

Frasers Centrepoint Trust

The Proposed Divestment of Changi City Point

30 August 2023



Inspiring experiences,
creating places for good.

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

Proposed Divestment of Changi City Point

Highlights of the transaction



The Divestment is part of our strategic portfolio review to strengthen the resilience of FCT's portfolio and is in line with our long-term objective to create value for FCT's unitholders.



Divestment Consideration of **S\$338.0 million** is approximately **4% above the valuation of S\$325.0 million¹** as at 31 July 2023. The estimated net gain and capital gain are approximately **S\$10.9 million²** and **S\$20 million³**, respectively.



The Manager intends to use the net proceeds from the Divestment to repay loans with higher interest rates⁴. This will lower FCT's aggregate leverage⁵ and strengthen FCT's financial position.



FCT in a stronger position to focus on its core suburban retail strategy going forward.

1. Independent valuation of the Property was provided by Savills Valuation And Professional Services (S) Pte Ltd, which was commissioned by the Manager and the Trustee.
2. 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.
3. 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.
4. 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.
5. On a pro forma basis as at 30 June 2023.

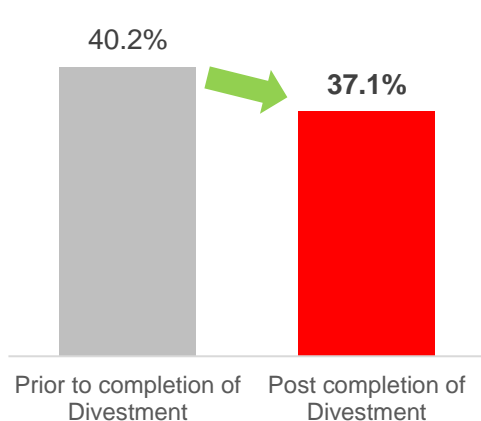
Proposed Divestment of Changi City Point

Highlights of the transaction on FCT's financial position

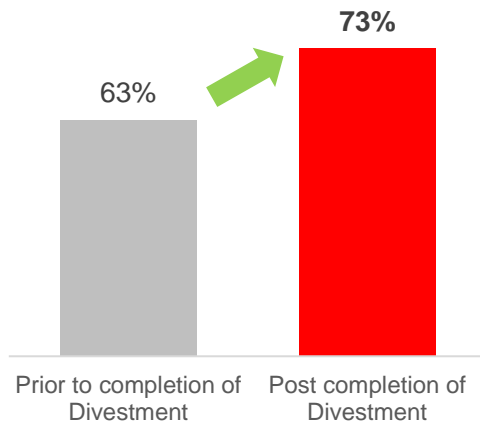
Strengthening FCT's financial position; Creating value for FCT's unitholders



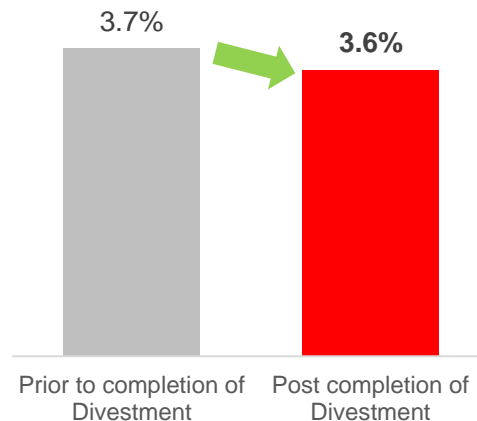
Lowers aggregate leverage^{1,2}



Improves hedge ratio of fixed interest rate loans^{1,2}



Reduces average cost of borrowings^{2,3}



1. On pro forma basis as at 30 June 2023.
2. Assuming that the net proceeds from the Divestment of approximately S\$329.7 million is used to repay certain debts.
3. Based on pro forma all-in cost of borrowing for the period of 9 months year-to-date ended 30 June 2023.

Proposed Divestment of Changi City Point

Highlights of the transaction on portfolio performance

Uplifts in committed occupancy rate, average gross rent per sq ft, tenants' sales per sq ft and average retail portfolio remaining lease tenure¹ with the Divestment

▲ from
98.7% to
99.3%

Increases FCT's portfolio
committed occupancy¹
rate from 98.7% to 99.3%

▲ 3.7%

Uplifts portfolio average
gross rent per sq ft¹

▲ 2.3
years

Increases the average
remaining lease tenure¹ of
the retail portfolio

▲ 3.9%

Improves portfolio
tenants' sales per sq ft¹

1. Each on pro forma basis as at 30 June 2023

Selected Information on the Property as at 30 September 2022



Changi City Point

Location	5 Changi Business Park Central 1, Singapore 486038
Title ⁽¹⁾	60-year leasehold commencing 30 April 2009
GFA (sq ft)	306,378
NLA (sq ft)	208,453 ⁽²⁾
NPI (FY2022)	\$14,570,000
NPI yield based on the Divestment Consideration	4.31%

1. Strata Lot U49285C with Accessory Lots A101C, A102M, A103W and A104V, all of Mukim 27.

2. The NLA includes the area of approximately 315 square metres (3,391 square feet) currently used as CSFS space.

FCT's Portfolio Post-Transaction

Scale

S\$6.5 billion¹ AUM

High
Quality
Portfolio

9
1

Retail Malls
Office²

**Minimum BCA
Green mark
Gold certified**

Suburban
Retail
Platform

2.7 million Sq ft NLA³
>1,600 Leases

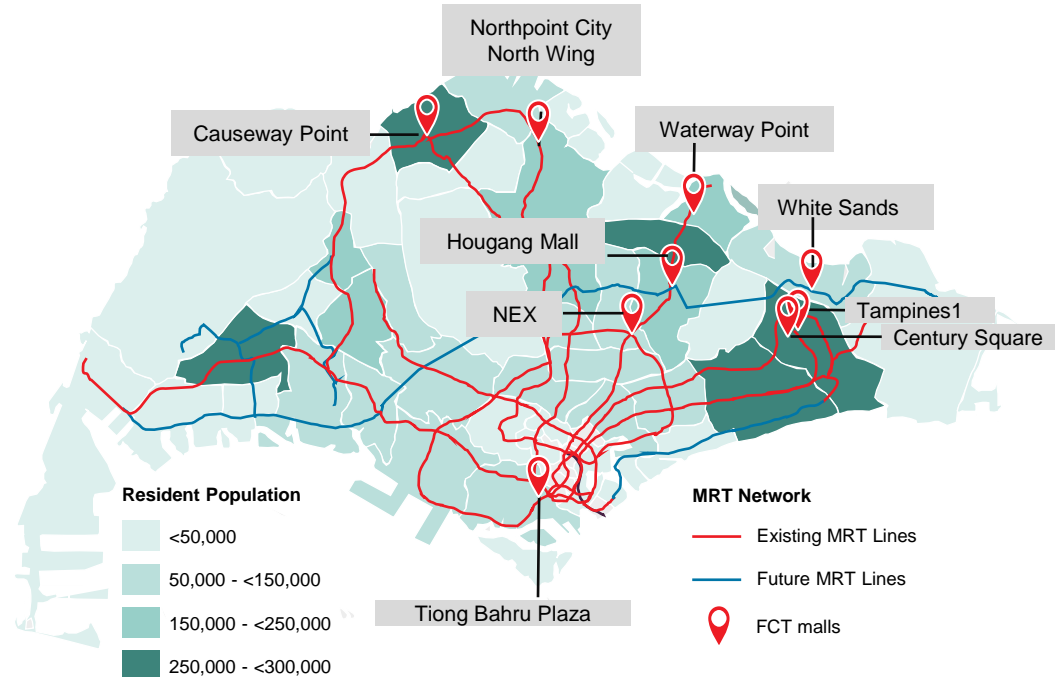
**Focused on
Essential Spending**



1. S\$6.5 billion AUM includes the assets of the joint ventures on a pro rata basis.
2. Office refers to Central Plaza, an office building that is part of mixed development with Tiong Bahru Plaza.
3. NLA includes CSFS space.

We are Frasers Property

FCT's retail malls are in populous residential areas and are well-connected to the MRT and public transport network



Appendix

Definition of terms used

- AUM: Assets under management
- CSFS: space classified under the Community/Sports Facilities Scheme
- GFA: Gross Floor Area
- FCT: Frasers Centrepoint Trust
- NLA: Net Lettable Area
- NPI: Net Property Income
- JTC: JTC Corporation, a statutory board under Singapore's Ministry of Trade and Industry
- The Manager: Frasers Centrepoint Asset Management Ltd., the manager of FCT
- The Independent Valuer : Savills Valuation And Professional Services (S) Pte Ltd, commissioned by the Manager and the Trustee to value the Property for FCT.
- The Property: The strata lot (together with the accessory lots) which collectively comprise the property known as known as “Changi City Point”, a retail mall located at 5 Changi Business Park Central 1, Singapore 486038.
- The Divestment: The proposed divestment of the Property.
- The Divestment Consideration: The divestment price of the Property of S\$338.0 million, which was negotiated on a willing-buyer and willing-seller basis after taking into account the independent valuation of the Property.
- Trustee: HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of FCT

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