
Fraser's Centrepont Trust

Extraordinary General Meeting

Presentation by Dr Chew Tuan Chiong
Chief Executive Officer, Fraser's Centrepont Asset Management Ltd
Manager of Fraser's Centrepont Trust

28 June 2019



Important Notice

This presentation shall be read in conjunction with Frasers Centrepoint Trust's ("FCT") announcement "ACQUISITION OF A 33⅓% INTEREST IN WATERWAY POINT FROM AN INTERESTED PERSON OF FRASERS CENTREPOINT TRUST" released on 16 May 2019 and "CIRCULAR TO UNITHOLDERS IN RELATION TO: THE PROPOSED ACQUISITION OF A 33⅓% INTEREST IN WATERWAY POINT FROM AN INTERESTED PERSON OF FRASERS CENTREPOINT TRUST (AS AN INTERESTED PERSON TRANSACTION)" dated 13 June 2019.

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Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Frasers Centrepoint 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.

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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 presentation 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 Presentation includes market and industry data that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications and surveys generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While the Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Manager has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

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

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Highlights of recent development



Strengthening the foundation for future growth

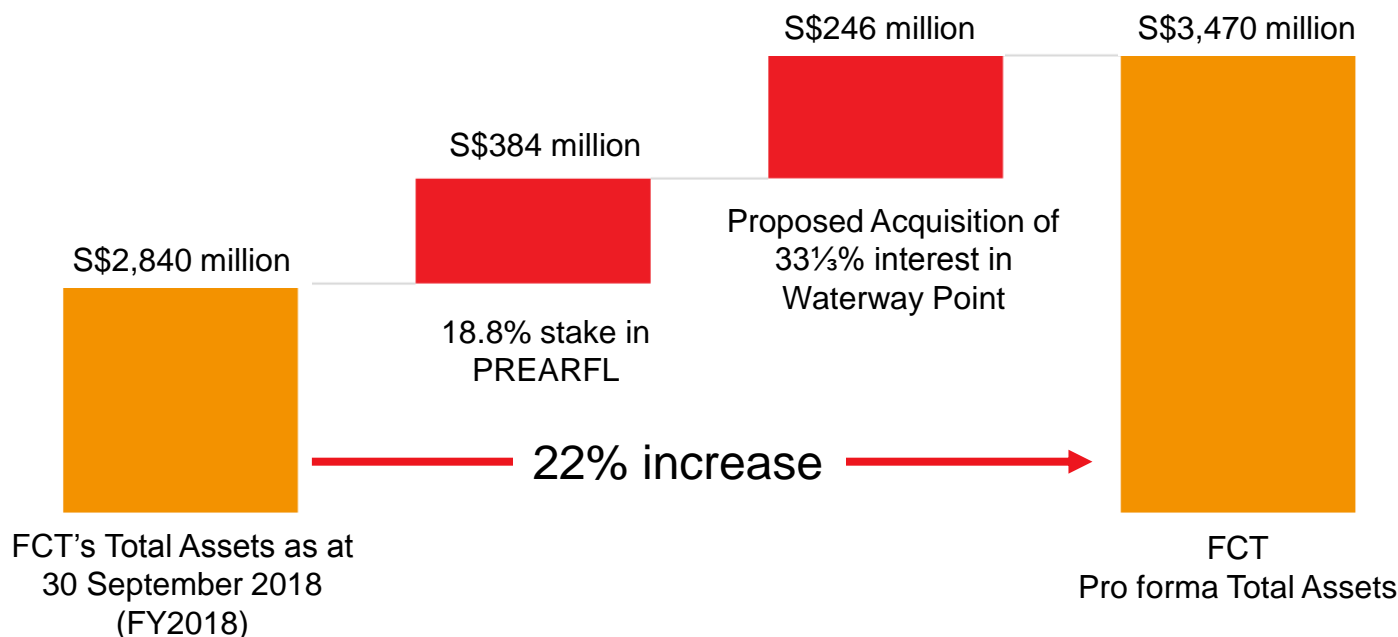
- ◆ Reported 2Q19 results on 24 April - 2Q19 DPU up 1.2% to record high 3.137 cents
- ◆ Completed the acquisition of 18.8% stake in PGIM Real Estate AsiaRetail Fund Limited (PREARFL) on 4 and 26 April 2019 for a total purchase consideration of S\$384 million¹
- ◆ Announced on 12 April 2019, Richard Ng will be taking over from Dr Chew Tuan Chiong as CEO of Frasers Centrepont Asset Management on 1 July 2019
- ◆ Completed equity fund raising (EFR) to raise gross proceeds of ~S\$437.4 million
 - **Private placement**, completed on 16 May 2019, raised gross proceeds ~S\$369.64 million. The Private Placement was 2.3 times subscribed at the top end of the price range. Final issue price of \$2.382 per new unit was 14.5% above the Net Asset Value of \$2.08 per unit as at 31 March 2019
 - **Non-renounceable preferential offering**, completed on 10 June 2019, raised gross proceed ~S\$67.72 million. The Preferential Offer was 2 times subscribed and the issue price was \$2.35.
- ◆ Announced on 16 May 2019 the proposed acquisition of 33⅓% interest in Waterway Point
- ◆ Extraordinary General Meeting on 28 June 2019 to seek unitholders' approval for the proposed acquisition of 33⅓% interest in Waterway Point

1) Includes acquisition-related expenses

Growing FCT's portfolio while keeping healthy gearing

- ◆ The acquisition of the 18.8% PGIM and the proposed acquisition of the one-third stake in Waterway Point add S\$816 million to the total assets of FCT to reach S\$3.6 billion
- ◆ FCT's pro forma gearing level after the acquisitions remains robust at 32.7%¹

Scaling up FCT portfolio

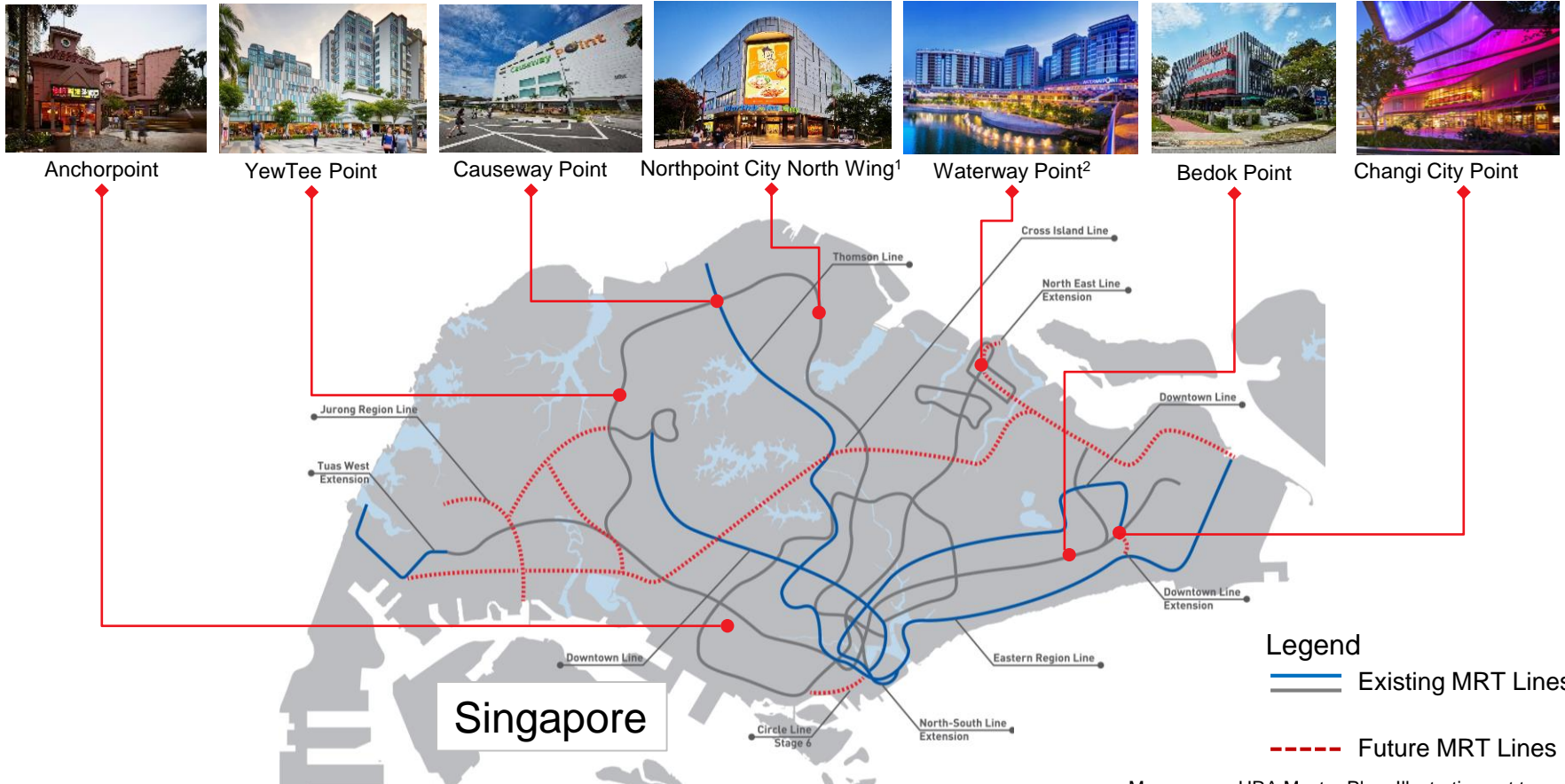


1) Based on the inclusion of the pro-rata share of Sapphire Star Trust's (SST) 's external bank loan of \$191 million

Enlarging our footprint

- ◆ Well-located suburban retail properties that enjoy good connectivity to public transport, high footfall and high occupancy

New addition to FCT



1 Includes Yishun 10 retail podium located next to Northpoint City North Wing

2 FCT announced on 16 May 2019 that it is acquiring 1/3 stake in Waterway Point

Strategy going forward

Acquisition Growth

Northpoint 2 YewTee Point	Bedok Point	Changi City Point	Yishun 10 Retail Podium	18.8% stake in PREARFL ⁽¹⁾	Waterway Point (33 $\frac{1}{3}$ %)
2010	2011	2014	2016	2019	2019
					






Future



Northpoint South Wing
(Singapore)

Acquisition
opportunities of 3rd
party assets

Asset Enhancement Growth

Anchorpoint 2008	Northpoint 2010	Causeway Point 2012	Northpoint City North Wing 2017	Causeway Point UPL ⁽²⁾ 2019
				

Organic Growth



Rental Growth



High Occupancy



High Footfall



Sustainability

(1) Refers to PGIM Real Estate AsiaRetail Fund Limited

(2) UPL: Underground Pedestrian Link
The year refers to the year of completion

FCT Unit Price Performance

Unit Price Performance in Year to Date 25 June 2019

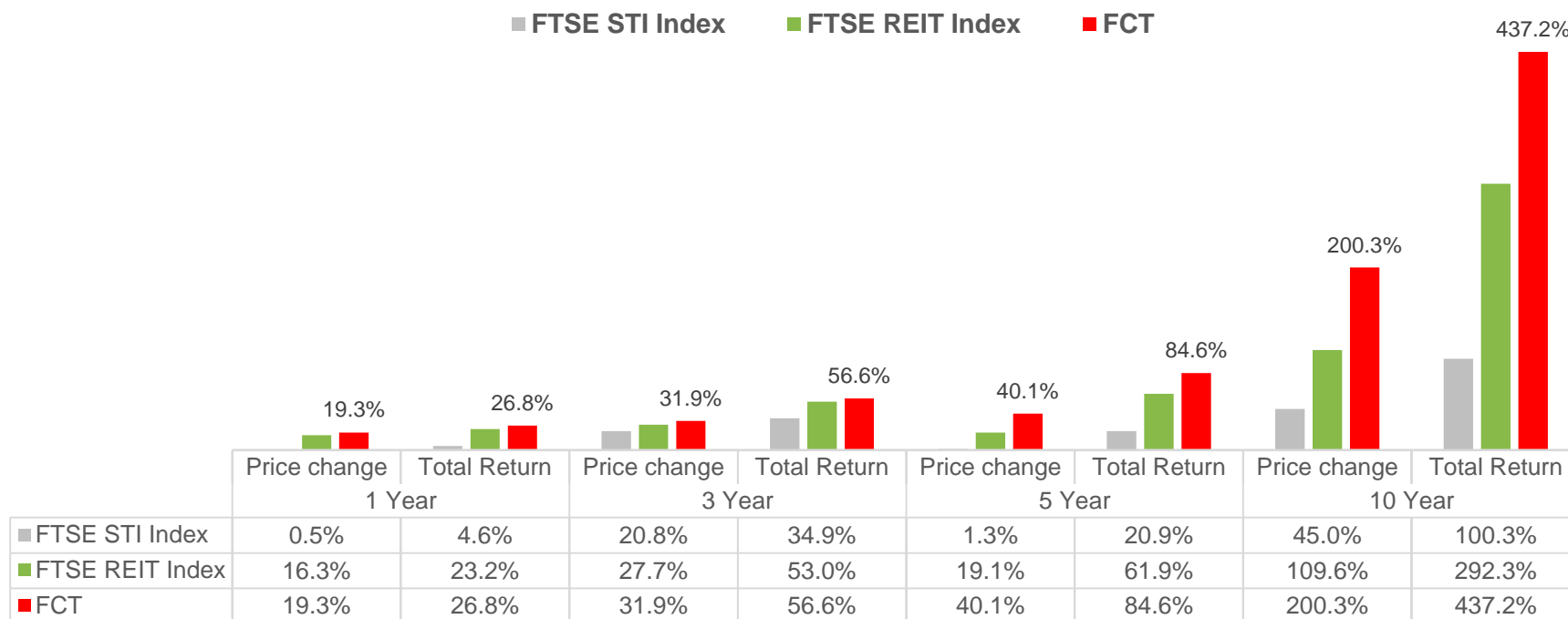
- ◆ FCT unit price outperformed the benchmarks FTSE REIT index and the FTSE Straits Times index over the 6 month period



Source: Bloomberg

FCT's returns outperform the benchmark indices

FCT's Price and Total Return compared with FTSE REIT Index and the Straits Times Index
(For the 1-year, 3-year, 5-year and 10-year period ended 25 June 2019)



Source: Bloomberg



**The Proposed Acquisition
of a 33 $\frac{1}{3}$ % Interest in
Waterway Point from an
interested person of
Fraser's Centrepont Trust**

Overview of Waterway Point

- ◆ 4-storey suburban family and lifestyle shopping mall located in Punggol Central
- ◆ 200 tenants, net lettable area of 371,200 square feet
- ◆ Direct connection to Punggol MRT & LRT and temporary bus interchange, served by major expressways
- ◆ BCA Universal Design Gold^{Plus} and Green Mark Gold certified



Overview of Waterway Point (cont'd)

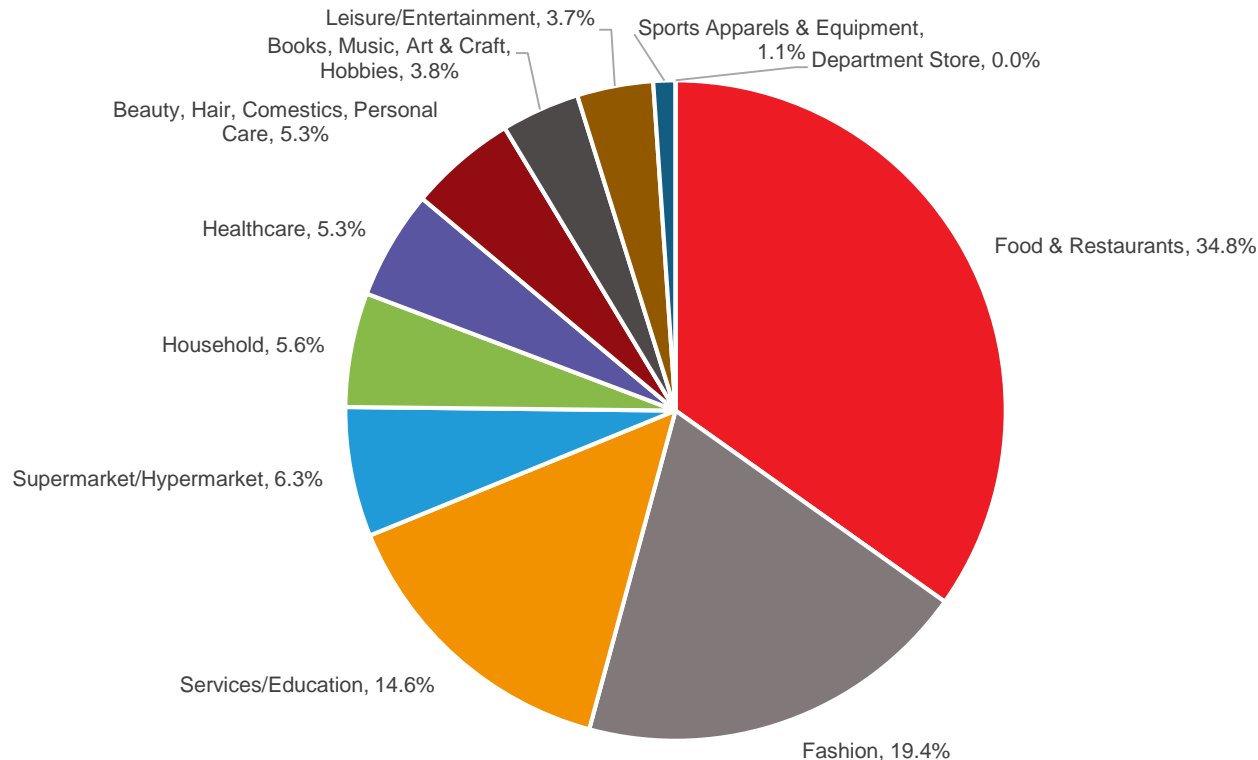
- ◆ Direct connection to Punggol MRT & LRT and temporary bus interchange, served by major expressways



Overview of Waterway Point (cont'd)

- ◆ Diversified tenant base includes a wide range of food & beverage outlets, convenience shopping and essential goods and services

Trade Sector Breakdown by Gross Rental Income of Waterway Point⁽¹⁾



Notable retailers and restaurant operators at Waterway Point



Rationale for the Proposed Acquisition

Rationale for the Proposed Acquisition

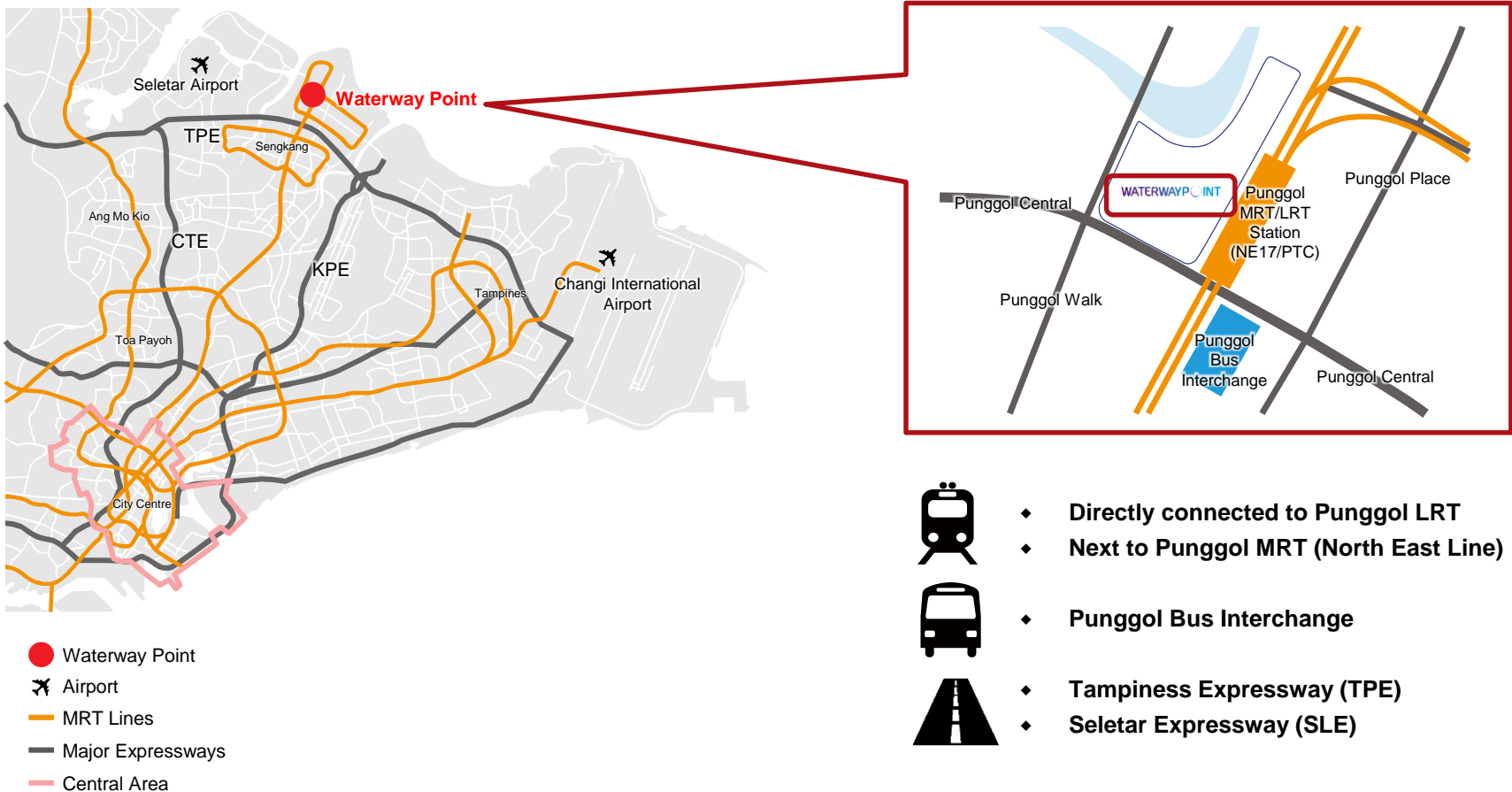


- 1 Competitive strengths of Waterway Point
- 2 Greater income diversification and enlarges tenant base of FCT's property portfolio
- 3 Managed by experienced and reputable property manager
- 4 DPU accretive transaction
- 5 Acquisition consistent with the Manager's investment strategy

1 Competitive strengths of Waterway Point

a) Strategic location and good connectivity in Punggol Central

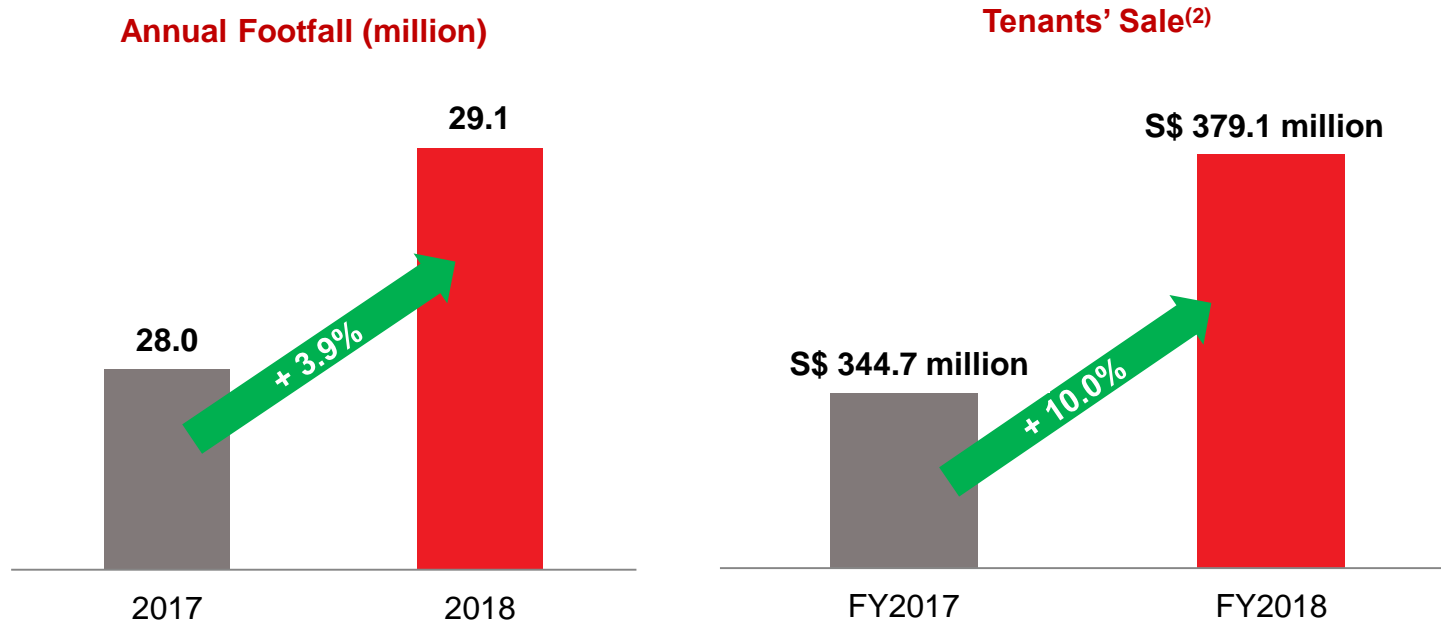
- ◆ Excellent connectivity to public transport and expressways
- ◆ Supports strong residential catchment



1 Competitive strengths of Waterway Point

b) Suburban mall with proven, stabilised performance

- ◆ Strong tenants' sales growth and shopper traffic
- ◆ Committed mall occupancy of 98.1% as at 31 March 2019
- ◆ Average tenants' sales per sq ft per month of S\$85, in line with the average of better performing malls in Singapore of S\$80-S\$90 per sq ft per month⁽¹⁾



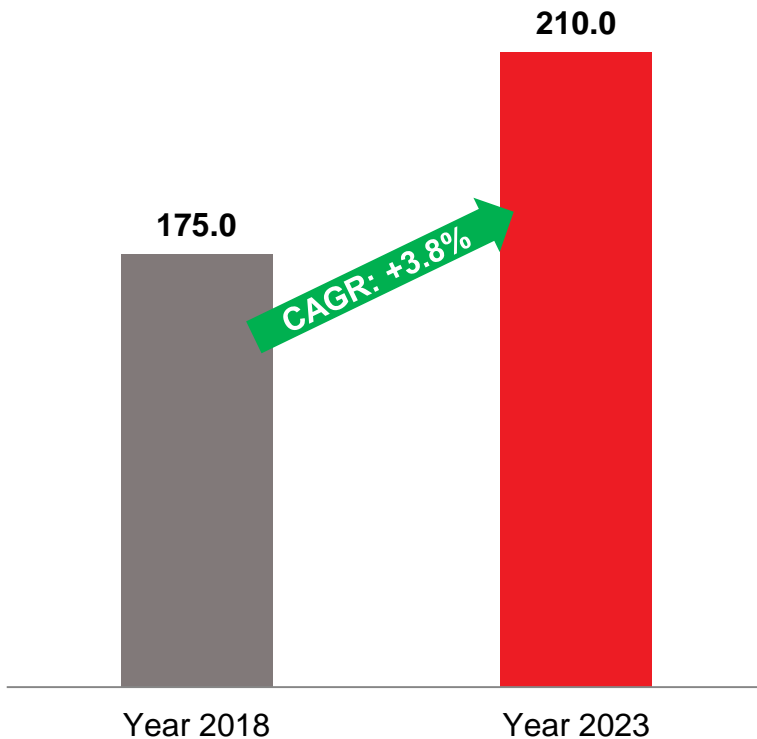
(1) Source: The Independent Market Research Report by Cistri

(2) Based on tenants reporting turnover rent

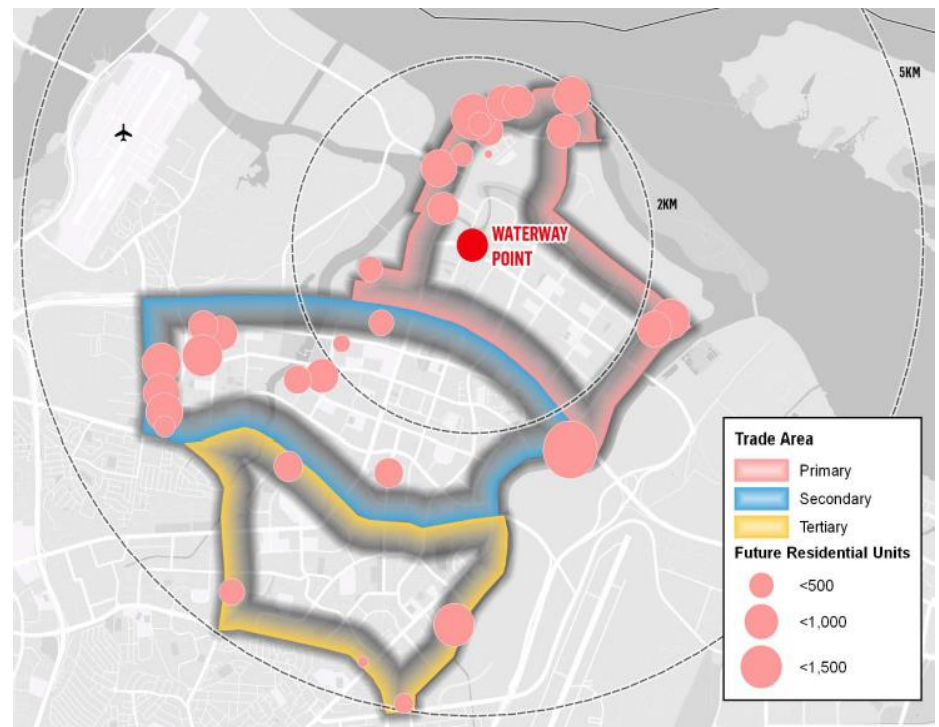
1 Competitive strengths of Waterway Point

c) Favourable Catchment Area Supported by Strong Population Growth

Population in Waterway Point's primary trade area ('000s)



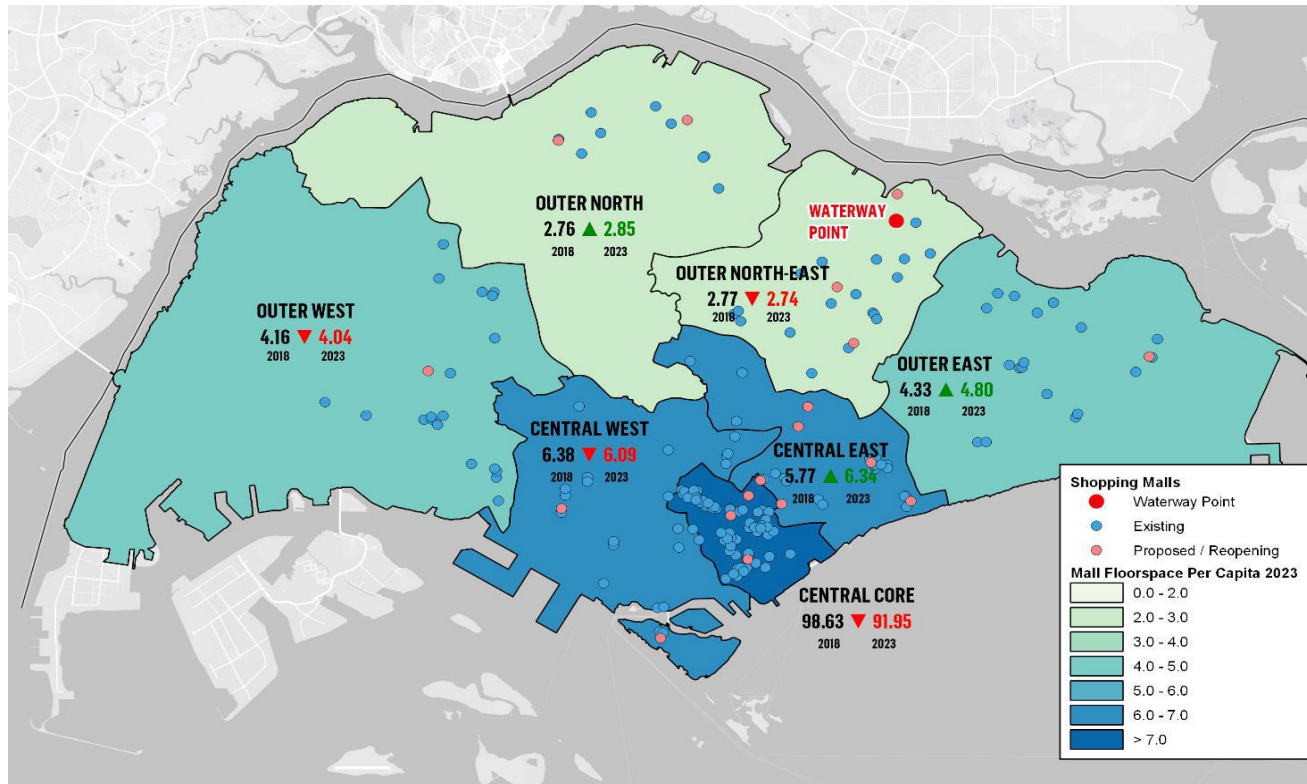
Trade area and upcoming residential units in 2018 – 2023



1 Competitive strengths of Waterway Point

d) Trade area has one of the lowest retail mall floor space per capita in S'pore

- Waterway Point's trade area has one of the lowest retail mall floor space per capita in Singapore at 2.77 sq ft, much lower than the Singapore's overall average of 5.9 sq ft



2 Greater Income Diversification and Enlarges Tenant Base of FCT's Property Portfolio

Income diversification and enlarges tenant base of FCT's Property Portfolio

- ◆ Diversifies FCT's portfolio of properties geographically
- ◆ Grants FCT exposure to the market in and around the Outer North-East region of Singapore
- ◆ Enlarges FCT's share in the overall Singapore retail property market and allows FCT to offer a wider choice of business locations to its tenants
- ◆ Addition of more than 200 tenants to existing tenant base, including key tenants such as Best Denki, Daiso, H&M, Shaw Theatres and Uniqlo

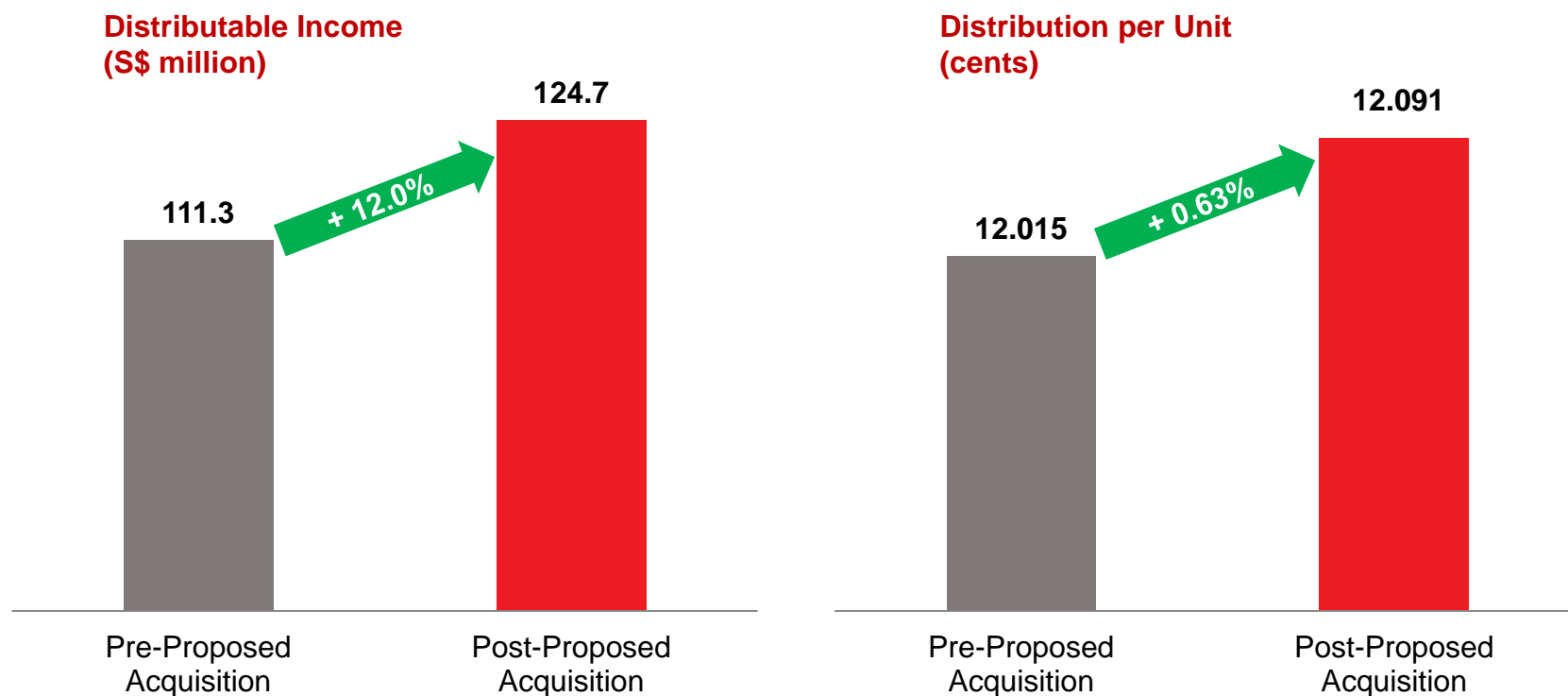
3 Managed by experienced and reputable property manager

Managed by Frasers Property Retail Management Services Pte. Ltd., a wholly-owned subsidiary of Frasers Property Limited

- ◆ Property manager with extensive retail mall management experience
- ◆ Property manager manages 12 retail malls across Singapore

4 DPU Accretive Transaction

Based on the pro forma financial effects⁽¹⁾ of the Proposed Acquisition in the DPU for FY2018, the Proposed Acquisition is expected to be DPU accretive, increasing the DPU from 12.015 cents to 12.091 cents.



(1) Based on FCT Audited Financial Statements for FY2018

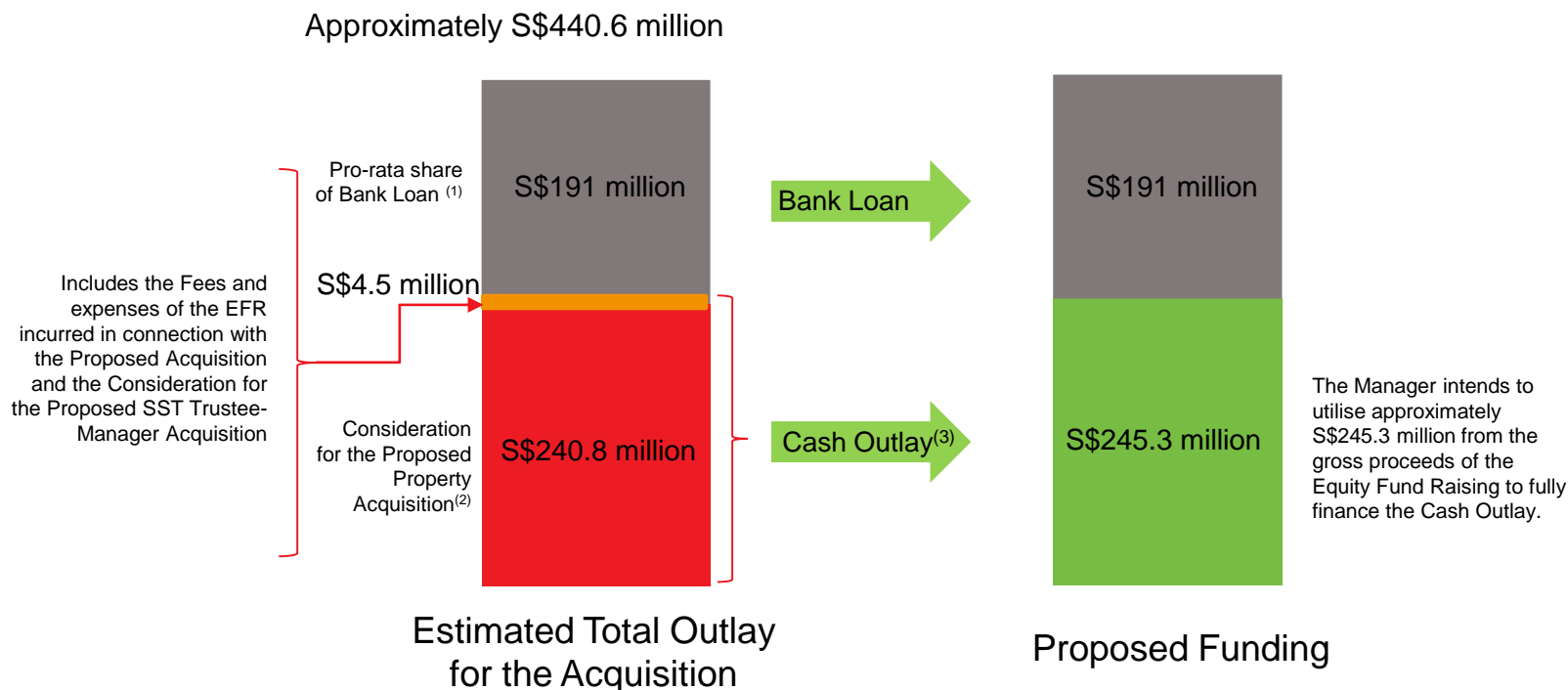
5 Acquisition consistent with the Manager's investment strategy

Proposed Acquisition is in line with FCT's key objectives

- ☒ Invest in quality income-producing properties used primarily for retail purposes
- ☒ Deliver regular and stable distributions to Unitholders
- ☒ Provide Unitholders with long-term capital growth

Estimated Total Outlay for the Acquisition and Proposed Funding

Estimated Total Outlay for the Acquisition and Proposed Funding



- (1) Pro rata share of a bank loan owned by SST to certain financial institutions attributable to the Target Units under the Proposed Property Acquisition which will remain after completion of the Proposed Acquisition.
- (2) Based on the estimated value of the Target Units, being approximately S\$146.0 million (as derived from the estimated net assets and liabilities of SST of approximately S\$437.8 million based on the Agreed Property Value), and the value of the Vendor's Unitholders' Loan of approximately S\$94.8 million as at the date of completion of the Proposed Property Acquisition
- (3) The S\$4.3 million of Acquisition Fee payable to the Manager for the Proposed Acquisition will be in the form of units in FCT and is not included in the cash outlay

Key Pro Forma Financials

(For Illustration only)

Key Pro Forma Financials (for illustrative purpose only)

- Improved Pro Forma financial effects due mainly to the better-than-expected outcome of the Equity Fund Raising

	Pro Forma financial effects as disclosed in the Announcement on 16 May 2019	Pro Forma financial effects as disclosed in the Circular dated 13 June 2019
DPU (Singapore cents)	12.093	12.136
DPU Accretion (%)	0.65%	1.01%
NAV per Unit (S\$)	2.11	2.13
Gearing	33.2%	32.7%

Conclusion

Stronger FCT poised for further growth

- ◆ Expanded FCT's market share in the Singapore suburban market through the acquisitions in PREARFL and Waterway Point
- ◆ Post EFR, FCT's market capitalisation¹ has increased to about S\$2.88 billion from \$2.28 billion with improved free float and higher trading liquidity
- ◆ Opportunities for acquisition of Sponsor's and/or 3rd party assets
- ◆ Strong balance sheet and financial flexibility
- ◆ FCT is now stronger and poised for further growth

(1) Based on FCT's market capitalisation on 15 June 2019 (before the announcement of the equity fund raising) and 25 June 2019, as reported by Bloomberg.

Appendix

Property information of Waterway Point



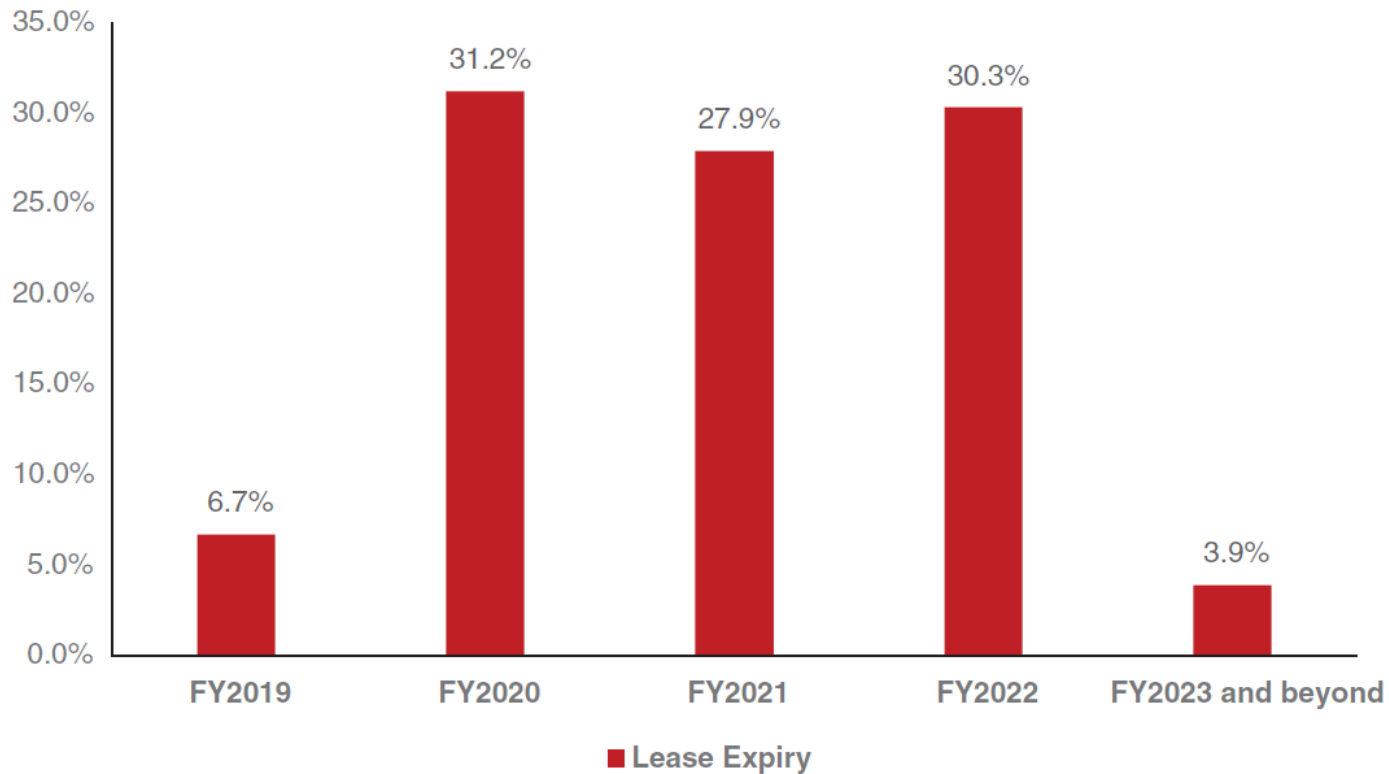
TOP / Operation Date	December 2015 / January 2016
Location	83 Punggol Central, Singapore 828761
Title	99-year leasehold title commencing 18 May 2011
Gross Floor Area	542,493 sq ft
Net Lettable Area	371,200 sq ft ⁽¹⁾
No. of Storeys	Four (Includes two basement levels)
Car Park Lots	623
Committed Occupancy as at 31 March 2019	98.1%
Weighted Average Lease Expiry as at 31 March 2019	By Gross Rental Income: 1.80 years By NLA: 1.89 years
Key Tenants	FairPrice Finest, Shaw Theatres, Best Denki, Daiso, Cotton On, H&M, Uniqlo, Koufu
NPI (FY2018)⁽²⁾	S\$61.1 million
NPI Yield (based on Agreed Property Value)	4.7%

(1) This excludes the area of approximately 17,954 sq ft currently used as Community Sports Facilities Scheme space

(2) NPI (adjusted for reduced maintenance fund contributions to the retail sub-management committee without Financial Reporting Standard Adjustments)

Lease Expiry Profile for Waterway Point (as at 31 March 2019)

The graph below illustrates the lease expiry profile by Gross Rental Income of Waterway Point as at 31 March 2019



Top 10 Tenants Analysis for Waterway Point

(as at 31 March 2019)

The table below sets out the top 10 tenants of Waterway Point by Gross Rental Income.

Top 10 Tenants	Percentage Contribution to GRI (%)
NTUC ⁽¹⁾	28.9
Koufu Pte Ltd	
Shaw Theatres Pte Ltd	
H&M Hennes & Mauritz Pte Ltd	
Cotton On Singapore Pte Ltd ⁽²⁾	
Bachmann Japanese Restaurant Pte Ltd ⁽³⁾	
Best Denki (Singapore) Pte Ltd	
Citibank Singapore Limited	
United Overseas Bank Limited	
Maybank Singapore Limited	
Other Tenants	71.1
Total	100.0

Notes:

(1) Operates FairPrice Finest and NTUC Healthcare (Unity)

(2) Includes leases for Cotton On, Cotton On Kids and TYPO

(3) Includes leases for Don Akimitsu, Menya Musashi Kinko and Osaka Ohsho

**Experience
matters.**

