

# Frasers Centrepoint Trust

**Frasers Property Group to acquire 50.0% interest in prime suburban retail mall NEX for S\$652.5 million**

**26 January 2023**



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This presentation shall be read in conjunction with Frasers Centrepoint Trust's ("FCT") announcement "PROPOSED JOINT ACQUISITION OF 50% OF GOLD RIDGE PTE LTD WHICH HOLDS PROPERTY AT 23 SERANGOON CENTRAL" dated 26 January 2023.

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# Highlights of transaction

## Acquiring stake in one of Singapore's largest suburban retail properties



NEX is the largest suburban retail mall in Northeast region of Singapore. It is located at **23 Serangoon Central Singapore 556083** and is integrated with the Serangoon Bus Interchange, and the Serangoon MRT station which is an interchange station for the Northeast Line and Circle Line.

- FCT and Frasers Property to jointly acquire 50.0% interest in Gold Ridge Pte Ltd, the entity that holds retail property NEX, for S\$652.5 million, subject to completion adjustments in accordance with the share purchase agreement.
- Acquisition to be undertaken by NEX Partners Trust<sup>1</sup>. Post the acquisition, FCT will indirectly hold 25.5% interest in Gold Ridge Pte Ltd through NEX Partners Trust, and Frasers Property will hold 24.5% interest.
- Agreed Property Value of S\$2,077.8 million on a 100% basis (S\$3,274 psf NLA) is in line with appraised value of S\$2,078.0 million as at 31 December 2022 by Colliers<sup>2</sup>, appointed by FCT and Frasers Property.
- Entry NPI yield is in the region of high 4%.

1. NEX Partners Trust: A 51%-49% joint venture entity between FCT and Frasers Property.  
2. Colliers International Consultancy & Valuation (Singapore) Pte. Ltd.



# Highlights of the Property

High-quality suburban retail property with excellent connectivity to public transport network



Property information as at 30 November 2022	
Tenure	<ul style="list-style-type: none"><li>• 99 years from 2008 (85 years remaining)</li></ul>
Description	<ul style="list-style-type: none"><li>• 7 levels of retail space including 2 basements (total 332 stores)</li></ul>
Green building certification	<ul style="list-style-type: none"><li>• BCA Green Mark Gold<sup>PLUS</sup> certification</li></ul>
GFA	<ul style="list-style-type: none"><li>• 942,131 square feet</li></ul>
NLA <sup>1</sup>	<ul style="list-style-type: none"><li>• 634,631 square feet</li></ul>
Committed occupancy	<ul style="list-style-type: none"><li>• 99.9%</li></ul>
Key tenants	<ul style="list-style-type: none"><li>• FairPrice Xtra, Isetan, Food Junction, Shaw Theatres, H&amp;M, Food Republic, &amp;Joy Japanese Food Street, Courts, Beauty in the Pot, Cold Storage Supermarket</li></ul>
Number of car park lots	<ul style="list-style-type: none"><li>• 400</li></ul>
Connection to public transportation	<ul style="list-style-type: none"><li>• Serangoon Bus Interchange</li><li>• Serangoon MRT station on Northeast Line (NE12) and Circle Line (CC13)</li></ul>

1. Includes NLA classified under the Community/Sports Facilities Scheme.



## Investment rationale

# Investment rationale

Strategic benefits that deliver growth and value to FCT and its Unitholders



High quality asset with excellent connectivity and strategic fit to FCT's Retail Portfolio.



Greater diversification and reinforces FCT's market position in the suburban retail sector.



Consistent with the Manager's investment strategy.

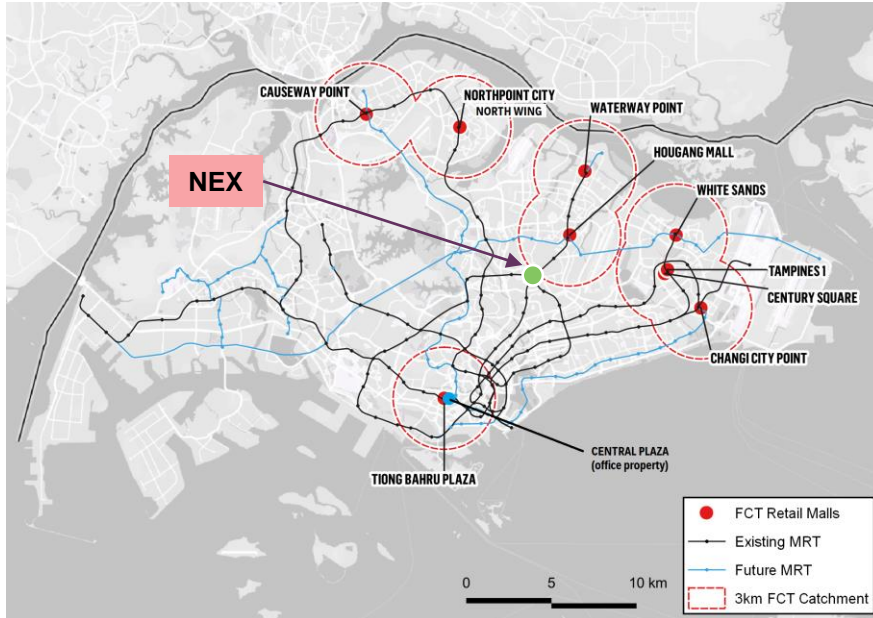


DPU-accretive transaction based on historical pro forma financial information.

# Investment rationale

## High-quality asset with excellent connectivity and a strategic fit to FCT's Retail Portfolio

### FCT malls and NEX are well-connected to the MRT network



1 Aggregate catchment population within 3km of each property in the portfolio. Population in overlapping areas are only counted once. Source: Cistri, 2022.

- ✓ NEX is **one of the largest suburban retail malls** in Singapore, and the largest in the Northeast region of Singapore.
- ✓ **Excellent connectivity to public transport** - NEX is easily accessible via the integrated Serangoon Bus Interchange and Serangoon MRT station which connects to the North-East Line and Circle Line of the MRT network, making it a convenient destination for the surrounding residential population and commuters.
- ✓ Suburban retail sector has an established track record of stable performance due to its **stable occupancy, tenants' sales and shopper traffic**.
- ✓ NEX's committed occupancy as at 30 November 2022 was 99.9%, which is **higher than the average of 94%**<sup>1</sup> for suburban retail malls in Singapore.

1. Source: FCT Annual Report 2022, page 52



# Investment rationale

Consistent with the Manager's investment strategy

The acquisition is in line with the Manager's principal investment strategy to deliver regular and stable distributions to Unitholders:

- ✓ To acquire interests in quality income-producing properties used primarily for retail purposes.
- ✓ To enhance FCT's presence in the Singapore suburban retail sector.

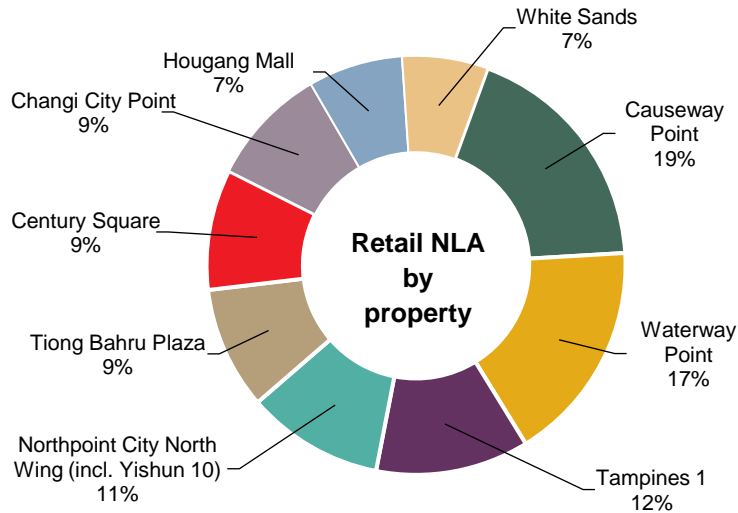
## FCT's Retail Portfolio



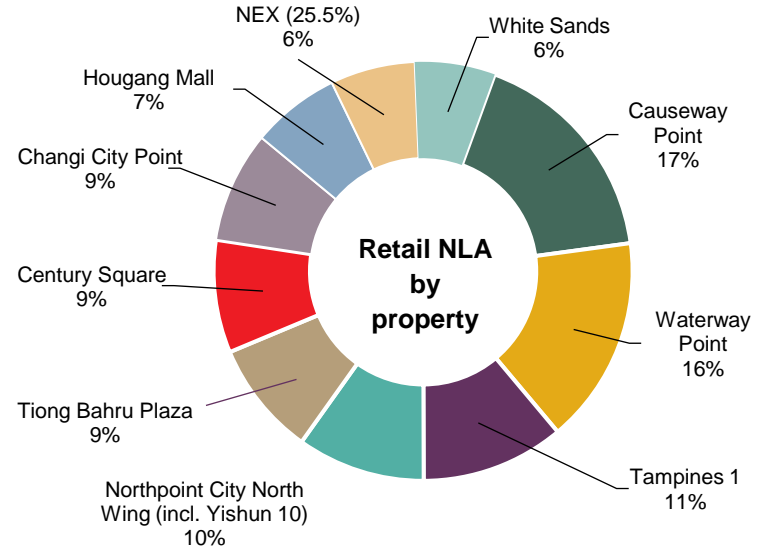
# Investment rationale

## Greater diversification of FCT's Retail Portfolio

Largest mall accounts for approximately 19% of retail portfolio NLA



Largest mall accounts for approximately 17% of retail portfolio NLA

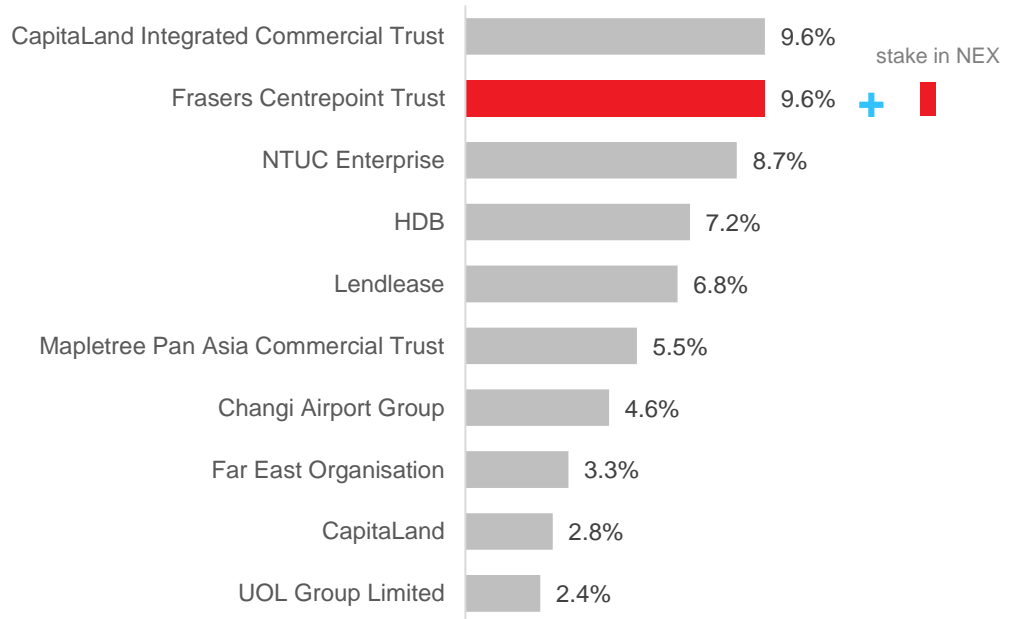


# Investment rationale

## Reinforces FCT's market position in the suburban retail sector

- ✓ Reinforces FCT's market position in the Singapore suburban retail space and enhances its competitive advantage.
- ✓ The acquisition of the stake in NEX increases FCT's AUM from S\$6.2 billion to approximately S\$6.7 billion.

### Share of Suburban Shopping Centre Floorspace by Owner<sup>1</sup>

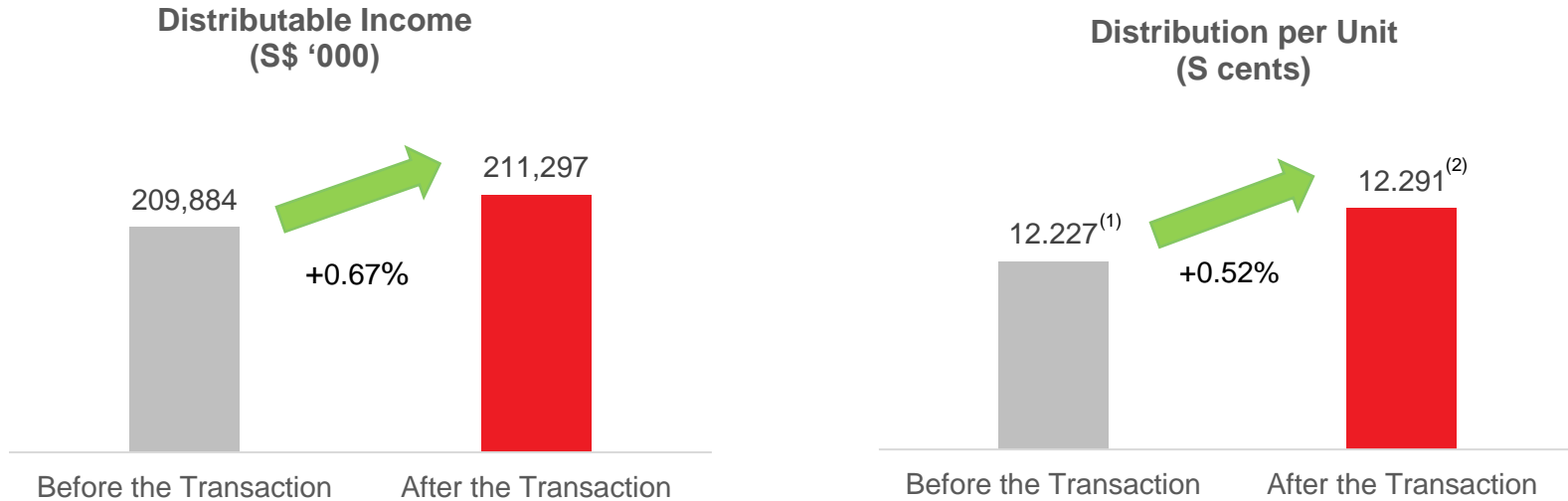


<sup>1</sup> Source: FCT Annual Report 2022, page 51

# Investment rationale

## Acquisition to be DPU-accretive based on historical pro forma financial information

- ✓ **FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Transactions on FCT's DPU for FY2022, as if the Transactions were completed on 1 October 2021 and NP Trust held 50% of the Target and the Property through to 30 September 2022, are as follows:



Note:

- (1) Based on the actual DPU for FY2022 and excludes the retention of distributable income of 0.100 cents per Unit.
- (2) Based on the enlarged number of issued and issuable Units, including approximately 2.6 million Acquisition Fee Units and the Manager's management fees payable in Units.



## Summary



# Summary

## **Frasers Property Group to acquire 50.0% interest in suburban retail mall NEX for S\$652.5 million**

- High-quality asset with excellent connectivity and a strategic fit to FCT's Retail Portfolio.
- Greater diversification and reinforces FCT's market position in the suburban retail sector.
- Agreed Property Value of S\$2,077.8 million on a 100% basis (S\$3,274 psf NLA) is in line with appraised value of S\$2,078.0 million as at 31 December 2022 by Colliers, appointed by FCT and Frasers Property.
- Acquisition to be DPU-accretive based on historical pro forma financial information.

# Appendix

# Definition of terms used in this presentation

- Agreed Property Value: Refers to the agreed property value of S\$2,077.8 million which was negotiated between the Manager and Frasers Property (as buyer) and Mercatus (as seller) on a willing-buyer and willing-seller basis
- Acquisition: The acquisition of 50% of the issued and paid-up share capital of Gold Ridge Pte. Ltd.
- Acquisition Fee: Acquisition fee payable to the Manager in cash and/or units of FCT ("Units") in connection with the Acquisition
- Acquisition Fee Units: Units issued to the Manager as payment of the Acquisition Fee
- AUM: Asset under management
- BCA: Building and Construction Authority
- Colliers: Colliers International Consultancy & Valuation (Singapore) Pte. Ltd.
- CSFS: Community/Sports Facilities Scheme
- DPU: Distribution per unit
- F&B: Food and Beverage
- FCT: Frasers Centrepoint Trust
- Frasers Property: Frasers Property Limited, the sponsor of FCT
- FPR: Frasers Property Retail
- FY2022: financial year ended 30 September 2022
- GFA: Gross floor area
- Gold Ridge Pte. Ltd.: The entity which holds the retail mall known as "NEX" located at 23 Serangoon Central, Singapore 556083
- MRT: Mass Rapid Transit
- NEX Partners Trust: A 51:49 joint venture entity between FCT and Frasers Property.
- NLA: Net Lettable Area
- NPI: Net Property Income
- ppt: percentage-point
- psf: per square foot
- q-o-q: quarter-on-quarter
- REIT: Real Estate Investment Trust (SREIT means Singapore REIT)
- Retail Portfolio: Includes all retail malls in FCT's investment portfolio, and includes Waterway Point (40%-owned by FCT), but excludes Central Plaza which is an office property
- Square Feet: sq ft
- Square meter: sqm
- Target: 50% of the issued and paid-up share capital of Gold Ridge Pte. Ltd.
- y-o-y: year-on-year
- YTD: year-to-date

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creating places for good.

