

Fraser's Centrepoint Trust to acquire one-third interest in Waterway Point for S\$433.3 million

The proposed acquisition is DPU-accretive¹ and will help strengthen FCT's earnings resilience

SINGAPORE, 16 MAY 2019

Fraser's Centrepoint Asset Management Ltd. as the manager of FCT (the "Manager"), is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited as the trustee of FCT (the "Trustee"), has entered into a conditional sale and purchase agreement with a wholly-owned subsidiary of Fraser's Property Limited (the "Vendor") to acquire 33⅓% of the total issued units of Sapphire Star Trust² ("SST", and 33⅓% of the total issued units of SST, the "Target Units") and the Vendor's 33⅓% share in the unitholders' loan previously extended by the unitholders of SST (the "Proposed Property Acquisition") which holds the retail mall units in the property known as "Waterway Point" located at 83 Punggol Central, Singapore 82876 (the "Property"), and 33⅓% of the issued share capital in the trustee-manager of SST (the "Proposed SST Trustee-Manager Acquisition", and the Proposed SST Trustee-Manager Acquisition and the Proposed Property Acquisition, the "Proposed Acquisition").

The purchase consideration for the interest in the Target Units is based on an agreed value of the Property at S\$1,300.0 million (S\$3,502 per square foot of net lettable area) (the "Agreed Property Value") on a 100% basis, 33⅓% of which is S\$433.3 million.

FCT's total outlay for the transaction is estimated at S\$440.6 million, which comprises S\$240.8 million for the purchase consideration for the interest in the Target Units; approximately S\$8,700 for the one-third stake in the trustee-manager of SST; \$191.0 million relating to the *pro rata* share of a bank loan owed by SST attributable to the Target Units under the Proposed Property Acquisition; and S\$8.8 million for other acquisition related fees and expenses.

The Manager intends to finance the outlay for the Proposed Acquisition using part of the gross proceeds from the issuance of new equity of approximately 184.0 million new units in FCT through a private placement and non-renounceable preferential offering as announced on 16 May 2019³.

Dr Chew Tuan Chiong, Chief Executive Officer of FCAM said, "Waterway Point is a high-quality suburban mall with excellent connectivity to public transport and roads, while its already impressive market catchment is poised for further substantial growth in the near future^{4,5}. Waterway Point is an excellent fit with our existing portfolio of suburban retail malls and the Proposed Acquisition is in line with FCT's investment strategy. The entry yield of 4.7% compares favourably with recent market transactions.

This acquisition will strengthen FCT's earnings resilience through greater income diversification and an enlarged tenant base that will help drive steady growth in FCT's distribution per unit (DPU). Unitholders can expect this acquisition to be DPU-accretive¹."

¹ Based on the pro forma financial effects of the Proposed Acquisition on the DPU for financial year 2018.

² SST is a joint venture between the Vendor, Far East Civil Engineering (Pte.) Limited and Sekisui House Ltd. to develop the Property. Each of the Vendor, Far East Civil Engineering (Pte.) Limited and Sekisui House Ltd. holds 33⅓% of the units in SST.

³ Please refer to announcement titled "LAUNCH OF EQUITY FUND RAISING TO RAISE GROSS PROCEEDS OF NO LESS THAN APPROXIMATELY S\$421.70 MILLION", dated 16 May 2019.

⁴ The population in Waterway Point's primary trade area is expected to grow 3.8% per annum between 2018 and 2023, higher than the national average of about 1%. April 2019, Cistri Pte Ltd.

⁵ HDB expects the population and number of HDB flats to continue to grow over the next few years as more flats are completed and new residents and young families move in. HDB. Retrieved May 13, 2019, from <https://www.hdb.gov.sg/cs/infoweb/about-us/history/hdb-towns-your-home/punggol>.

Valuation and considerations for the Acquisition

The Trustee has commissioned an independent valuer, Jones Lang LaSalle Property Consultants Pte Ltd (“JLL”), and the Manager has commissioned an independent valuer, CBRE Pte. Ltd. (“CBRE”, and collectively with JLL, the “Independent Valuers”), to respectively value the Property. The Agreed Property value of S\$1,300.0 million is equal to the average of the independent valuations conducted by JLL and CBRE, being S\$1,305.0 million and S\$1,295.0 million, respectively, as at 1 April 2019.

The Agreed Property Value was negotiated on a willing-buyer and willing-seller basis and took into account the independent valuations of the Property.

The Proposed Acquisition is subject to approval by Unitholders at an extraordinary general meeting to be convened by FCT at a later date to be determined by the Manager as the Proposed Acquisition constitutes an interested person transaction under the listing manual of the Singapore Exchange Securities Trading Limited and an interested person transaction under Appendix 6 of the Code on Collective Investment Scheme issued by the Monetary Authority of Singapore.

About the Property

Waterway Point is a 4-storey suburban family and lifestyle shopping mall. The mall is located in the heart of Singapore’s first waterfront eco-town, Punggol, at 83 Punggol Central, Singapore 828761. The mall enjoys direct connection to the public transportation system including the Punggol MRT & LRT stations and a temporary bus interchange. It is also served by major expressways including the Tampines Expressway (TPE) and the 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 371,200 square feet (“sq ft”) and is awarded the BCA Universal Design (UD) Gold^{Plus} and the BCA Green Mark Gold^{Plus} certifications.

Waterway Point offers its shoppers a diverse range of shopping, dining and entertainment experiences and caters to their necessity and convenience shopping as well as their leisure needs. Notable retailers and restaurant operators at the mall include Uniqlo, Daiso Japan, Din Tai Fung, H&M and a 24-hour NTUC Fairprice Finest supermarket. It also offers a wide range of food and dining outlets including some with alfresco options. The mall also has a cineplex operated by Shaw Theatres that features 10 screens, including an IMAX theatre. The committed occupancy at Waterway Point as at 31 March 2019 was 98.1%.

A summary of selected information on Waterway Point as at 31 March 2019 is set out below:

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| Property | Waterway Point |
| Location | 83 Punggol Central, Singapore 828761 (Strata Lot: U96899V, U96900T & U96901A, Mukim 21) |
| Title | 99-year leasehold title commencing 18 May 2011 |
| Strata Area (sq ft) | 873,563 (including void area of 320,789 sq ft) |
| Gross Floor Area (sq ft) | 542,493 |
| Net Lettable Area (sq ft) ^(a) | 371,200 |
| Number of Storeys | Four (Includes two basement levels) |
| Number of Car Park Lots | 623 |
| Committed Occupancy | 98.1% |

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| Weighted Average Lease Expiry as at 31 March 2019 | By gross rental income: 1.80 years By NLA: 1.89 years |
| Agreed Property Value per sq ft of NLA | S\$3,502 |
| Net Property Income (FY2018)^(b) | S\$61.1 million |
| Net Property Income Yield based on Agreed Property Value | 4.7% |

Notes:

- (a) This excludes the area of approximately 17,954 sq ft currently used as Community Sports Facilities Scheme (CSFS) space.
- (b) Adjusted for reduced maintenance fund contributions to the retail sub-management committee without Financial Reporting Standards adjustments.



View of Waterway Point with private condominium Watertown above the mall.

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About Frasers Centrepont Trust

Fraser's Centrepont Trust ("FCT") is a leading developer-sponsored retail real estate investment trust (REIT). FCT's property portfolio comprises the following suburban retail properties in Singapore: Causeway Point, Northpoint City North Wing (including Yishun 10 Retail Podium), Anchorpoint, YewTee Point, Bedok Point and Changi City Point. The combined appraised value of FCT's property portfolio is \$2.75 billion as at 31 March 2019. FCT malls are strategically located in various established residential townships and have a large and diversified tenant base covering a wide variety of trade sectors.

FCT holds an 18.8% share in PGIM Real Estate AsiaRetail Fund Limited, a non-listed retail mall fund in Singapore which owns and manages six retail malls (Tiong Bahru Plaza, White Sands, Liang Court, Hougang Mall, Century Square and Tampines 1) and an office property (Central Plaza) in Singapore and four retail malls in Malaysia. FCT also holds a 31.15% 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 focused on increasing shareholder value by pursuing organic, enhancement and acquisition growth strategies. With proactive lease management initiatives, FCT is well placed to achieve sustainable rental growth. To unlock the full potential of its assets, FCT continues to enhance existing assets to maximise their performance. The potential acquisitions of new assets will help FCT gain greater scale and drive further income growth for unitholders.

Listed on the Main Board of the Singapore Exchange Securities Trading Limited since 5 July 2006, FCT is managed by Fraser's Centrepont Asset Management Ltd., a real estate management company and a subsidiary of Fraser's Property Limited.

For more information on FCT, please visit <https://www.frasersproperty.com/reits/fct>.

About Fraser's Property Limited

Fraser's Property Limited ("Fraser's Property" and together with its subsidiaries, the "Group"), is a multi-national company that develops, owns and manages a diverse, integrated portfolio of properties. 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\$33.2 billion as at 31 March 2019.

Fraser's Property's assets range from residential, retail, commercial and business parks, to logistics and industrial in Southeast Asia, Australia, Europe and China. Its well-established hospitality business owns and/or operates serviced apartments and hotels in over 80 cities across Asia, Australia, Europe, the Middle East and Africa. The Group is unified by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging on its knowledge and capabilities from across markets and property sectors, to deliver value in its multiple asset classes.

Fraser's Property is also the sponsor of three real estate investment trusts and one stapled trust listed on the SGX-ST. Fraser's Centrepont Trust, Fraser's Commercial Trust, and Fraser's Logistics & Industrial Trust are focused on retail, commercial and business parks, and logistics and industrial properties respectively. Fraser's Hospitality Trust (comprising Fraser's Hospitality Real Estate Investment Trust and Fraser's Hospitality Business Trust) is a stapled trust focused on hospitality properties.

For more information on Fraser's Property, please visit www.frasersproperty.com.

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This press release 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 and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Frasers Centrepont Asset Management Ltd. as manager of FCT (the "Manager") 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.

This press release is for information purposes only and does not constitute an offer for sale or an invitation or offer to acquire, purchase or subscribe for Units in the United States. This presentation is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada or Japan. The Units referred to herein have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States or other jurisdiction, and the Units may not be offered or sold in the United States, absent registration or an exemption from, the registration requirements under the Securities Act and applicable state or local securities laws. No public offering of securities is being made in the United States.

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.

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of FCT and the Manager is not necessarily indicative of the future performance of FCT and the Manager.

This advertisement has not been reviewed by the Monetary Authority of Singapore.