

## FCT achieves strong FY23 results on robust operating performance and strategic portfolio re-constitution

- ◆ 2H23 distribution per Unit (“DPU”) of 6.020 Singapore cents brings total DPU for FY23 to 12.150 Singapore cents
- ◆ Improved FY23 gross revenue and NPI from higher gross rental and atrium income
- ◆ Robust operating performance with higher committed occupancies, improved rental reversions and sustained growth in tenants’ sales
- ◆ Stable portfolio valuation with no change in valuation capitalisation rates
- ◆ Making progress on the sustainability journey and Environmental, Social, and Governance (“ESG”)

### SINGAPORE, 25 OCTOBER 2023

Fraser's Centrepoint Asset Management Ltd. (“**FCAM**” or the “**Manager**”), the manager of Fraser's Centrepoint Trust (“**FCT**” or the “**Trust**”), is pleased to report a DPU of 6.020 Singapore cents for the six-month period from 1 April 2023 to 30 September 2023 (“**2H23**”). This brings total DPU for financial year ended 30 September 2023 (“**FY23**”) to 12.150 Singapore cents. The books closure date for the 2H23 DPU is 5.00 p.m. on 3 November 2023 and the payment date is 29 November 2023.

Mr Richard Ng, Chief Executive Officer of FCAM, said, “FCT delivered a strong set of financial results in FY23, underscored by improved financial and robust operating performances. During the year, we made five key announcements which are the acquisition of the 25.50% effective interest in NEX, the acquisition of the additional 10.00% interest in Waterway Point, the Asset Enhancement Initiatives (“**AEI**”) at Tampines 1, the divestment of Changi City Point and the divestment of FCT’s interest in Hektar REIT. The aggregate value of these transactions and initiatives is about S\$1.1 billion, demonstrating our proactive portfolio management despite challenging market conditions. These strategic steps enable FCT to recycle its capital effectively, bolster its financial position and portfolio strength while reinforcing its leading market position in the Singapore suburban retail sector.

While the macroeconomic environment is challenging, we remain positive on the outlook of the suburban retail sector in Singapore, based on several factors such as Singapore’s population growth, sustained healthy consumer spending on essentials, healthy demand for prime suburban retail space and tight supply in the retail market. We believe FCT is well-positioned to benefit from these factors going forward.”

### Summary of 2H23 and FY23 results

In S\$'000 unless otherwise stated	2H23 Six-month period ended 30/9/2023	2H22 Six-month period ended 30/9/2022	Increase/ (Decrease)	FY23 Year ended 30/9/2023	FY22 Year ended 30/9/2022	Increase/ (Decrease)
Gross revenue	184,063	180,744	1.8%	369,723	356,931	3.6%
Net property income (NPI)	129,555	128,118	1.1%	265,586	258,597	2.7%
Distributions to Unitholders	103,065 <sup>a</sup>	103,776 <sup>b</sup>	(0.7%)	207,745 <sup>c</sup>	208,190 <sup>d</sup>	(0.2%)
DPU (S cents)	6.020	6.091	(1.2%)	12.150	12.227	(0.6%)

Note: Any discrepancies between the listed figures, the aggregate or the variance in percentage is due to rounding.

- In 2H23, FCT released S\$3.0 million of its tax-exempt income available for distribution to Unitholders which had been retained in 1H23, and retained S\$1.1 million of its current period’s tax-exempt income available for distribution to Unitholders.
- In 2H22, FCT released S\$4.8 million of its taxable income available for distribution to Unitholders which had been retained in 1H22, and retained S\$1.7 million of its current period’s tax-exempt income available for distribution to Unitholders.
- In FY23, FCT released S\$1.7 million of its tax-exempt income available for distribution to Unitholders in 1H23 which had been previously retained in FY22, and retained S\$1.1 million of its tax-exempt income available for distribution to Unitholders in 2H23.
- In FY22, FCT retained S\$1.7 million of its tax-exempt income available for distribution to Unitholders.

### Improved FY23 financial performance and stable portfolio valuation

2H23 gross revenue rose 1.8% year-on-year to S\$184.1 million on higher rental income attributed to higher portfolio occupancy, higher rental reversions, increased contributions from atrium leasing and car park income. The growth was partially offset by lower rental contributions from Tampines 1 due to ongoing AEI. Gross revenue for FY23 was up 3.6% to S\$369.7 million.

2H23 property expenses rose S\$1.9 million or 3.6% year-on-year due to higher utilities expenses, higher repair and maintenance costs, higher staff costs and lower write-back of doubtful receivables. NPI for 2H23 was 1.1% higher at S\$129.6 million. For FY23, property expenses rose 5.9% year-on-year to S\$104.1 million but NPI was up 2.7% at S\$265.6 million due to stronger gross revenue.

FCT's aggregate leverage as at 30 September 2023 stood at 39.3%. This is expected to decline to 36.1% on a pro forma basis, upon the completion of the divestments of Changi City Point and the interest in Hektor REIT. The average cost of borrowing for FY23 is 3.8%, a slight increase from 3.7% reported in the previous quarter ended 30 June 2023. Interest coverage ratio remains healthy at approximately 3.47 times.

The aggregate appraised value of FCT's retail portfolio<sup>1</sup> rose by S\$52.7 million or 0.6% to S\$8.74 billion primarily driven by the higher valuations of NEX<sup>2</sup> and Causeway Point, which registered valuation increases of S\$22.2 million and S\$13.0 million, respectively. Five other malls also saw valuation improvement of between S\$2 million and S\$7 million and they are Tampines 1, Northpoint City North Wing, Waterway Point, Tiong Bahru Plaza and Hougang Mall. The capitalisation rates used by the independent valuers remained unchanged from last year.

### Robust operating performance with higher committed occupancy, better rental reversions and sustained growth in tenants' sales

The retail portfolio registered committed occupancy of 99.7%<sup>3</sup>, up 2.2%-points from 97.5% in the previous year and up 1.0%-point from the previous quarter<sup>3</sup>. The retail portfolio registered improved income performance across its properties, driven by higher rental income and atrium contribution. The improved rental income was underpinned by a combination of higher portfolio occupancy, better average portfolio rental reversion at 4.7%<sup>3</sup> (on an average-to-average basis), compared with 4.2%<sup>4</sup> for FY22, as well as stronger tenant sales which yielded higher turnover rents.

Retail portfolio tenants' sales<sup>5</sup> for FY23 was 7.3% higher than FY22, and averaged approximately 17% above pre-COVID levels. All properties<sup>5</sup> registered positive tenants' sales growth and their tenants' sales are above pre-COVID levels. With higher tenants' sales, average occupancy cost for the retail portfolio improved to 15.6%<sup>5</sup> from 16.2% in FY22, providing headroom for rental growth. The average portfolio shopper traffic<sup>5</sup> remained stable at around 90% of pre-COVID levels.

### Making progress on the sustainability journey and ESG

FCT is leveraging on innovation and technology to improve efficiency and reduce cost in its operations. Some of the initiatives include the Distributed District Cooling for Century Square and Tampines 1. The other initiatives to be implemented include food waste management, data analytics for lifts and the water valve efficiency initiative. The projected savings when fully implemented is approximately S\$1 million per

<sup>1</sup> Retail Portfolio: Includes all retail malls in FCT's investment portfolio and includes Waterway Point (50.00%-owned by FCT) and NEX (effective 25.50% interest-owned by FCT), but excludes Central Plaza which is an office property. The appraised values of NEX and Waterway Point are based on 100.0% of their respective appraised values.

<sup>2</sup> Based on the agreed property value of NEX as announced by FCT and Frasers Property Limited on 26 January 2023 in relation to the acquisition of 50.00% interest in NEX.

<sup>3</sup> Excludes Tampines 1 due to ongoing AEI works.

<sup>4</sup> Excludes NEX which was acquired on 6 February 2023 (in FY23).

<sup>5</sup> Excludes Tampines 1 (due to ongoing AEI works) and NEX (September tenants' sales data not available as at time of reporting).

annum. FCT also continues to make progress in various green initiatives, such as achieving green certifications for all its properties, increasing the proportion of green loans in its borrowings, achieving the highest 5-Star rating in the 2023 GRESB Real Estate Assessment, rolling out charging points for electric vehicles in FCT malls to support green mobility and the installation of solar power panels at FCT malls to provide green energy.

FCT is also expanding its efforts in community engagement. During the year, various initiatives such as the Inclusion Champion Program and Paint it Forward for the children were implemented in FCT malls. These initiatives aim to build stronger inclusiveness and a sense of belonging with FCT's stakeholders in the community.

### **Outlook**

The Manager expects interest rate movements and rising operating expenses to remain the key factors affecting FCT's performance. Barring unforeseen circumstances, the Manager expects the average cost of borrowing for FCT to be above 4%. For operating expenses, the Manager will continue to work on cost optimisation initiatives, and to remain vigilant on the movement of energy prices and contracted service fees. It will adopt appropriate hedging strategies for energy contracts to mitigate the impact on its operating expenses.

FCT's portfolio of high-quality suburban retail properties has strong competitive advantages due to the malls' proximity to homes, healthy shopper traffic and excellent connections to the public transportation network. These attributes and the focus on essential trades and services underpin the resilience of FCT's performance.

### **End**

### **About Frasers Centrepoint Trust**

(As at 25 October 2023)

Frasers Centrepoint Trust ("FCT") is a leading developer-sponsored retail real estate investment trust ("REIT") and one of the largest suburban retail mall owners in Singapore with assets under management of approximately S\$6.9 billion. FCT's property portfolio comprises ten retail malls and an office building located in the suburban regions of Singapore, near homes and within minutes to transportation amenities. The retail portfolio has approximately 2.9 million square feet of net lettable area with over 1,800 leases with a strong focus on providing for necessity spending, food & beverage and essential services.

The portfolio comprises Causeway Point, Century Square, Changi City Point, Hougang Mall, NEX (effective 25.50% interest), Northpoint City North Wing (including Yishun 10 Retail Podium), Tampines 1, Tiong Bahru Plaza, Waterway Point (50.00% interest), White Sands and an office property (Central Plaza). FCT's malls enjoy stable and recurring shopper footfall supported by commuter traffic and residential population in the catchment areas.

FCT also holds a 30.97% stake in Hektar Real Estate Investment Trust, a retail-focused REIT in Malaysia listed on the Main Market of Bursa Malaysia Securities Berhad.

FCT is index constituent of several benchmark indices including the FTSE EPRA/NAREIT Global Real Estate Index Series (Global Developed Index), FTSE ST Real Estate Investment Trust Index, MSCI Singapore Small Cap Index and SGX iEdge S-REIT Leaders Index.

Listed on the Main Board of the Singapore Exchange Securities Trading Limited since 5 July 2006, FCT is managed by Frasers Centrepoint Asset Management Ltd. ("FCAM"), a real estate management company and a wholly-owned subsidiary of Frasers Property Limited.

**About Frasers Property Limited**

Frasers Property Limited (“Frasers Property” and together with its subsidiaries, the “Frasers Property Group” or the “Group”), is a multinational investor-developer-manager of real estate products and services across the property value chain. Listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and headquartered in Singapore, the Group has total assets of approximately S\$39.8 billion as at 30 September 2023.

Frasers Property's multinational businesses operate across five asset classes, namely, commercial & business parks, hospitality, industrial & logistics, residential and retail. The Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 20 countries and more than 70 cities across Asia, Australia, Europe, the Middle East and Africa.

Frasers Property is also the sponsor of two real estate investment trusts (“REITs”) and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust and Frasers Logistics & Commercial Trust are focused on retail, and industrial & commercial properties, respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties. In addition, the Group has two REITs listed on the Stock Exchange of Thailand. Frasers Property (Thailand) Public Company Limited is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on industrial & logistics properties in Thailand, and Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial properties.

The Group is committed to inspiring experiences and creating places for good for its stakeholders. By acting progressively, producing and consuming responsibly, and focusing on its people, Frasers Property aspires to raise sustainability ideals across its value chain, and build a more resilient business. It is committed to be a net-zero carbon corporation by 2050. Building on its heritage as well as leveraging its knowledge and capabilities, the Group aims to create lasting shared value for its people, the businesses and communities it serves. Frasers Property believes in the diversity of its people and are invested in promoting a progressive, collaborative and respectful culture.

For more information on Frasers Property, please visit [frasersproperty.com](https://frasersproperty.com) or follow us on [LinkedIn](#).

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