

FRASERS PROPERTY LIMITED

Incorporated in Singapore

Company Registration No. 196300440G

- (A) **PROPOSED DISPOSAL OF 252,158 SHARES REPRESENTING APPROXIMATELY 63.11% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF ASIARETAIL FUND LIMITED; AND PROPOSED ACQUISITION OF 131,443,060 SHARES REPRESENTING 100% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF MALLCO PTE. LTD.; AND**
- (B) **PROPOSED ACQUISITION OF BEDOK POINT VIA ENTRY INTO A PUT AND CALL OPTION AGREEMENT.**

1. THE PROPOSED ARF DISPOSAL AND THE PROPOSED MALLCO ACQUISITION

1.1 The board of directors of Frasers Property Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that on the date of this Announcement (the “**Announcement Date**”):

- (a) its wholly-owned subsidiary, Frasers Property Investments (Bermuda) Limited (“**FP Bermuda**”), has entered into a sale and purchase agreement (the “**ARF SPA**”) with FCT Holdings (Sigma) Pte. Ltd. (“**FCT Sigma**”), Frasers Centrepoint Asset Management Ltd. (the “**FCT Manager**”, in its capacity as manager of Frasers Centrepoint Trust (“**FCT**”)) pursuant to which FP Bermuda has agreed to sell, and FCT Sigma has agreed to purchase, 252,158 shares (the “**Sale Shares**”) representing approximately 63.11% of the entire issued and paid-up share capital of AsiaRetail Fund Limited (formerly known as PGIM Real Estate AsiaRetail Fund Limited) (“**ARF**”, and such transaction, the “**Proposed ARF Disposal**”). The FCT Manager is a wholly-owned subsidiary of the Company; and
- (b) its wholly-owned subsidiary, Frasers Property Gold Pte. Ltd. (the “**Mallco Purchaser**”), has entered into a sale and purchase agreement (the “**Mallco SPA**”) with ARMF (Mauritius) Limited (the “**Mallco Vendor**”), a wholly-owned subsidiary of ARF, and HSBC Institutional Trust Services (Singapore) Limited (the “**FCT Trustee**”, in its capacity as trustee of FCT) pursuant to which the Mallco Vendor has agreed to sell, and the Mallco Purchaser has agreed to purchase, 131,443,060 shares representing the entire issued and paid-up share capital of Mallco Pte. Ltd. (“**Mallco**”), which indirectly holds Setapak Central (as defined below) (such transaction, the “**Proposed Mallco Acquisition**”),

(collectively, the Proposed ARF Disposal and the Proposed Mallco Acquisition, the “**Proposed ARF Transactions**”).

- 1.2 The Company is deemed to be interested in an aggregate of 409,430,348 units in FCT representing approximately 36.57% of the entire issued units in FCT (“Units”) as at 11 August 2020¹. On completion of the Proposed ARF Disposal (the “**ARF Disposal Completion**”), the Company (via FP Bermuda) will cease to hold any shares in ARF, and ARF will be wholly-owned by FCT. The Company will however continue to hold an effective interest in ARF via its interest in the Units.
- 1.3 In connection with the Proposed ARF Disposal, ARF will divest its interest in the property known as Setapak Central situated on Pajakan Negeri 46795, Lot 30119, Mukim Setapak, Kuala Lumpur, Malaysia (“**Setapak Central**”) via the Proposed Mallco Acquisition. It is intended that the completion of the Proposed Mallco Acquisition (the “**Mallco Completion**”) shall take place prior to the ARF Disposal Completion (such date, the “**ARF Completion Date**”). Accordingly, ARF’s interest in Setapak Central (held via Mallco) will not form part of the Proposed ARF Disposal.

2. INFORMATION ON ARF AND SETAPAK CENTRAL

ARF is a private investment vehicle set up as a company incorporated in Bermuda. It is the largest non-listed retail mall fund in Singapore, owning five retail malls in Singapore (being Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square and Tampines 1) (the “**ARF Singapore Retail Assets**”), one office property in Singapore (being Central Plaza) (together with the ARF Singapore Retail Assets, the “**ARF Singapore Assets**”), and one retail mall in Malaysia (being Setapak Central) (together with the ARF Singapore Assets, the “**ARF Assets**”). ARF does not invest and/or manage other businesses save for the ARF Assets. ARF is managed by Frasers Property Corporate Services (Singapore) Pte. Ltd., a wholly-owned subsidiary of the Company².

Setapak Central, which will be acquired by the Company pursuant to the Proposed Mallco Acquisition and will not form part of the Proposed ARF Disposal, is a 99-year leasehold property located approximately six (6) kilometres to the north of the Kuala Lumpur City Centre. The mall is well-served by key highways such as Duta-Ulu Klang Expressway and Middle Ring Road 2. Its anchor tenants are Parkson, Econsave, H&M and MBO Cinemas. As at 30 June 2020, it has a committed occupancy of 98.3%.

3. MATERIAL TERMS OF THE PROPOSED ARF TRANSACTIONS

3.1 Consideration and Valuation of ARF

¹ The Company holds a 100% direct interest in each of its wholly-owned subsidiaries, the FCT Manager and Frasers Property Retail Trust Holdings Pte. Ltd. (“**FPRTH**”) and each of the FCT Manager and FPRTH holds Units. The Company therefore has a deemed interest in the Units in which each of the FCT Manager and FPRTH has an interest, by virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore. The FCT Manager holds an aggregate of 48,919,547 Units and FPRTH holds an aggregate of 360,510,801 Units. As such, the Company is deemed to be interested in an aggregate of 409,430,348 Units held by the FCT Manager and FPRTH (equivalent to 36.57% of the Units) based on the total number of Units in issue of 1,119,447,127 as at 11 August 2020.

² Prior to 1 September 2020, ARF was managed by PGIM Inc.

The consideration for the Proposed ARF Disposal (the “**ARF Consideration**”) is approximately S\$1,057.4 million, which is equivalent to:

- (a) the proportionate amount of the unaudited adjusted net asset value of ARF as at 30 June 2020 (the “**ARF NAV**”) attributable to the Sale Shares; and
- (b) less the amount of dividends and distributions declared by ARF in respect of the Sale Shares in relation to the period from 1 April 2020 to 30 June 2020 and paid to FP Bermuda.

For the avoidance of doubt: (i) FP Bermuda and FCT Sigma will be entitled to their proportionate share of dividends and distributions declared by ARF for the period from 1 July 2020 up to and including the ARF Completion Date and (ii) FP Bermuda shall be entitled to any increase in the profit reserves in respect of the Sale Shares (which has not been declared by ARF as dividends or distributions pursuant to (i) above, and after relevant adjustments so as not to take into account any fair value changes in investment properties and any agreed non-cash items) in relation to the period from 1 July 2020 up to (and including) the ARF Completion Date.

The ARF Consideration was negotiated on a willing-buyer and willing-seller basis, based on the ARF NAV which is adjusted as agreed between FP Bermuda and FCT Sigma primarily on the basis that: (a) the agreed aggregate value of the ARF Singapore Assets is fixed at S\$3,065 million; and (b) the unaudited net asset value of Mallco and its subsidiaries as at 30 June 2020 (which for the avoidance of doubt includes ARF's interest in Setapak Central) is fixed at the consideration to be received by the Mallco Vendor on the date of the Mallco Completion under the Mallco SPA.

Based on the unaudited results of the Company for the half year ended 31 March 2020, the book value attributable to the Sale Shares is S\$1,014.5 million and the net gain attributable to the Sale Shares is approximately S\$42.9 million. The Company intends to use the net proceeds from the ARF Consideration to repay bank borrowings and for the Group's general working capital purposes.

Consideration and Valuation of Mallco

The consideration for the Proposed Mallco Acquisition (the “**Mallco Consideration**”) payable by the Company in connection with the Proposed Mallco Acquisition was negotiated on a willing-buyer and willing-seller basis and is approximately S\$39.7 million which takes into account:

- (a) the adjusted net asset value of Mallco and its subsidiaries of S\$4.5 million (based on the *pro forma* net asset value of Mallco and its subsidiaries as at 30 June 2020) which takes into account the agreed property value of Setapak Central of approximately RM318.0 million (approximately S\$103.7 million) (the “**ARF Malaysia Asset Agreed Property Value**”); and
- (b) the estimated amount for the repayment and discharge of an existing shareholder's loan, of which the aggregate principal amount owed by Mallco is approximately S\$35.2 million.

The Mallco Consideration will be subject to further post-completion adjustments based on the actual aggregate net assets and liabilities of Mallco and its subsidiaries as at the date of Mallco Completion.

3.2 **Payment of Consideration**

The ARF Consideration is to be satisfied in cash after taking into account (a) the new Units issued to the FCT Manager in its own capacity and FPRTH (collectively, the “**Relevant Parties**”) and/or the Company, under a proposed equity fund raising by the FCT Manager which may comprise a private placement of new Units and/or a non-renounceable preferential offering of new Units (the “**Proposed Equity Fund Raising**”); and (b) the amount of the consideration to be received by the Mallco Vendor on the date of the Mallco Completion under the Mallco SPA.

The Group's real estate investment trusts (“**REITs**”) have an integral role in its capital management strategy and as such, are of strategic importance to the Group. As a demonstration of the Group's commitment to support its REITs as well as its confidence in the long-term prospects of Singapore's suburban retail sector, the Company has given the undertaking that:

- (a) in the event the FCT Manager issues new Units under a non-renounceable preferential offering of new Units (the “**Preferential Offering**”, and the new Units to be issued pursuant to the Preferential Offering, the “**Preferential Offering Units**”), (i) subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST), and in any case not later than the last day for acceptance of the Preferential Offering Units, it will procure the Relevant Parties and/or the Company to accept and subscribe for their total provisional allotment of Preferential Offering Units (the “**Allotted Preferential Offering Units**”), and (ii) in addition to (i), it will procure that the Relevant Parties and/or the Company make excess applications for up to 245,123,341 additional Preferential Offering Units (the “**Excess Preferential Offering Units**”), above the Allotted Preferential Offering Units, which are not taken up by other unitholders of FCT (“**Unitholders**”) and subscribe for such Excess Preferential Offering Units allotted to the Relevant Parties and/or the Company, such that the total number of Allotted Preferential Offering Units and Excess Preferential Offering Units applied for by the Relevant Parties and/or the Company is equivalent to 100% of the total number of Preferential Offering Units; and
- (b) in the event the FCT Manager issues new Units under a private placement of new Units (the “**Private Placement**”, and the new Units to be issued pursuant to the Private Placement, the “**Placement Units**”), and subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST) and in accordance with the terms and conditions of the Private Placement, the Group will subscribe for such number of Placement Units allocated to the Group under the Private Placement up to its proportionate pre-Private Placement unitholdings in FCT, in percentage terms.

Additionally, as the Mallco Completion is intended to take place prior to the ARF Disposal Completion, the ARF Consideration payable by FCT Sigma on the ARF Completion Date will be reduced by the amount of the consideration to be received by the Mallco Vendor on the date of the

Mallco Completion under the Mallco SPA. No cash is required to be paid by the Company in connection with the Proposed Mallco Acquisition.

3.3 Conditions Precedent of the ARF SPA

The principal terms of the ARF SPA include, among others, the following conditions precedent:

- (a) the receipt by the FCT Manager of confirmations from the Inland Revenue Authority of Singapore or any relevant taxation authority (such confirmations on such terms as may be acceptable to the FCT Manager in its discretion) that no taxes will be imposed nor will any taxation claim result from or arise by reference to the conversion of certain Singapore property holding entities owned by ARF (and their respective successor entities following the conversions to limited liability partnerships) to limited liability partnerships (in accordance with the Companies Act (Chapter 50 of Singapore) and the Limited Liability Partnership Act (Chapter 163A of Singapore));
- (b) the receipt of the consent or no objection decision (as the case may be) from the Bermuda Monetary Authority pursuant to the Exchange Control Act 1972 (and regulations thereunder) in respect of the transfer of the Sale Shares to FCT Sigma;
- (c) the approval from the board of ARF approving the transfer of the Sale Shares from FP Bermuda to FCT Sigma in accordance with the bye-laws of ARF being granted or obtained and remaining in full force and effect and not withdrawn or revoked or amended, on or before the ARF Disposal Completion;
- (d) the resolution approving the Proposed ARF Transactions having been passed by the Unitholders at an extraordinary general meeting of FCT;
- (e) the receipt of approval-in-principle from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing and quotation of the new units in FCT to be issued pursuant to paragraph 3.2 above on such terms as may be acceptable to the FCT Manager (in its absolute discretion), and there not having occurred any revocation or withdrawal of such approval;
- (f) the receipt of a “whitewash waiver” (“**SIC Waiver**”) from the Securities Industry Council (“**SIC**”) (such waiver not being revoked or repealed) that the Relevant Parties and their concert parties need not, subject to the fulfilment of conditions to be laid down by the SIC, make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers as a result of the issue of the new Units to the Relevant Parties and their concert parties pursuant to paragraph 3.2 above, and the fulfilment of the said conditions;
- (g) subject to the SIC Waiver being granted, the passing of the necessary resolution(s) by the majority of the Unitholders at a general meeting of FCT (with the Relevant Parties and their concert parties abstaining from voting) to waive their right to receive a general offer for FCT

from the Relevant Parties and their concert parties, as a result of the issue of the new Units to the Relevant Parties and their concert parties pursuant to paragraph 3.2 above; and

- (h) the issue, listing and quotation of the new Units issued pursuant to paragraph 3.2 above on the mainboard of SGX-ST.

4. FINANCIAL EFFECTS OF THE PROPOSED ARF DISPOSAL

4.1 For illustrative purposes only, the pro forma financial effects of the Proposed ARF Disposal on the Company as set out below are prepared based on the Group's latest announced audited consolidated financial statements for the financial year ended 30 September 2019 ("FY2019") and subject to the following key assumptions:

- (a) the effect of the Proposed ARF Disposal on the Company's net tangible assets ("NTA") per ordinary share of the Company ("Share") for FY2019 is based on the assumption that the Proposed ARF Disposal had been effected at the end of FY2019³;
- (b) the effect of the Proposed ARF Disposal on the Company's earnings per Share ("EPS") for FY2019 is based on the assumption that the Proposed ARF Disposal had been effected at the beginning of FY2019⁴; and
- (c) pursuant to the Proposed Equity Fund Raising, (i) the Relevant Parties and/or the Company have subscribed for at least the Allotted Preferential Offering Units; and (ii) the Group has subscribed for such number of Placement Units allotted to the Group under the Private Placement up to its proportionate pre-Private Placement unitholdings in FCT in percentage terms.

4.2 The financial effects as set out below, which are based on the assumptions set out in paragraph 4.1, are theoretical in nature and are therefore not necessarily indicative of the future financial position and earnings of the Company or the Group.

- (a) NTA per Share

³ The Group's interest in issued and paid-up share capital of ARF at the end of FY2019 increased from 53.74% to 63.11%, following the redemption of 69,714 shares in the capital of ARF on 30 September 2019. The pro-forma financial effect of the Proposed ARF Disposal on the Company's NTA per Share for FY2019 is computed using 63.11% of ARF's NTA as at 30 September 2019.

⁴ The Group's interests in the issued and paid-up share capital of ARF increased during FY2019 as a result of several acquisitions and share redemptions completed during the financial year (please refer to the Company's and FCT's announcements dated 18 February 2019, 28 February 2019, 21 March 2019, 28 March 2019, 5 April 2019, 26 April 2019, 2 July 2019, 16 July 2019 and 1 October 2019). The Group's profit for the year for FY2019 included ARF's profit after tax based on the acquisitions and share redemptions.

	Before the Proposed ARF Disposal	After the Proposed ARF Disposal
NTA (S\$ 'million)	6,764.1	6,840.9
Number of Shares ('million)	2,919.5	2,919.5
NTA per Share (S\$)	2.32	2.34

(b) EPS

	Before the Proposed ARF Disposal	After the Proposed ARF Disposal
Profit after tax and non-controlling interests (before fair value change and exceptional items) (S\$ 'million)	350.0	349.4
Profit after tax and non-controlling interests (after fair value change and exceptional items) (S\$ 'million)	560.3	612.4
EPS (before fair value change and exceptional items) (Singapore cents) ⁽¹⁾	8.73	8.71
EPS (after fair value change and exceptional items) (Singapore cents) ⁽¹⁾	15.94	17.72
Weighted average number of issued Shares ('million)	2,917.9	2,917.9

Note:

(1) *The EPS has been calculated after adjusting for distributions to perpetual securities holders of S\$95.2 million.*

5. CHAPTER 10 OF THE LISTING MANUAL (THE “LISTING MANUAL”) OF THE SGX-ST IN RELATION TO THE PROPOSED ARF DISPOSAL

Based on the latest announced unaudited consolidated financial statements of the Group for the half year ended 31 March 2020, being the latest announced financial statements of the Group, the relative figures in respect of the Proposed ARF Disposal, as computed on the bases set out in Rule 1006 of the Listing Manual, are as follows:

Rule 1006⁽¹⁾	Bases	Relative Figure (%)
(a)	Net asset value of the Sale Shares, compared with the Group's net asset value	14.1 ⁽²⁾
(b)	Net profits attributable to the Sale Shares, compared with the Group's net profits	8.2 ⁽³⁾
(c)	Aggregate value of the ARF Consideration, compared with the Company's market capitalisation based on the total number of issued shares of the Company (excluding treasury shares)	30.9 ⁽⁴⁾

Notes:

- (1) Rules 1006(d) and 1006(e) of the Listing Manual are not relevant to the Proposed ARF Disposal.
- (2) The net asset value of the Sale Shares and the Group as at 31 March 2020 are approximately S\$1,014.5 million and S\$7,199.8 million respectively.
- (3) Rule 1002(3)(b) of the Listing Manual defines “net profits” as profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

The net profits attributable to the Sale Shares for the last six (6) months ended 31 March 2020 is approximately S\$47.6 million and the Group's net profits for the last six (6) months ended 31 March 2020 is approximately S\$582.7 million.

- (4) Based on a maximum consideration of S\$1,057.4 million.

Based on Rule 1002(5) of the Listing Manual, the Company's market capitalisation is approximately S\$3,4523.0 million, which was determined by multiplying the total number of issued ordinary shares in the capital of the Company (excluding treasury shares) (“Shares”) (being 2,925,660,894 Shares) by the weighted average price of S\$1.17 of such Shares transacted on the market day (as defined in the Listing Manual) preceding the date of the ARF SPA.

Notwithstanding the computation under Rule 1006 of the Listing Manual, the Proposed ARF Disposal is in the ordinary course of business of the Company and the Company is therefore not required to seek the approval of the Shareholders as a major transaction under Chapter 10 of the Listing Manual.

Additionally, as each of the relative figures computed on the applicable bases under Rule 1006 of the Listing Manual is less than 5% for each of the Proposed Mallco Acquisition and the Proposed Bedok Point Acquisition (as defined below), the Proposed Mallco Acquisition and the Proposed Bedok Point Acquisition are non-discloseable transactions under Chapter 10 of the Listing Manual.

6. THE PROPOSED BEDOK POINT ACQUISITION

On 3 September 2020, Chempaka Development Pte Ltd (the “**Bedok Point Purchaser**”), a wholly-owned subsidiary of the Company, entered into a put and call option agreement (the “**Bedok Point PCOA**”) with the FCT Trustee in relation to the Bedok Point Purchaser's acquisition of the leasehold interest in the whole of the land lots 4710W, 4711V, 10529L and 10530N all of Mukim 27 together with the building erected thereon, situated at 799 New Upper Changi Road, Singapore 467351, currently known as Bedok Point, together with the plant, mechanical and electrical equipment, fixtures and fittings located in or on or which otherwise relate to Bedok Point (collectively, the “**Bedok Point Assets**”) (such transaction, the “**Proposed Bedok Point Acquisition**”).

7. INFORMATION ON BEDOK POINT

Bedok Point is located in the town centre of Bedok, which is one of the largest residential estates in Singapore by population. The mall is well-served by the nearby Bedok Mass Rapid Transit station and the Bedok bus interchange. Bedok Point has five retail levels (including one basement level) and one basement car park and offers an array of restaurants, food outlets, enrichment centres, retail and service offerings.

8. MATERIAL TERMS OF THE PROPOSED BEDOK POINT ACQUISITION

8.1 Consideration and Valuation of Bedok Point

The carrying value of the Bedok Point Assets in the Bedok Point vendor's audited balance sheet as at 30 September 2019 (which is based on its current use and zoning, tenure and condition as a retail mall) is S\$94 million. The consideration for the Proposed Bedok Point Acquisition of S\$108.0 million (the “**Bedok Point Consideration**”) was negotiated on a willing-buyer and willing-seller basis, and takes into account the redevelopment potential of the Bedok Point Assets (which assumes that the change of use/rezoning of the Bedok Point Assets to “Residential with Commercial on 1st Storey” will be approved and the land lease can be topped up to 99 years (subject to payment of lease renewal premium).

The exercise of the Bedok Point Call Option or the Bedok Point Put Option (both as defined below), and completion of the Proposed Bedok Point Acquisition, are subject to the fulfilment of the conditions precedent referred to in paragraph 8.2 below, and completion of the Proposed Bedok Point Acquisition is expected to take place seven (7) business days after the exercise of the Bedok Point Call Option or the Bedok Point Put Option.

8.2 The principal terms of the Bedok Point PCOA and Bedok Point SPA (as defined below and the form of which is appended to the Bedok Point PCOA) include, among others, the following:

- (a) Pursuant to the Bedok Point PCOA:
 - (i) in consideration of the Bedok Point Purchaser's payment of S\$1.00 (the "**Bedok Point Option Fee**") to the FCT Trustee, the FCT Trustee granted to the Bedok Point Purchaser a right (the "**Bedok Point Call Option**") to require the FCT Trustee to enter into a sale and purchase agreement for the Bedok Point Assets (the "**Bedok Point SPA**") with the Bedok Point Purchaser for the purchase of the Bedok Point Assets at the Bedok Point Consideration and on the terms of the Bedok Point SPA; and
 - (ii) in consideration of the mutual covenants in the Bedok Point PCOA, the Bedok Point Purchaser granted to the FCT Trustee a right (the "**Bedok Point Put Option**") to require the Bedok Point Purchaser to enter into the Bedok Point SPA with the FCT Trustee for the sale of the Bedok Point Assets at the Bedok Point Consideration and on the terms of the Bedok Point SPA.
- (b) The exercise of the Bedok Point Call Option and the Bedok Point Put Option will be subject to the fulfilment of the following conditions:
 - (i) the Unitholders' approval for the proposed divestment of the Bedok Point Assets by the FCT Trustee on the terms and subject to the conditions of the Bedok Point PCOA being obtained;
 - (ii) the completion of the Proposed ARF Transactions having taken place; and
 - (iii) the Bedok Point Purchaser obtaining the written confirmation from the Singapore Land Authority (on behalf of the President of the Republic of Singapore) that based on the outline application advice from the Urban Redevelopment Authority dated 21 February 2020 as supplemented by an email dated 15 June 2020 from the Urban Redevelopment Authority ("**URA OPA**"), it has in-principle no objections to recommend to the President of the Republic of Singapore to renew the lease term of Bedok Point to a fresh leasehold term of at least 99 years.

- (c) The Bedok Point Purchaser may exercise the Bedok Point Call Option before the expiry of the period commencing on the Bedok Point Conditions Fulfilment Date⁵ and expiring at 5 p.m. on the date falling seven (7) business days thereafter (or such other date as the parties may mutually agree in writing) ("**Bedok Point Call Option Exercise Period**"). If the Bedok Point Call Option has not been exercised by the Bedok Point Purchaser during the Bedok Point Call Option Exercise Period, the FCT Trustee may exercise the Bedok Point Put Option before the expiry of the period commencing immediately after the expiry of the Bedok Point Call Option Exercise Period and ending at 5 p.m. seven (7) business days thereafter.
- (d) Pursuant to the Bedok Point SPA, the FCT Trustee shall deliver to the Bedok Point Purchaser on completion of the Proposed Bedok Point Acquisition vacant possession of such part(s) of Bedok Point which are not occupied by the tenants or licensees under existing tenancy agreements and new tenancy agreements entered into after the date of the Bedok Point SPA.
- (e) The Bedok Point Purchaser shall be entitled to terminate the Bedok Point PCOA and/or the Bedok Point SPA if:
 - (i) any government agency or competent authority shall acquire or give notice of acquisition or intended acquisition of the whole of Bedok Point or any 3% or more, in aggregate, of the land area of Bedok Point; or
 - (ii) any reply received by the Bedok Point Purchaser, from the relevant authorities to its legal requisitions in respect of Bedok Point is unsatisfactory.
- (f) Either the Bedok Point Purchaser or the FCT Trustee shall be entitled to terminate the Bedok Point PCOA and/or the Bedok Point SPA if there is any material damage to or destruction of the Bedok Point Assets or any part(s) thereof by fire or other cause or event, such that part(s) of Bedok Point, which in aggregate, comprise 5% or more of the net lettable area of Bedok Point, is rendered unfit for use or occupation, or rendered unsafe, or cannot be lawfully used.

8.3 The Bedok Point Option Fee (which shall be applied towards payment of the Bedok Point Consideration upon exercise of the Bedok Point Put Option or the Bedok Point Call Option (as the case may be)) has been paid by the Bedok Point Purchaser on the date of the Bedok Point PCOA and the balance of the Bedok Point Consideration shall be paid by the Bedok Point Purchaser to

⁵ "**Bedok Point Conditions Fulfilment Date**" means (i) the date the FCT Trustee serves written notice on the Bedok Point Purchaser that the Unitholders' approval for the Proposed Bedok Point Acquisition has been obtained and the completion of the Proposed ARF Transactions has taken place; or (ii) the date the Bedok Point Purchaser serves written notice on the FCT Trustee that the Bedok Point Purchaser has obtained the written confirmation from the Singapore Land Authority (on behalf of the President of the Republic of Singapore) that based on the URA OPA, it has in-principle no objections to recommend to the President of the Republic of Singapore to renew the lease term of Bedok Point to a fresh leasehold term of at least 99 years, whichever is the later date.

the FCT Trustee and/or such other person as the FCT Trustee may direct on the completion of the Proposed Bedok Point Acquisition.

9. RATIONALE FOR AND BENEFITS OF THE PROPOSED ARF TRANSACTIONS AND PROPOSED BEDOK POINT ACQUISITION (TOGETHER, THE “PROPOSED TRANSACTIONS”)

The Proposed Transactions are in line with the strategy of the Group to optimise capital productivity through:

- (a) **capital recycling of stabilised investment properties via its REITs.** The Proposed ARF Transactions will enable the Group to both maintain its capital management discipline and support the growth of its REITs, which are of strategic importance to the Group. The Group will retain its strong suburban retail footprint of 14 malls in Singapore via its holdings in FCT and its role as portfolio manager of the ARF Singapore Assets; and
- (b) **active portfolio management initiatives.** The Proposed Bedok Point Acquisition will potentially enable the Group to generate additional value from the asset through its redevelopment into a residential-led mixed-use development at an appropriate point in time. Until then, the Group will continue to benefit from recurring income produced by the ongoing operations of the mall.

10. DIRECTORS' SERVICE CONTRACTS

No new directors are proposed to be appointed to the board of directors of the Company in connection with the Proposed Transactions. As such, no service agreements will be entered into with any new director of the Company in connection with the Proposed Transactions.

11. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company have any interest, direct or indirect, in the Proposed Transactions other than in their capacity as directors or Shareholders.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection⁶ during normal business hours at the registered office of the Company located at 438 Alexandra Road, #21-00 Alexandra

⁶ Prior appointment with the Company will be appreciated.

Point, Singapore 119958 from the Announcement Date up to and including the date falling three (3) months from the Announcement Date:

- (a) the ARF SPA;
- (b) the Mallco SPA; and
- (c) the Bedok Point PCOA.

By Order of the Board

Catherine Yeo
Company Secretary
3 September 2020