

FRASERS CENTREPOINT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 5 June 2006 (as amended, restated and supplemented))

**PROPOSED JOINT ACQUISITION OF 50% OF GOLD RIDGE PTE. LTD.
WHICH HOLDS THE PROPERTY LOCATED AT 23 SERANGOON CENTRAL**

1. INTRODUCTION

- 1.1 Frasers Centrepoint Asset Management Ltd., as manager of Frasers Centrepoint Trust ("**FCT**", and the manager of FCT, the "**Manager**") is pleased to announce that Frasers Property Coral Pte. Ltd. (in its capacity as trustee-manager of NEX Partners Trust ("**NP Trust**" and the trustee-manager of NP Trust, the "**NP Trustee-Manager**")), a private trust held by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of FCT) (the "**FCT Trustee**") and FCL Emerald (1) Pte. Ltd. ("**FCL Emerald**"), a wholly-owned subsidiary of Frasers Property Limited ("**FPL**"), has today entered into a share purchase agreement (the "**SPA**") with Mercatus Tres Pte. Ltd. ("**Mercatus**") to acquire (the "**Acquisition**") 50% of the issued and paid-up share capital of Gold Ridge Pte. Ltd. (the "**Target**"), which holds the retail mall known as "NEX" located at 23 Serangoon Central, Singapore 556083 (the "**Property**").
- 1.2 Upon completion of the Acquisition, the NP Trustee-Manager will hold 168,764,576 ordinary shares in the issued and paid-up share capital of the Target ("**Target Shares**"), representing 50% of the total number of issued Target Shares.
- 1.3 Mercatus is not an "interested person" of FCT for the purposes of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") or an "interested party" of FCT for the purposes of Appendix 6 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**").
- 1.4 In connection with the Acquisition, the FCT Trustee, FCL Emerald and the NP Trustee-Manager have today entered into a joint venture in respect of the relationship between the FCT Trustee and FCL Emerald as 51%-49% joint venture partners (the "**Agreed Proportion**"), through their respective 51%-49% unitholding in NP Trust and shareholding in the NP Trustee-Manager (the "**Joint Venture**").

2. INFORMATION ON THE PROPERTY

The Property is a 7-storey retail mall strategically located at 23 Serangoon Central. The Property is the largest mall in the North-East region of Singapore, and is connected to the Serangoon Bus Interchange and the Serangoon Mass Rapid Transit ("**MRT**") Interchange station for both the North East Line and the Circle Line.

The Property features a comprehensive mix of retail, entertainment and dining options, including Isetan, a 24-hour Cold Storage supermarket, a 24-hour FairPrice Xtra supermarket, Anytime Fitness, Shaw Theatres and the Serangoon Public Library.

The Property has a total net lettable area of approximately 634,631 square feet and has a committed occupancy rate of 99.9% as at 30 November 2022.

The following table sets out a summary of selected information on the Property as at 30 November 2022:

Property	NEX
Location	23 Serangoon Central, Singapore 556083
Title	99-year leasehold title commencing from 26 June 2008
Gross Floor Area (square feet)	942,131
Net Lettable Area (square feet)	634,631
Number of Car Park Lots	400
Committed Occupancy as at 30 November 2022	99.9%

3. THE ACQUISITION AND THE JOINT VENTURE

3.1 Consideration and Total Acquisition Cost

The consideration payable by the NP Trustee-Manager for the Acquisition is an amount in cash of S\$652.5 million, being 50% of the adjusted net asset value of the Target, subject to completion adjustments in accordance with the SPA (the "**Consideration**"). The Consideration takes into account, among others, the adjusted net asset value of 100% of the Target of S\$1,305.0 million, as determined with reference to the agreed property value of the Property of S\$2,077.8 million (the "**Agreed Property Value**").

Based on the above, the estimated total cost of FCT's 51% share of the Acquisition (based on the Agreed Proportion) is approximately S\$340.0 million, comprising (a) FCT's 51% share of the Consideration, (b) the estimated professional and other fees and expenses incurred in connection with the Acquisition of approximately S\$1.9 million, and (c) an acquisition fee of approximately S\$5.3 million payable to the Manager in cash and/or units of FCT ("**Units**") in connection with the Acquisition (the "**Acquisition Fee**"). The remaining 49% share of the Consideration will be borne by FPL.

3.2 Valuation

The Property was independently valued at a value of S\$2,078.0 million as at 31 December 2022 (the "**Valuation**") by Colliers International Consultancy & Valuation (Singapore) Pte Ltd (the "**Valuer**"), who was jointly appointed by the Manager and FPL.

The Agreed Property Value of S\$2,077.8 million was negotiated between the Manager and FPL (as buyer) and Mercatus (as seller) on a willing-buyer and willing-seller basis with reference to the Valuation.

3.3 Method of Financing

The Manager intends to finance FCT's share of the Acquisition through a combination of debt and existing cash resources.

3.4 Principal Terms and Conditions of the SPA

The SPA contains customary provisions relating to the Acquisition, including representations and warranties and pre-completion covenants regarding the operation of the business of the Target, limitations of liability and other commercial terms.

The Acquisition is conditional upon the receipt of documents and approvals required in connection with the Acquisition, including a shareholders' agreement duly executed by the Target and the other shareholder of the Target.

3.5 Relationship Between the JV Partners

As at the date of this announcement (this "**Announcement**") and based on information available to the Manager, FPL, through its subsidiaries, is deemed to have an interest in an aggregate of 701,701,874 Units, representing approximately 41.19% of the total number of Units in issue. Consequently, FPL is regarded as a "controlling unitholder" of FCT under the Listing Manual. In addition, the Manager is a wholly-owned subsidiary of FPL. FPL is therefore regarded as a "controlling shareholder" of the Manager under the Listing Manual.

Accordingly, for the purposes of Chapter 9 of the Listing Manual, FCL Emerald (being a wholly-owned subsidiary of a "controlling unitholder" of FCT and a "controlling shareholder" of the Manager) is an interested person of FCT. Therefore, the entry into the Joint Venture by the FCT Trustee with FCL Emerald will constitute an "interested person transaction" under Chapter 9 of the Listing Manual.

The aggregate value of the investment by the FCT Trustee into the Joint Venture, being approximately S\$332.8 million (equivalent to 51% of the Consideration), when aggregated with the existing interested person transactions with FPL and its associates for the current financial year (excluding transactions with a value below S\$100,000 and transactions which have been approved by unitholders of FCT ("**Unitholders**")), would exceed S\$198.2 million, being 5% of

the latest audited net tangible assets of FCT as set out in the audited consolidated financial statements of FCT and its subsidiaries (the "**Group**") for the financial year ended 30 September 2022 ("**FY2022**") (being the latest announced financial statements of the Group) (the "**FY2022 Audited Financial Statements**"). However, the entry into the Joint Venture falls within the exception under Rule 916(2) of the Listing Manual and accordingly, the approval of Unitholders for the entry into the Joint Venture is not required. The Manager must however make an announcement of such interested person transaction under Rule 905 of the Listing Manual.

4. RATIONALE FOR THE ACQUISITION AND THE JOINT VENTURE

The Manager believes that the Acquisition and the Joint Venture will bring the following key benefits to FCT and its Unitholders:

4.1 High quality asset with excellent connectivity and a strategic fit to FCT's existing portfolio

The Property is strategically located at 23 Serangoon Central, within the Serangoon housing estate. Serangoon has an estimated Housing and Development Board ("**HDB**") resident population of 68,800, with 21,634 flats in the area¹. The Property has excellent connectivity to the public transport network for easy accessibility to bus services and the MRT network. The Property is directly integrated with the Serangoon Bus Interchange and the Serangoon MRT station that serves as an interchange station for the North East Line and the Circle Line.

The Property has a net lettable area of 634,631 square feet, and is one of the largest suburban retail malls in Singapore, and the largest in the North-East region of Singapore. Large retail assets in Singapore like the Property are highly prized given the limited supply of retail space in the foreseeable future. The suburban retail sector has an established track record of stable performance due to its stable occupancy, tenants' sales and shopper traffic. The Property's committed occupancy as at 30 November 2022 was 99.9%, which is higher than the average of 94%² for suburban retail malls in Singapore.

The Acquisition is strategic and a complementary fit to FCT's existing suburban retail property portfolio.

4.2 Consistent with the Manager's Investment Strategy

The Acquisition is in line with the Manager's principal investment strategy to acquire interests in quality income-producing properties used primarily for retail purposes, and to enhance FCT's presence in the Singapore suburban retail sector, so as to deliver regular and stable distributions to Unitholders.

¹ **Source:** HDB website: <https://www.hdb.gov.sg/about-us/history/hdb-towns-your-home/serangoon>.

² **Source:** FCT's Annual Report for FY2022, page 52.

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

The Acquisition is expected to benefit FCT and its Unitholders through further income diversification of its portfolio and strengthens its resilience. The Acquisition enables FCT to gain further exposure to the market in and around the North-East region of Singapore. Additionally, the Acquisition will also reinforce FCT's leading position in the Singapore suburban retail space and enhance its competitive advantages.

4.4 **DPU Accretive Transaction based on historical pro forma financial information**

Unitholders can expect to enjoy accretion to FCT's distributions per Unit ("**DPU**") based on historical pro forma financial information, as a result of the Acquisition being made at a price which is reflective of the cash flows which the Property is expected to generate, combined with a debt financing plan to be determined by the Manager.

Based on the pro forma financial effects of the Acquisition on FCT's DPU for FY2022, the Acquisition is expected to be DPU accretive, increasing DPU from 12.227³ cents to 12.291³ cents, which is approximately 0.52% higher.

5. **RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL**

5.1 Chapter 10 of the Listing Manual classifies transactions by FCT into (a) non-disclosable transactions, (b) disclosable transactions, (c) major transactions and (d) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following applicable bases of comparison set out in Rules 1006(b) and 1006(c) of the Listing Manual:

- (i) the net profits attributable to the assets acquired, compared with FCT's net profits; and
- (ii) the aggregate value of the consideration given, compared with FCT's market capitalisation.

Rule 1006(d) of the Listing Manual does not apply in relation to the Acquisition as no Units will be issued as consideration for the Acquisition.

The relative figures for the Acquisition computed on the bases set out above are as follows:

Comparison of	Acquisition	FCT	Relative Figure (%)
Profit before tax (\$ million)	28.7 ⁽¹⁾	201.2 ⁽²⁾	14.3

³ Excludes the retention of distributable income of 0.100 cents per Unit.

Consideration for the Acquisition against market capitalisation (\$ million)	332.8 ⁽³⁾	3,709.4 ⁽⁴⁾	9.0
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Notes:

- (1) Based on FCT's 51% share of 50% of the unaudited profit before tax of the Target and before taking into account borrowing costs from the drawdown of loans to fund the Acquisition, portfolio management fees, the Manager's management fees, and the Trustee's fees incurred in connection with the Acquisition.
- (2) Based on the FY2022 Audited Financial Statements.
- (3) Based on FCT's 51% share of the estimated Consideration, which is subject to completion adjustments.
- (4) Based on 1,703,765,660 Units in issue and the weighted average price of S\$2.1772 per Unit on the SGX-ST on 25 January 2023, being the trading day immediately prior to the date of this Announcement.

5.2 Pursuant to Chapter 10 of the Listing Manual, where an acquisition of assets is one where any of the relative figures as computed on the bases set out in Rule 1006 exceeds 5% but does not exceed 20%, the transaction is classified as a "disclosable transaction" under Chapter 10 of the Listing Manual.

5.3 As the relative figures in respect of the Acquisition as computed on the bases set out in Rules 1006(b) and 1006(c) exceed 5% but do not exceed 20%, the Acquisition constitutes a "disclosable transaction" under Chapter 10 of the Listing Manual and as such, the approval of Unitholders is not required for the Acquisition.

6. PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION AND THE JOINT VENTURE

6.1 **FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisition and the Joint Venture (the "**Transactions**") on the net asset value ("**NAV**") per Unit, DPU and aggregate leverage of FCT presented below are strictly for illustrative purposes only and do not represent FCT's actual financial performance or position after completion of the Transactions. The pro forma financial effects in this paragraph 6 were prepared based on the FY2022 Audited Financial Statements and the following assumptions:

- (a) the effect of the Acquisition on the Group's DPU for FY2022 is based on the assumption that the Acquisition had been effected at the beginning of FY2022 (i.e. on 1 October 2021);
- (b) the effect of the Acquisition on the Group's NAV per Unit for FY2022 is based on the assumption that the Acquisition had been effected at the end of FY2022 (i.e. on 30 September 2022);

- (c) approximately 2.6 million Units are issued to the Manager as payment of the Acquisition Fee ("**Acquisition Fee Units**");
- (d) as the Acquisition is fully funded by debt, no new Units are issued in connection with the Acquisition (other than the Acquisition Fee Units); and
- (e) bank borrowings are used to finance the balance funding requirement in respect of the Acquisition, including for payment of the estimated professional and other fees and expenses incurred or to be incurred by FCT in connection with the Acquisition.

6.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Transactions on the NAV per Unit as at 30 September 2022, as if the Transactions were completed on 30 September 2022, are as follows:

	Before the Transactions	After the Transactions
NAV (S\$'000)	3,964,077	3,969,375
Total issued and issuable Units ('000)	1,703,765 ⁽¹⁾	1,706,333 ⁽²⁾
NAV per Unit (S\$)	2.33	2.33

Notes:

- (1) Number of issued and issuable Units as at 30 September 2022.
- (2) Includes approximately 2.6 million Acquisition Fee Units issued at an illustrative price of S\$2.0633 per Unit.

6.3 Pro Forma DPU

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:

	Before the Transactions	After the Transactions
Distributable income (S\$'000)	209,884	211,297
DPU (cents)	12.227 ⁽¹⁾	12.291 ⁽²⁾
DPU accretion	-	0.52%

Notes:

- (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.

6.4 Pro Forma Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma aggregate leverage of FCT as at 30 September 2022, as if the Transactions were completed on 30 September 2022, is as follows:

	Before the Transactions	After the Transactions
Aggregate leverage	33.0% ⁽¹⁾	38.5% ⁽²⁾

Notes:

- (1) Computed as gross borrowings over total assets. In accordance with the Property Funds Appendix, the gearing ratio included FCT's 40% proportionate share of deposited property value and borrowing in Sapphire Star Trust ("**SST**").
- (2) Includes FCT's 40% proportionate share of deposited property value and borrowing in SST and effective share of deposited property value and borrowing in the Target.

7. AUDIT, RISK AND COMPLIANCE COMMITTEE STATEMENT

The Manager wishes to announce that FPL does not have an existing equity interest in the Joint Venture prior to the participation of FCT in the Joint Venture.

In relation to Rule 916(2) of the Listing Manual, the Audit, Risk and Compliance Committee of the Manager has considered the Joint Venture and is of the view that the risks and rewards of the JV Partners are in proportion to the equity of each JV Partner, and the terms of the Joint Venture are not prejudicial to the interests of FCT and its minority Unitholders.

8. DISCLOSURE OF INTERESTS

As at the date of this Announcement:

- (a) Dr. Cheong Choong Kong, the Chairman and a Non-Executive and Independent director of the Manager ("**Director**"), holds a direct interest in 186,597 Units;

- (b) Mr. Ho Chee Hwee, Simon, a Non-Executive and Non-Independent Director, holds a deemed interest in 200,000 Units. Mr. Ho Chee Hwee, Simon is also a director of certain subsidiaries of FPL and an advisor to FPL;
- (c) Mr. Low Chee Wah, a Non-Executive and Non-Independent Director, is the Chief Executive Officer of Frasers Property Retail and a director of certain subsidiaries of FPL; and
- (d) Ms Soon Su Lin, a Non-Executive and Non-Independent Director, is the Chief Executive Officer of Frasers Property Singapore and a director of certain subsidiaries of FPL.

As at the date of this Announcement and based on information available to the Manager: (i) FPL, through its subsidiaries, is deemed to have an interest in an aggregate of 701,701,874 Units, representing approximately 41.19% of the total number of Units in issue; and (ii) each of Thai Beverage Public Company Limited, International Beverage Holdings Limited, InterBev Investment Limited, Siriwana Co., Ltd., Shiny Treasure Holdings Limited, TCC Assets Limited, Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is a controlling Unitholder as well as a controlling shareholder of FPL.

Save as disclosed in this Announcement, as at the date of this Announcement, based on the latest information available to the Manager, none of the directors of the Manager or the controlling Unitholders has any interest, direct or indirect, in the Acquisition or the Joint Venture.

9. NO DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Manager in connection with the Acquisition or the Joint Venture.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be made available for inspection by Unitholders by appointment only during normal business hours at the office of the Manager in Singapore at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, for a period of three (3) months from the date of this Announcement:

- (a) the SPA; and
- (b) the valuation report dated 31 December 2022 issued by the Valuer in respect of the Property.

BY ORDER OF THE BOARD

Frasers Centrepoint Asset Management Ltd.

As manager of Frasers Centrepoint Trust

Company Registration No: 200601347G

Catherine Yeo

Company Secretary

26 January 2023

For further information, kindly contact:

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IMPORTANT NOTICE

This Announcement may contain forward-looking statements that involve assumptions, 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 other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view 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.

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 Announcement is for information purposes only and does not constitute or form part of an offer for sale or an invitation or offer to acquire, purchase or subscribe for Units in the U.S. or any other jurisdiction. The past performance of FCT and the Manager, in its capacity as manager of FCT, is not necessarily indicative of the future performance of FCT and the Manager.

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