

**FRASER AND NEAVE, LIMITED**  
(Incorporated in the Republic of Singapore)  
(Registration No: 189800001R)

**ANNOUNCEMENT**

**FRASERS CENTREPOINT TRUST RECEIVES ETL FROM SGX**

**1. Eligibility to List**

- 1.1 The Board of Directors of Fraser and Neave, Limited ("**F&N**" or "**Company**") is pleased to announce that Singapore Exchange Securities Trading Limited ("**SGX-ST**") has on 11 May 2006 issued a letter of eligibility ("**ETL**") for the admission of units (the "**Units**") in Frasers Centrepoint Trust ("**FCT**") to the Official List of the Main Board of the SGX-ST, subject to certain conditions being fulfilled.
- 1.2 FCT is sponsored by Frasers Centrepoint Limited (formerly known as Centrepoint Properties Ltd) (the "**Sponsor**"), a wholly-owned subsidiary of the Company. FCT is proposed to be a real estate investment trust ("**REIT**") and an application for its authorisation as a collective investment scheme has been made to the Monetary Authority of Singapore ("**MAS**") under Section 286(1) of the Securities and Futures Act, Chapter 289 of Singapore. FCT will be managed by Frasers Centrepoint Asset Management Ltd. (the "**FCT Manager**"), a wholly-owned subsidiary of the Sponsor and an indirect wholly-owned subsidiary of the Company.

**2. Strong sponsorship from Frasers Centrepoint Limited**

- 2.1 It is the intention of the FCT Manager to make an offering (the "**Offering**") of the Units in FCT to the public and institutional investors locally and overseas in due course upon receipt of all the relevant regulatory clearances and approvals. In addition, to demonstrate the Sponsor's commitment to FCT, the Sponsor will, through its wholly-owned subsidiaries subscribe for at least 51% interest in FCT upon listing, as part consideration for one of its properties to be injected into FCT.
- 2.2 The Sponsor views the retail industry as a strategic growth area and intends to participate in the future growth of this sector through its REIT vehicle, FCT. FCT shall be the vehicle through which the Sponsor plans to expand its retail mall investment and management business in Singapore. The listing will enable FCT to tap the capital markets to fund its growth independently, while providing the Sponsor with a more attractive and efficient method of investing in the retail sector.
- 2.3 DBS Bank Ltd and Oversea-Chinese Banking Corporation Limited have been appointed the joint financial advisers and together with UBS AG, acting through its business group, UBS Investment Bank, the joint lead underwriters and bookrunners of the Offering.
- 2.4 It is the intention of the FCT Manager to drawdown on certain loan facilities to partially finance the acquisition of the properties to be injected into FCT. The FCT Manager also intends to maintain an initial gearing of approximately 30.0% upon the listing of FCT.

### 3. FCT's Initial Property Portfolio

- 3.1 Three retail properties, namely Causeway Point, Northpoint and Anchorpoint (collectively, the "**Properties**" and each as described below), will comprise the initial property portfolio of FCT. Each of the relevant wholly-owned subsidiaries of the Company which directly own the Properties will grant to FCT the right to require that subsidiary to enter into a sale and purchase agreement for the sale of the relevant Property, the completion of which is expected to be on the date of listing of FCT. The FCT Manager's principal investment strategy is to invest in properties used primarily for retail purposes in Singapore and overseas, with an aim to produce regular and stable distributions to FCT's unitholders and to achieve long term growth in the net asset value per Unit. Further details on the Properties are as follows:

#### Causeway Point

Causeway Point (being the whole of Lot 3098T Mukim 13 together with the buildings thereon) is a seven-storey shopping/entertainment complex with a retail basement and two levels of basement car parks, located in the heart of Woodlands. Causeway Point has a net lettable area of 425,268 square feet as at 31 December 2005 and is held under a 99-year State lease expiring on 29 October 2094.

#### Northpoint

Northpoint comprises all 85 strata lots (being strata lots U46867C to U46951A all of Mukim 19) in Northpoint Shopping Centre which is a four-storey shopping development with two basement retail floors and one basement car park, and a two-storey building extension. Northpoint has a net lettable area of 144,227 square feet as at 31 December 2005 and is held under a 99-year State lease expiring on 31 March 2089.

Currently, Northpoint Shopping Centre is a strata subdivided development. It is intended that after the completion of the purchase of Northpoint, FCT will terminate the strata subdivision scheme of Northpoint Shopping Centre, appoint a liquidator for the purpose of winding up the affairs of the management corporation of Northpoint Shopping Centre (the "**Northpoint Management Corporation**") and subsequently dissolve the Northpoint Management Corporation. Following the dissolution of the Northpoint Management Corporation, FCT will take over the Northpoint Management Corporation's accumulated net surplus fund of approximately S\$3.0 million. The purchase price to be paid by FCT for Northpoint takes into consideration the said sum of S\$3.0 million subject to downward adjustment in the event that the management accounts of the Northpoint Management Corporation to be furnished by FCT is lower than the sum of S\$3.0 million.

#### Anchorpoint

Anchorpoint comprises two strata lots (being strata lot U41774C and strata lot U41775M (with Accessory Lots A82V to A134C and A137V to A161K), both of Mukim 1) in a strata-subdivided five-storey commercial-cum-residential development with a basement car park and a two-storey freestanding conservation building within the approved Alexandra Conservation Area. As at 31 December 2005, Anchorpoint has a net lettable area of 71,000 square feet and is held under an estate in fee simple.

3.2 All the Properties are strategically located within their respective trade areas and are in close proximity to established high-density housing estates, thereby ensuring a steady flow of shopper traffic to the Properties. The Properties also enjoy high occupancy levels, with a weighted average occupancy rate of 99.1% for the three-month period ended 31 December 2005.

3.3 A summary of key information on the Properties is set out below:

Property	Net Lettable Area <sup>(1)</sup> (sq ft)	Land Lease Expiry (Year)	Appraised Value <sup>(3)</sup> (S\$'000)
Causeway Point	425,268	2094	622,300
Northpoint	144,227	2089	255,900
Anchorpoint	71,000	N.A. <sup>(2)</sup>	36,975
Total / Weighted Average	640,495		915,175

Notes:

(1) As at 31 December 2005. The net lettable area of Northpoint excludes the two-storey building extension (with a net lettable area of 5,016 sq ft) and the basement car park which are part of the common property of Northpoint Shopping Centre.

(2) Anchorpoint is held under an estate in fee simple, *i.e.* freehold.

(3) As at 31 December 2005, based on the average of two valuations conducted by Knight Frank Pte Ltd (as independent valuer appointed by HSBC Institutional Trust Services (Singapore) Limited as proposed trustee of FCT) and Jones Lang LaSalle Property Consultants Pte Ltd (as independent valuer appointed by the Sponsor). The valuation for Northpoint takes into account the two-storey building extension which is part of the common property of Northpoint Shopping Centre and is managed by the Northpoint Management Corporation, as at 31 December 2005.

3.4 As F&N will continue to hold an effective interest of at least 51% in FCT upon listing, the financial result of FCT will be consolidated into the financial accounts of F&N.

#### 4. Right of First Refusal

4.1 To further demonstrate its commitment to FCT, the Sponsor intends to provide FCT with a right of first refusal to acquire from the Sponsor or any of its subsidiaries (each of the Sponsor and its subsidiary is referred to as a "**FCL Entity**") the following properties for a period commencing from the date of listing of FCT and ending on the earliest of (i) the date the FCT Manager ceases to be the manager of FCT, (ii) the date none of the Sponsor or any of its related corporations remains a majority shareholder of the FCT Manager, and (iii) the date of expiry of five years after the date of listing of FCT:

- (a) the residue of a 99-year leasehold interest commencing 17 August 1979 in respect of certain strata lots in Centrepoint Shopping Centre which are owned by FCL Property Investments Pte. Ltd. and FCL Enterprises Pte. Ltd. (each a "**Lot 851 Strata Lot**");
- (b) the residue of a 99-year leasehold interest commencing 17 August 1979 less one day in respect of certain strata lots in Centrepoint Shopping Centre which are owned by Emerald Hill Developments Pte Ltd (each a "**Lot 854 Strata Lot**");
- (c) subject to the necessary governmental approvals being obtained, the piece of land adjacent to Northpoint Shopping Centre (comprised in State Land Lots 2569C-pt and 2348W-pt both of Mukim 19 at Yishun Central) and the new building to be constructed and completed thereon and in respect whereof a temporary occupation permit has been issued (the "**Yishun Property**");
- (d) any completed income-producing property located in Singapore pre-dominantly used for retail purposes that satisfy certain criteria (the "**Target Property**"), (i) which is offered for sale to a FCL Entity, (ii) which a FCL Entity has made an offer to purchase and the owner thereof has indicated its willingness to sell such property, or (iii) over which a FCL Entity has been granted an option (with a right for such FCL Entity to nominate a third party to acquire such property); and
- (e) any completed income-producing property located in Singapore that is developed by a FCL Entity after the date of the right of first refusal agreement which is pre-dominantly used for retail purposes and satisfies certain criteria.

- 4.2 In respect of a Target Property offered to but not purchased by FCT and which is purchased by a FCL Entity (a "**Warehoused Property**"), if such FCL Entity proposes to sell on an enbloc basis the entirety of its interests in a Warehoused Property, the right of first refusal procedure set out in the right of first refusal agreement in respect of the Yishun Property will similarly apply to such Warehoused Property.
- 4.3 In respect of 31 strata lots in Centrepoint Shopping Centre which at the date of the right of first refusal agreement have been sold (by the issue of long leasehold titles) by the relevant FCL Entities (collectively the "**Sold Units**"), if any Sold Unit is thereafter repurchased by a FCL Entity (a "**Repurchased Unit**") and if such FCL Entity proposes to sell such Repurchased Unit, the right of first refusal procedure set out in the right of first refusal agreement in respect of a Lot 851 Strata Lot or a Lot 854 Strata Lot will similarly apply to such Repurchased Unit, except that the requirement for the sale to be on an enbloc basis shall not apply to the right of first refusal in respect of a Repurchased Unit.

## 5. Further information

Further information on the foregoing will be set out in the preliminary prospectus of FCT which will be lodged with the MAS in due course.

BY ORDER OF THE BOARD

Anthony Cheong Fook Seng

Group Company Secretary

15 May 2006

## Important Notice

This Announcement is made in reliance on section 300(4)(a) of the Securities and Futures Act, Chapter 289 of Singapore and does not constitute, an offer, invitation or solicitation of securities in any jurisdiction.