

## FRASERS CENTREPOINT TRUST

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

### ACQUISITION OF AN ADDITIONAL 10.0% INTEREST IN WATERWAY POINT

#### 1. INTRODUCTION

Frasers Centrepoint Asset Management Ltd., as manager of Frasers Centrepoint Trust (“**FCT**” and Frasers 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 (the “**SST Units SPA**”) with Sekisui House, Ltd. (the “**Vendor**”) to acquire 10.0% of the total issued units of Sapphire Star Trust (“**SST**”), comprising 500,001 ordinary units and 56,904,785 redeemable preference units in SST (the “**SST Units**”), from the Vendor (the “**Units Acquisition**”); and
- (b) a conditional share sale and purchase agreement (the “**FCRT Shares SPA**”) with the Vendor to acquire 10.0% of the issued share capital of FC Retail Trustee Pte. Ltd. (“**FCRT**” and 10.0% of the issued share capital of FCRT, the “**FCRT Shares**”), which is the trustee-manager of SST, from the Vendor (the “**FCRT Acquisition**” and together with the Units Acquisition, the “**Acquisition**”).

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 FCRT as the trustee-manager of SST).

On 11 July 2019, the Trustee had acquired 33⅓% of the total issued units of SST and 33⅓% of the issued share capital of FCRT from FCL Emerald (2) Pte. Ltd., an indirectly wholly owned subsidiary of Frasers Property Limited (the “**First Antecedent Acquisition**”). 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 First Antecedent Acquisition.

On 18 September 2019, the Trustee had acquired 6⅔% of the total issued units of SST and 6⅔% of the issued share capital of FCRT from the Vendor (the “**Second Antecedent Acquisition**”). Please refer to the previous announcements issued by FCT dated 6 September 2019 and 18 September 2019 for further details on the Second Antecedent Acquisition.

As at the date of this Announcement, FCT owns a 40.0% stake in each of SST and FCRT (and thereby an effective interest of 40.0% in Waterway Point) whilst the Vendor owns a 20.0% stake in each of SST and FCRT<sup>1</sup>.

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<sup>1</sup> The remaining 40.0% stakes in each of SST and FCRT are held by an unrelated third party.

The Acquisition will increase FCT's interest in each of SST and FCRT (and thereby FCT's effective interest in Waterway Point) from 40.0% to 50.0%.

## 2. THE ACQUISITION

### 2.1 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 connectivity to public transportation system including the Punggol MRT and 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 a net lettable area ("**NLA**") of 389,335 square feet<sup>2</sup> ("**sq ft**") and is awarded the BCA Universal Design (UD) Gold<sup>Plus</sup> and the BCA Green Mark Gold<sup>Plus</sup> certifications.

The mall offers its shoppers a diverse range of shopping, dining and entertainment experiences, catering to their necessity and convenience shopping as well as their leisure needs. Notable retailers and restaurants at the mall include Uniqlo, Daiso Japan, Din Tai Fung, Best Denki, and a 24-hour NTUC FairPrice Finest supermarket. The mall also has a cineplex operated by Shaw Theatres that features 11 screens, including an IMAX theatre.

The following table sets out a summary of selected information on the Property as at 30 September 2021<sup>3</sup>:

<b>Property</b>	Waterway Point
<b>Location</b>	83 Punggol Central, Singapore 828761 (strata lots: U96899V, U96900T & U96901A, each of Mukim 21)
<b>Title</b>	99-year leasehold title commencing 18 May 2011
<b>Gross Floor Area (sq ft)</b>	542,493
<b>NLA (sq ft)</b>	389,335
<b>Number of Car Park Lots</b>	622
<b>Committed Occupancy as at 30 September 2021</b>	98.4%

<sup>2</sup> The NLA includes the area of approximately 17,954 square feet (1,668 square meters) currently used as Community Sports Facilities Scheme space.

<sup>3</sup> For further information on the Property, please refer to the annual report of FCT for the financial year ended 30 September 2021 and the valuation report prepared by Savills Valuation and Professional Services (Singapore) Pte. Ltd. dated 31 July 2022.

## 2.2 Valuation and Total Purchase Consideration

The purchase consideration payable to the Vendor under the SST Units SPA in cash for the SST Units is approximately S\$73.6 million<sup>4</sup> (the “**SST Units Purchase Consideration**”). The SST Units Purchase Consideration is based on the agreed value of the Property of S\$1,312.5 million (the “**Agreed Property Value**”) after taking into account the estimated net assets and liabilities of SST<sup>5</sup> as at the date of completion under the SST Units SPA which was negotiated on a willing-buyer and willing-seller basis and taking into account the independent valuation conducted by Savills Valuation and Professional Services (Singapore) Pte. Ltd. (“**Savills**”) <sup>6</sup>.

Savills, in its report dated 31 July 2022, stated that the open market value of the Property as at 31 July 2022 was S\$1,300 million. The valuation methods used to derive the open market value of the Property include the capitalisation approach and discounted cash flow analysis, with the direct comparison method used as a cross-check.

In relation to the FCRT Acquisition, the purchase consideration payable to the Vendor under the FCRT Shares SPA for the FCRT Shares is approximately S\$3,626.59<sup>7</sup>, excluding stamp duty and GST (the “**FCRT Shares Purchase Consideration**”).

## 2.3 Estimated Total Acquisition Outlay

The estimated total acquisition outlay for the Acquisition (the “**Total Acquisition Outlay**”) is approximately S\$132.3 million, comprising:

- (i) the SST Units Purchase Consideration of approximately S\$73.6 million;
- (ii) the FCRT Shares Purchase Consideration of approximately S\$3,626.59;
- (iii) the acquisition fee payable to the Manager for the Units 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\$1,312,500 (the “**Acquisition Fee**”) <sup>8</sup>;
- (iv) the estimated professional and other fees and expenses incurred or to be incurred by FCT in connection with the Acquisition of approximately S\$80,000; and
- (v) the pro rata share of a bank loan owed by SST to certain financial institutions (the “**Bank Loan**”) attributable to the SST Units under the Units Acquisition, being

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<sup>4</sup> The consideration for the SST Units is based on the adjusted net asset value of SST as at 30 June 2022 of approximately S\$735.9 million and will be (i) adjusted at completion based on the pro forma unaudited management accounts, (ii) adjusted post-completion based on the unaudited management accounts and (iii) adjusted post-completion based on the audited accounts, of SST in accordance with the SST Units SPA.

<sup>5</sup> This takes into account a bank loan owed by SST to certain financial institutions, of which the pro rata share attributable to the SST Units amounts to S\$57.3 million. For the avoidance of doubt, this bank loan will not be discharged by SST under the Units Acquisition.

<sup>6</sup> Savills is an independent valuer commissioned jointly by the Manager, the Trustee and an unrelated third party purchaser of the other 10.0% stake in SST and FCRT held by the Vendor.

<sup>7</sup> The consideration for the FCRT Shares is based on the net asset value of FCRT as at 30 June 2022 of approximately S\$36,265.91 and will be (i) adjusted at completion based on the pro forma unaudited management accounts, (ii) adjusted post-completion based on the unaudited management accounts and (iii) adjusted post-completion based on the audited accounts, of FCRT in accordance with the FCRT Shares SPA.

<sup>8</sup> 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 10.0%), and will only be paid on completion of the Acquisition.

approximately S\$57.3 million<sup>9</sup> (which will not be discharged by SST and will remain after completion of the Acquisition).

## **2.4 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.

## **2.5 Certain Principal Terms of the SST Units SPA**

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

- (i) the SST Units Purchase Consideration will be based on the adjusted 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 SST Units SPA and a second round of adjustments being within one year after the date of completion under the SST Units SPA; and
- (ii) the completion of the SST Units SPA will be inter-conditional on the fulfilment of the conditions precedent of the FCRT Shares SPA.

## **2.6 Certain Principal Terms of the FCRT Shares SPA**

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

- (i) the FCRT Shares Purchase Consideration will be based on the net asset value of FCRT (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 FCRT Shares SPA and a second round of adjustments being within one year after the date of completion under the FCRT Shares SPA; and
- (ii) the completion of the FCRT Shares SPA will be inter-conditional on the fulfilment of the conditions precedent of the SST Units SPA.

## **2.7 Method of Financing the Acquisition**

The Manager intends to finance the Total Acquisition Outlay less the sum of the Bank Loan attributable to the SST Units and the Acquisition Fee from a combination of debt and/or 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.

## **2.8 Non-Discloseable Transaction**

The Manager is of the view that the 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 of Singapore Exchange Securities Trading Limited ("SGX-ST" and the listing

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<sup>9</sup> The pro rata share attributable to the SST Units amounts to S\$57.3 million as at 30 June 2022.

manual, 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 by appointment only during 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 SST Units SPA;
- (ii) the FCRT Shares SPA; and
- (iii) the valuation certificate and the full valuation report on the Property issued by Savills.

The Trust Deed will also be available for inspection by appointment only during business hours 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  
12 September 2022

For further information, kindly contact:

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This Announcement may contain forward-looking statements that involve assumptions, 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 other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and 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.

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.

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