

Fraser's Centrepoint Trust to divest Changi City Point for S\$338 million and strengthen its financial position

- ◆ Net proceeds to be utilised to repay loans with higher interest rates¹
- ◆ FCT's pro forma aggregate leverage² to reduce from 40.2% to 37.1% post completion
- ◆ FCT's pro forma hedge ratio of fixed-interest rate loans² to improve from 63% to 73% post completion

SINGAPORE, 30 AUGUST 2023

Fraser's Centrepoint Asset Management Ltd. ("**FCAM**"), the manager of Fraser's Centrepoint Trust ("**FCT**") and 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 entered into a sale and purchase agreement with an unrelated third party, in relation to the proposed divestment of Changi City Point (the "**Property**") and the proposed divestment of the Property, the "**Divestment**") for a consideration of S\$338.0 million in cash (the "**Consideration**"). Completion of the Divestment is expected to take place on 15 November 2023.

Mr Richard Ng, Chief Executive Officer of FCAM, said, "This Divestment is part of our strategic portfolio review to strengthen FCT's portfolio resilience and is in line with our long-term objective to create value for FCT's unitholders. The estimated net gain and capital gain are approximately S\$10.9 million³ and S\$20 million⁴, respectively.

This Divestment will also strengthen FCT's financial position⁵ through the lowering of its aggregate leverage, a reduction in average cost of borrowings for the nine-month period ended 30 June 2023 and an improvement in the hedge ratio of fixed-rate loans from 63% to 73%, each on a pro forma basis. On the portfolio performance attributes, following the Divestment, we expect uplifts in committed occupancy rate, average gross rent per square foot, tenants' sales per square foot and the average remaining lease tenure of the retail portfolio⁶. These put FCT in a stronger position to focus on our core suburban retail strategy going forward."

The Consideration was negotiated on a willing-buyer-willing-seller basis after taking into account the independent valuation⁷ of the Property at S\$325.0 million as at 31 July 2023. The estimated net proceeds from the Divestment is approximately S\$329.7 million, after accounting for the divestment fee, divestment related expenses and the transfer of tenants' security deposits. The Manager intends to utilise the net proceeds to repay loans with higher interest rates¹ and reduce FCT's pro forma aggregate leverage² from 40.2% to 37.1%.

Upon completion of the Divestment, FCT's retail portfolio will comprise nine retail properties, all located in the suburban regions of Singapore. FCT's retail property portfolio will have an aggregate net lettable area of approximately 2.7 million square feet with a strong focus on essential trades and services. The nine

¹ The average cost of debt which the Manager intends to repay using the net proceeds from the Divestment would be approximately 5.04% based on the prevailing 1-month compounded Singapore Overnight Rate Average of 3.6540% as at 28 August 2023.

² As at 30 June 2023.

³ Based on the variance between the Consideration of S\$338.0 million and the book value of the Property and investment in Changi City Carpark Operations LLP of S\$325.2 million as at 30 September 2022, less the estimated fees and expenses relating to the Divestment.

⁴ Based on the variance between the Consideration of S\$338.0 million and the sum of the original purchase price of the Property of S\$305.0 million, the transaction-related expenses and the capital expenditure invested in respect of the Property.

⁵ Assuming that the net proceeds from the Divestment of approximately S\$329.7 million is used to repay certain debts.

⁶ Each on a pro forma basis as at 30 June 2023.

⁷ Savills Valuation and Professional Services (S) Pte Ltd was commissioned by the Manager and the Trustee to value the Property for FCT.

retail properties are Causeway Point, Northpoint City North Wing (including Yishun 10 Retail Podium), NEX (FCT holds effective 25.5% interest), Waterway Point (FCT holds 50.0% interest), Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square and Tampines 1.

This press release is to be read in conjunction with FCT's announcement titled "The Proposed Divestment of Changi City Point", dated 30 August 2023, which is available on FCT's website at <https://www.frasersproperty.com/reits/fct>.

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About the Property



The Property is a retail mall located at 5 Changi Business Park Central 1, Singapore 486038. It is connected to the Expo Mass Rapid Transit (MRT) station which also serves as an interchange station on the Downtown line and on the East-West branch line which extends to Changi Airport.

The Property comprises three storeys and one basement level and the net lettable area (NLA) is approximately 19,366 square metres (208,453 square feet). As at 30 September 2022, the Property had a total of 128 tenants and key tenants include FairPrice Finest and Daiso. The three largest trade sectors are Food & Beverage; Fashion & Accessories; and Sports Apparel & Equipment and they account, in aggregate, for about 70% of the Property's NLA. Total shopper traffic of the mall for the period between October 2021 and September 2022 (FY2022) was 7.5 million.

About Frasers Centrepoint Trust

(As at 30 August 2023)

Fraser's Centrepoint Trust ("FCT") is a leading developer-sponsored retail real estate investment trust ("REIT") and one of the largest suburban retail mall owners in Singapore with assets under management of approximately S\$6.9 billion. FCT's property portfolio comprises ten retail malls and an office building located in the suburban regions of Singapore, near homes and within minutes to transportation amenities. The retail portfolio has approximately 2.9 million square feet of net lettable area with over 1,800 leases with a strong focus on providing for necessity spending, food & beverage and essential services.

The portfolio comprises Causeway Point, Century Square, Changi City Point, Hougang Mall, NEX (effective 25.5% interest), Northpoint City North Wing (including Yishun 10 Retail Podium), Tampines 1, Tiong Bahru Plaza, Waterway Point (50.0% interest), White Sands and an office property (Central Plaza). FCT's malls enjoy stable and recurring shopper footfall supported by commuter traffic and residential population in the catchment areas.

FCT also holds a 30.97% 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 index constituent of several benchmark indices including the FTSE EPRA/NAREIT Global Real Estate Index Series (Global Developed Index), FTSE ST Real Estate Investment Trust Index, MSCI Singapore Small Cap Index and SGX iEdge S-REIT Leaders Index.

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. ("FCAM"), a real estate management company and a wholly-owned subsidiary of Frasers Property Limited.

About Frasers Property Limited

Frasers Property Limited ("Frasers Property" and together with its subsidiaries, the "Frasers Property Group" or the "Group"), is a multinational investor-developer-manager 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\$40.1 billion as at 31 March 2023.

Frasers Property's multinational 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 20 countries and more than 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 Ventures Leasehold Real Estate Investment Trust, which is focused on commercial properties.

The Group is committed to inspiring experiences and creating places for good for its stakeholders. By acting progressively, producing and consuming responsibly, and focusing on its people, Frasers Property aspires to raise sustainability ideals across its value chain, and build a more resilient business. It is committed to be a net-zero carbon corporation by 2050. Building on its heritage as well as leveraging its knowledge and capabilities, the Group aims to create lasting shared value for its people, the businesses and communities it serves. Frasers Property believes in the diversity of its people and are invested in promoting a progressive, collaborative and respectful culture.

For more information on Frasers Property, please visit frasersproperty.com or follow us on [LinkedIn](#).

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