancement initiatives ("AEIs") to upgrade or reconfigure existing properties to achieve better asset yield, sustainable income growth and value creation. AEIs also give us the opportunities to make our properties more environmentally sustainable through reducing their carbon emission and energy consumption, among other initiatives. The third growth strategy is organic growth, which involves active lease management to achieve positive operating results for rental reversions and occupancy to provide rental growth. The combination of these growth strategies provides the basis for distribution growth.

- 3. Thanks for the good performance in 2021. I believe there is some concern especially with Century Square although your team has addressed in previous meeting that the low occupancy (low 90%) is mainly due to the lease expiries as a result of refurbishment in 2018. Can you highlight some of the actions/ideas your team has taken to try to address these issues especially the higher floors in Century Square?**

Century Square underwent its bulk lease expiry in 2021 (being 3 years after the completion of its asset enhancement in 2018), where a significant proportion of the property's leases were expiring in the second half of FY2021. Despite the timing of the lumpy lease expiries which coincided with the periods of heightened restrictions, committed occupancy was 91.8% as at end of FY2021.

A portion of the asset included trades that were operating at unsustainable levels with lower sales productivity at the time of acquisition. FCT has taken the opportunity during this bulk expiry to actively

replace them with brands that were able to generate higher sales. The focus on refreshing the retail offering and the consequent churn created leasing downtime. However, we are happy to share that the sales productivity of Century Square has improved compared to FY2020.

Since 4QFY21, popular F&B brands have opened at Century Square. On the upper floors, shoppers would have noticed that a new Chinese supermarket brand has announced their opening in February 2022. We have also signed up new tenants in categories such as enrichment, sports apparel and beauty services which would be opening in the subsequent months.

4. Has the sponsor, Frasers Property, granted any ROFR assets to FCT? If yes, what are the assets. If no, what is the pathway to growth for FCT going forward and in what ways the Sponsor is value-adding to the REIT?

At present, FCT does not have any rights of first refusal (ROFRs) over properties from its Sponsor, Frasers Property Limited. The growth strategies of FCT are outlined in the responses to Question 2 above. A strong and supportive Sponsor is a strategic competitive advantage for FCT. Aside from the opportunity to acquire potential assets from the Sponsor's portfolio for growth, FCT leverages the Sponsor's established track record, financial strength, scale of operations and its integrated retail property management operations, to drive its business and to manage a strong network of relationships in the retail sector. These are important success factors for FCT as a leading suburban retail REIT.

5. What are the possible pipeline of retail assets available to the REIT?

The acquisition opportunities in Singapore for FCT may include certain retail assets in the Sponsor's portfolio, an additional stake in Waterway Point (currently held by three joint venture partners, including FCT) as well as third party opportunities that may present themselves from time to time.

6. Does FCT intend to diversify its portfolio into new countries / asset classes?

7. Does FCT have any intention/plans to expand beyond Singapore and/or other asset classes other than suburban malls?

We believe FCT would continue to remain focused on its current strengths and core competence in the Singapore suburban retail sector. We review FCT's business strategy regularly and we believe that any proposition for diversification to new countries and/or asset class must be carefully evaluated to ensure the propositions are in line with the Manager's investment strategy, and that it can deliver long-term benefits in value creation and sustainable distribution returns to FCT and its Unitholders.

8. Are there any asset enhancement initiatives to be carried out in FY 2022/23?

We evaluate asset enhancement opportunities for FCT portfolio properties from time to time, and will carry out the AEI when the timing and conditions are appropriate.

9. Shareholders are hoping that the acquisition of Northpoint City South Wing & full stake of Waterway point will happen soon. What are the main challenges preventing this acquisition from happening?

10. When does FCT intend to buy the remaining stake in Northpoint City South Wing and Waterway Point?

Northpoint City South Wing is 50%-owned by each of Frasers Property Limited and TCC Prosperity Limited (see press release “Frasers Property Limited brings in strategic capital partner for Northpoint City (South Wing)”, dated 14 July 2020, available on Frasers Property Limited’s corporate website at <https://www.frasersproperty.com/home/frasers-corporate/essentials/shared/dataitems/press-releases/2020/july/fpl-brings-in-strategic-capital-partner-for-northpoint-city-south-wing>).

Acquisitions, like all commercial transactions, require the right opportunities to arise and even then, we would need to take into account a multitude of different considerations including, among other things, the prevailing market conditions, timing of the acquisition and available funding options. Nevertheless, with its healthy gearing (33.3% as at 30 September 2021) and robust financial position, FCT is well positioned to take advantage of opportunities when they emerge.

11. FCT owns more than 30% of Hektar REIT and Hektar REIT has done badly once again. Hektar REIT share price has dropped 20% last year. What is FCT's cost price for Hektar REIT? Why has Hektar REIT performed so poorly?

FCT’s cost of investment in Hektar is S\$74.6 million. The relevant information is disclosed in pages 188 to 189 of FCT’s Annual Report 2021.

Hektar REIT is publicly listed on the Main Board of Bursa Malaysia Securities Berhad and its share price is subject to market conditions. While we do not speculate or comment on its share price movements, we noted that the manager of Hektar REIT has provided in its Annual Report 2020 and quarterly results announcements (available on its corporate website at <http://www.hektarreit.com/>) the reasons pertaining to Hektar REIT’s performance and the outlook for the REIT.

12. Recently, there was a news article stating that “Hektar REIT to raise RM11.8 mil from private placement”. Will FCT be participating in the private placement? Or will FCT prefer to let its stake be diluted instead?

Hektar REIT announced on 15 November 2021 (with additional details in follow up announcements on 5 November 2021, 23 November 2021, 26 November 2021, 13 December 2021, 23 December 2021, 24 December 2021 and 29 December 2021) that it proposes to undertake a private placement of up to 23,098,000 new units in Hektar REIT to raise equity for working capital and to fund its business operations (“Proposed Private Placement”). The Proposed Private Placement is expected to complete in first half of 2022. (Source: <http://www.hektarreit.com/pdf/announcements/hektar---ppp--announcement---final-151121.pdf>)

None of the Directors and/or major shareholders of the Hektar REIT's Manager, major Unitholders and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement.

13. Given that the CEO of the Manager has a seat on the Board of the manager of Hektar REIT, what is FCT doing to improve the performance (both in terms of financial, operating metrics, share price performance) of Hektar REIT?

The Board of the manager of Hektar REIT is responsible, among other responsibilities, for the oversight of the Hektar REIT's performance and corporate governance. The Chief Executive Officer and Chief Financial Officer of the Manager have been nominated by Frasers Property Retail Asset Management (Malaysia) Pte Ltd, a subsidiary of the Sponsor, as non-executive non-independent directors of the manager of Hektar REIT. As directors of Hektar REIT, their duty is to act in the best interests of all unitholders of Hektar REIT, which include FCT's interests as unitholders of Hektar REIT. We believe they have discharged their responsibilities dutifully and to the best of their abilities, and they will continue to do so going forward.

14. Are there plans to divest FCT's stake in Hektar REIT?

We will act in the best interests of FCT and its Unitholders in evaluating FCT's options. A divestment would be considered if it is in line with our proactive portfolio management strategy to unlock value and re-deploy capital to higher yielding assets.

15. If there is any rent escalation mechanism built in for FCT's assets? If no, why?

Yes. Approximately 93.2% of FCT's leases include step-up rent clauses that provide for annual rental increment of between 1% and 2% over the lease term. (Reference: page 27 of our Annual Report 2021, available on FCT's corporate website at:
https://fct.frasersproperty.com/newsroom/20211227_072751_J69U_VAYJFGMQYP0991KV.1.pdf)

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