

Fraser's Centrepoint Trust

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

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED
30 SEPTEMBER 2022**

Frasers Centrepoint Trust and its subsidiaries
Condensed Interim Financial Statements
For the six-month period and full year ended 30 September 2022

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Frasers Centrepoint Trust and its subsidiaries
Condensed Interim Financial Statements
For the six-month period and full year ended 30 September 2022

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

		Group		Trust	
	Note	30/9/2022	30/9/2021	30/9/2022	30/9/2021
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Investment properties	3	5,516,000	5,506,500	2,460,000	2,441,500
Fixed assets		126	175	126	175
Investment in subsidiaries		–	–	1,447,600	1,447,600
Investment in associate	4	40,808	46,494	44,565	46,494
Investment in joint ventures	5	312,341	294,399	287,366	287,436
Financial derivatives		21,740	–	21,740	–
		5,891,015	5,847,568	4,261,397	4,223,205
Current assets					
Financial derivatives		3,331	–	3,331	–
Trade and other receivables		8,857	8,995	358,944	463,205
Cash and cash equivalents		38,165	42,234	16,613	14,661
		50,353	51,229	378,888	477,866
Total assets		5,941,368	5,898,797	4,640,285	4,701,071
Current liabilities					
Trade and other payables		70,583	71,664	114,204	115,973
Financial derivatives		–	1,281	2,897	1,281
Current portion of security deposits		45,647	43,160	19,228	15,155
Interest-bearing borrowings	6	390,668	204,827	199,951	204,827
Provision for taxation		463	1,266	–	–
		507,361	322,198	336,280	337,236
Non-current liabilities					
Financial derivatives		–	1,855	11,189	1,855
Interest-bearing borrowings	6	1,419,458	1,604,089	457,677	547,731
Non-current portion of security deposits		50,472	45,207	20,165	19,995
Deferred tax liability		–	6,640	–	–
		1,469,930	1,657,791	489,031	569,581
Total liabilities		1,977,291	1,979,989	825,311	906,817
Net assets		3,964,077	3,918,808	3,814,974	3,794,254
Represented by:					
Unitholders' funds		3,964,077	3,918,808	3,814,974	3,794,254
Units in issue ('000)	7	1,702,057	1,699,268	1,702,057	1,699,268
Net asset value / Net tangible asset value per Unit (\$)	8	2.33	2.30	2.24	2.23

The accompanying accounting policies and explanatory notes form an integral part of these condensed interim financial statements.

Frasers Centrepoint Trust and its subsidiaries
Condensed Interim Financial Statements
For the six-month period and full year ended 30 September 2022

CONDENSED INTERIM STATEMENT OF TOTAL RETURN
SIX-MONTH PERIOD AND FULL YEAR ENDED 30 SEPTEMBER 2022

	Group						
	Note	Six-month period ended	Six-month period ended	Increase/ (Decrease)	Year ended	Year ended	Increase/ (Decrease)
		30/9/2022	30/9/2021	%	30/9/2022	30/9/2021	%
		\$'000	\$'000		\$'000	\$'000	
Gross revenue		180,744	167,535	7.9	356,931	341,149	4.6
Property expenses	9	(52,626)	(46,626)	12.9	(98,334)	(94,582)	4.0
Net property income		128,118	120,909	6.0	258,597	246,567	4.9
Finance income		20	39	(48.7)	43	119	(63.9)
Other income		–	–	NM	–	341	NM
Interest income from joint venture		–	209	NM	–	801	NM
Finance costs	10	(26,455)	(21,763)	21.6	(46,832)	(45,938)	1.9
Asset management fees		(16,286)	(15,914)	2.3	(32,608)	(32,389)	0.7
Valuation fees		(102)	(7)	NM	(164)	(109)	50.5
Trustee's fees		(478)	(482)	(0.8)	(953)	(1,023)	(6.8)
Audit fees		(120)	(182)	(34.1)	(246)	(240)	2.5
Professional fees		(740)	(634)	16.7	(1,531)	(1,684)	(9.1)
Other charges		(296)	(126)	NM	(743)	(664)	11.9
Net income		83,661	82,049	2.0	175,563	165,781	5.9
Share of results of associates		1,512	753	NM	(1,096)	(1,386)	(20.9)
Share of results of joint ventures		14,246	9,012	58.1	24,599	16,886	45.7
Impairment loss on investment in associate		–	(11,976)	NM	–	(11,976)	NM
Loss from the dilution of interest in associate		–	–	–	(1,143)	–	NM
Net change in fair value of investment properties		2,744	(13,272)	NM	2,744	(3,298)	NM
Gain from fair valuation of derivatives		26	1,850	(98.6)	528	2,948	(82.1)
Net gain on step acquisition		–	–	–	–	11,470	NM
Expenses in relation to acquisitions of subsidiaries and associate		–	234	NM	–	(25,318)	NM
Net foreign exchange loss		(10)	(4)	NM	(8)	(21)	(61.9)
Gain on disposal of investment properties		–	18,800	NM	–	17,156	NM
Total return before tax		102,179	87,446	16.8	201,187	172,242	16.8
Taxation		83	(1,359)	NM	6,092	(3,609)	NM
Total return for the period/year		102,262	86,087	18.8	207,279	168,633	22.9
Earnings per Unit (cents)	11						
Basic		6.00	5.07		12.18	10.10	
Diluted		6.00	5.06		12.17	10.08	

The accompanying accounting policies and explanatory notes form an integral part of these condensed interim financial statements.

Frasers Centrepoint Trust and its subsidiaries
Condensed Interim Financial Statements
For the six-month period and full year ended 30 September 2022

DISTRIBUTION STATEMENT

SIX-MONTH PERIOD AND FULL YEAR ENDED 30 SEPTEMBER 2022

	Note	Group			
		Six-month period ended 30/9/2022	Six-month period ended 30/9/2021	Year ended 30/9/2022	Year ended 30/9/2021
		\$'000	\$'000	\$'000	\$'000
Income available for distribution to Unitholders at beginning of period/year		109,219	99,620	103,573	48,942
Net income		83,661	82,049	175,563	165,781
Net tax and other adjustments (Note A)		6,145	12,335	12,234	15,784
Distributions from associates		1,069	–	2,130	7,017
Distributions from joint ventures		9,798	9,192	19,957	16,092
Distributable income for the period/year		100,673	103,576	209,884	204,674
Income available for distribution to Unitholders		209,892	203,196	313,457	253,616
Distributions to Unitholders:					
Distribution of 4.372 cents per Unit for period from 1/4/2020 to 30/9/2020		–	–	–	48,942
Distribution of 0.132 cents per Unit for period from 1/10/2020 to 6/10/2020		–	–	–	1,478
Distribution of 5.864 cents per Unit for period from 7/10/2020 to 31/3/2021		–	99,623	–	99,623
Distribution of 6.089 cents per Unit for period from 1/4/2021 to 30/9/2021		–	–	103,565	–
Distribution of 6.136 cents per Unit for period from 1/10/2021 to 31/3/2022		104,414	–	104,414	–
		104,414	99,623	207,979	150,043
Income available for distribution to Unitholders at end of period/year		105,478	103,573	105,478	103,573
Distribution to Unitholders ⁽¹⁾ ⁽²⁾	12	103,776	103,576	208,190	204,674
Distribution per unit for the period/year (cents) ⁽¹⁾ ⁽²⁾		6.091	6.089	12.227	12.085

Note A – Net tax and other adjustments relate to the following items:

- Asset management fees paid/payable in Units		3,258	3,183	6,522	6,478
- Amortisation of transaction costs		1,253	1,573	2,439	3,217
- Amortisation of lease incentives		(1,906)	1,582	(1,906)	1,582
- Other items		3,540	5,997	5,179	4,507
Net tax and other adjustments		6,145	12,335	12,234	15,784

⁽¹⁾ In determining the distribution relating to 2H 2022, FCT had included \$4.8 million of its taxable income available for distribution to Unitholders which was retained in 1H 2022, and retained \$1.7 million of its current period's tax-exempt income available for distribution to Unitholders.

⁽²⁾ The distribution relating to 2H 2022 will be paid on 29 November 2022.

CONDENSED INTERIM STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS
SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022

	Group		Trust	
	Six-month period ended 30/9/2022	Six-month period ended 30/9/2021	Six-month period ended 30/9/2022	Six-month period ended 30/9/2021
	\$'000	\$'000	\$'000	\$'000
Net assets at beginning of period	3,940,147	3,928,579	3,796,786	3,812,187
Operations				
Total return for the period	102,262	86,087	110,912	77,886
Unitholders' transactions				
Creation of Units				
- issued/issuable as satisfaction of asset management fees	3,258	3,183	3,258	3,183
Distribution to Unitholders	(104,414)	(99,623)	(104,414)	(99,623)
Net decrease in net assets resulting from Unitholders' transactions	(101,156)	(96,440)	(101,156)	(96,440)
Hedging reserve				
Net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in statement of total return	18,144	(171)	8,432	621
Share of movements in hedging reserve of joint venture	6,397	989	-	-
Net increase in net assets resulting from hedging reserve	24,541	818	8,432	621
Translation reserve				
Net effect of exchange loss arising from translation of financial statement of associate	(1,710)	(219)	-	-
Net effect of exchange loss arising from translation of financial statements of subsidiaries	(7)	(17)	-	-
Net decrease in net assets resulting from translation reserve	(1,717)	(236)	-	-
Net assets at end of period	3,964,077	3,918,808	3,814,974	3,794,254

CONDENSED INTERIM STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS (cont'd)
YEAR ENDED 30 SEPTEMBER 2022

	Group		Trust	
	Year ended 30/9/2022	Year ended 30/9/2021	Year ended 30/9/2022	Year ended 30/9/2021
	\$'000	\$'000	\$'000	\$'000
Net assets at beginning of year	3,918,808	2,538,276	3,794,254	2,462,726
Operations				
Total return for the year	207,279	168,633	209,084	121,903
Unitholders' transactions				
Creation of Units				
- proceeds from equity fund raising	-	1,334,657	-	1,334,657
- issued/issuable as satisfaction of asset management fees	6,522	6,478	6,522	6,478
- issued as satisfaction of acquisition and divestment fees	-	19,884	-	19,884
Issue expenses	-	(3,885)	-	(3,885)
Distributions to Unitholders	(207,979)	(150,043)	(207,979)	(150,043)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(201,457)	1,207,091	(201,457)	1,207,091
Hedging reserve				
Net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in statement of total return	27,679	3,017	13,093	2,534
Related tax	-	(295)	-	-
Share of movements in hedging reserve of associate and joint venture	13,099	3,164	-	-
Net increase in net assets resulting from hedging reserve	40,778	5,886	13,093	2,534
Translation reserve				
Net effect of exchange loss arising from translation of financial statement of associate	(1,716)	(1,062)	-	-
Realisation of translation reserve arising from the dilution of interest in associate	399	-	-	-
Net effect of exchange loss arising from translation of financial statements of subsidiaries	(14)	(16)	-	-
Net decrease in net assets resulting from translation reserve	(1,331)	(1,078)	-	-
Net assets at end of year	3,964,077	3,918,808	3,814,974	3,794,254

PORTFOLIO STATEMENT
AS AT 30 SEPTEMBER 2022

GROUP

Description of Property	Term of Lease	Location	Existing Use	Carrying Value		Percentage of Net Assets	
				2022	2021	2022	2021
				\$'000	\$'000	%	%
<i>Investment properties in Singapore</i>							
Causeway Point	99-year leasehold from 30 October 1995	1 Woodlands Square	Commercial	1,323,000	1,312,000	33.4	33.5
Northpoint City North Wing	99-year leasehold from 1 April 1990	930 Yishun Avenue 2	Commercial	778,000	771,500	19.6	19.7
Changi City Point	60-year leasehold from 30 April 2009	5 Changi Business Park Central 1	Commercial	325,000	325,000	8.2	8.3
Yishun 10 Retail Podium	99-year leasehold from 1 April 1990	51 Yishun Central 1	Commercial	34,000	33,000	0.9	0.9
Tampines 1	99-year leasehold from 1 April 1990	10 Tampines Central 1	Commercial	764,000	762,000	19.3	19.4
Tiong Bahru Plaza	99-year leasehold from 1 September 1991	302 Tiong Bahru Road	Commercial	655,000	654,000	16.5	16.7
Century Square	99-year leasehold from 1 September 1992	2 Tampines Central 5	Commercial	559,000	574,000	14.1	14.6
Hougang Mall	99-year leasehold from 1 May 1994	90 Hougang Avenue 10	Commercial	433,000	432,000	10.9	11.0
White Sands	99-year leasehold from 1 May 1993	1 Pasir Ris Central Street 3	Commercial	429,000	428,000	10.8	10.9
Central Plaza	99-year leasehold from 1 September 1991	298 Tiong Bahru Road	Commercial	216,000	215,000	5.5	5.5
Investment properties, at valuation				5,516,000	5,506,500	139.2	140.5
Investment in associate				40,808	46,494	1.0	1.2
Investment in joint ventures				312,341	294,399	7.9	7.5
Other assets and liabilities (net)				5,869,149 (1,905,072)	5,847,393 (1,928,585)	148.1 (48.1)	149.2 (49.2)
Net assets attributable to Unitholders				3,964,077	3,918,808	100.0	100.0

PORTFOLIO STATEMENT (cont'd)
AS AT 30 SEPTEMBER 2022

Independent valuations of the investment properties were undertaken by Jones Lang LaSalle Property Consultants Pte Ltd (“JLL”) and Savills Valuation and Professional Services (S) Pte Ltd (“Savills”) (2021: JLL and Savills). The Manager believes that these independent valuers possess appropriate professional qualifications and relevant experience in the location and category of the investment properties being valued. The valuations were performed based on the following methods:

Description of Property	Valuer	Valuation Method	Valuation	
			2022 \$'000	2021 \$'000
Investment Properties				
Causeway Point	Savills (2021: JLL)	Capitalisation approach and discounted cash flow analysis ^(a) (2021: Capitalisation approach and discounted cash flow analysis ^(a))	1,323,000	1,312,000
Northpoint City North Wing	Savills (2021: JLL)	Capitalisation approach and discounted cash flow analysis ^(a) (2021: Capitalisation approach and discounted cash flow) ^(a))	778,000	771,500
Changi City Point	Savills (2021: JLL)	Capitalisation approach and discounted cash flow analysis ^(a) (2021: Capitalisation approach and discounted cash flow analysis ^(a))	325,000	325,000
Yishun 10 Retail Podium	Savills (2021: JLL)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2021: Capitalisation approach and discounted cash flow analysis ^(a))	34,000	33,000
Tampines 1	JLL (2021: Savills)	Capitalisation approach and discounted cash flow analysis ^(a) (2021: Capitalisation approach and discounted cash flow analysis ^(a))	764,000	762,000
Tiong Bahru Plaza	JLL (2021: Savills)	Capitalisation approach and discounted cash flow analysis ^(a) (2021: Capitalisation approach and discounted cash flow analysis ^(a))	655,000	654,000
Century Square	JLL (2021: Savills)	Capitalisation approach and discounted cash flow analysis ^(a) (2021: Capitalisation approach and discounted cash flow analysis ^(a))	559,000	574,000
Hougang Mall	JLL (2021: Savills)	Capitalisation approach and discounted cash flow analysis ^(a) (2021: Capitalisation approach and discounted cash flow analysis ^(a))	433,000	432,000
White Sands	JLL (2021: Savills)	Capitalisation approach and discounted cash flow analysis ^(a) (2021: Capitalisation approach and discounted cash flow analysis ^(a))	429,000	428,000
Central Plaza	JLL (2021: Savills)	Capitalisation approach and discounted cash flow analysis ^(a) (2021: Capitalisation approach and discounted cash flow analysis ^(a))	216,000	215,000

^(a) Direct comparison method was used as a cross-check.

PORTFOLIO STATEMENT (cont'd)
AS AT 30 SEPTEMBER 2022

The net changes in fair values of these investment properties have been recognised in the Statement of Total Return in accordance with the Group's accounting policies.

The investment properties are leased to third party tenants. Generally, these leases contain an initial non-cancellable period of three years. Subsequent renewals are negotiated with individual lessees. Contingent rent, which comprises gross turnover rental income, recognised in the Statement of Total Return of the Group for the year ended 30 September 2022 amounted to \$17,560,000 (2021: \$15,218,000).

CONDENSED INTERIM STATEMENT OF CASH FLOWS
SIX-MONTH PERIOD AND FULL YEAR ENDED 30 SEPTEMBER 2022

	Group			
	Six-month period ended 30/09/2022	Six-month period ended 30/09/2021	Year ended 30/9/2022	Year ended 30/9/2021
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Total return before tax	102,179	87,446	201,187	172,242
Adjustments for:				
Net (written back)/allowance for doubtful receivables	(605)	(261)	(656)	601
Finance costs	26,455	21,763	46,832	45,938
Asset management, divestment and acquisition fees paid/payable in Units	3,258	3,183	6,522	26,362
Finance income	(20)	(39)	(43)	(119)
Depreciation of fixed assets	24	26	49	58
Share of results of associates	(1,512)	(753)	1,096	1,386
Share of results of joint ventures	(14,246)	(9,012)	(24,599)	(16,886)
Impairment loss on investment in associate	–	11,976	–	11,976
Loss from the dilution of interest in associate	–	–	1,143	–
Net change in fair value of investment properties	(2,744)	13,272	(2,744)	3,298
Gain on disposal of investment properties	–	(18,800)	–	(17,156)
Net gain on step acquisition	–	–	–	(11,470)
Gain from fair valuation of derivatives	(26)	(1,850)	(528)	(2,948)
Amortisation of lease incentives	(1,906)	1,582	(1,906)	1,582
Fixed assets written off	–	6	–	37
Operating income before working capital changes	110,857	108,539	226,353	214,901
Changes in working capital:				
Trade and other receivables	(1,886)	(852)	794	8,729
Trade and other payables	17,101	(12,201)	36	(6,820)
Security deposits	4,845	151	7,752	(7,350)
Cash flows generated from operating activities	130,917	95,637	234,935	209,460
Income tax paid	(1,402)	(6,247)	(1,351)	(11,015)
Net cash flows generated from operating activities	129,515	89,390	233,584	198,445

CONDENSED INTERIM STATEMENT OF CASH FLOWS (cont'd)
SIX-MONTH PERIOD AND FULL YEAR ENDED 30 SEPTEMBER 2022

	Group			
	Six-month period ended 30/09/2022	Six-month period ended 30/09/2021	Year ended 30/9/2022	Year ended 30/9/2021
	\$'000	\$'000	\$'000	\$'000
Investing activities				
Gross proceeds from disposal of investment properties	–	220,000	–	438,000
Distributions received from associates	1,069	–	2,130	7,017
Distributions received from joint ventures	10,432	9,192	19,686	16,092
Adjustment of consideration paid for investment in joint venture	–	–	70	–
Finance income received	20	39	43	119
Capital expenditure on investment properties	(4,745)	(3,044)	(5,901)	(5,785)
Acquisition of fixed assets	–	(31)	–	(41)
Acquisition of subsidiaries, net of cash	–	–	–	(925,950)
Cash flows generated from/(used in) investing activities	6,776	226,156	16,028	(470,548)
Financing activities				
Proceeds from issue of new units	–	–	–	1,334,657
Payment of issue expenses	–	–	–	(3,885)
Proceeds from borrowings	256,000	166,000	387,000	636,620
Repayment of borrowings	(258,000)	(366,581)	(387,000)	(1,487,240)
Interest expense paid	(24,424)	(20,060)	(43,712)	(41,960)
Distributions to Unitholders	(104,414)	(99,623)	(207,979)	(150,043)
Payment of transaction costs	(760)	(104)	(1,990)	(2,395)
Cash flows (used in)/generated from financing activities	(131,598)	(320,368)	(253,681)	285,754
Net increase/(decrease) in cash and cash equivalents	4,693	(4,822)	(4,069)	13,651
Cash and cash equivalents at beginning of period/year	33,472	47,056	42,234	28,583
Cash and cash equivalents at end of period/year	38,165	42,234	38,165	42,234

Significant Non-Cash Transactions

During the financial years, 2,906,185 (2021: 2,745,397) Units were issued and issuable in satisfaction of asset management fees payable in Units, amounting to a value of \$6,522,000 (2021: \$6,478,000).

On 27 November 2020, 8,231,488 Units were issued in satisfaction of the acquisition fee of \$19,344,000 in connection with the acquisition of approximately 63.11% of the total issued share capital of AsiaRetail Fund Limited ("ARF") and 231,729 Units were issued in satisfaction of the divestment fee of \$540,000 in connection with the divestment of Bedok Point.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

The following notes form an integral part of the condensed interim financial statements.

1. CORPORATE INFORMATION

Frasers Centrepoint Trust (the "Trust" or "FCT") is a Singapore-domiciled unit trust constituted pursuant to a trust deed dated 5 June 2006, and any amendment or modification thereof (the "Trust Deed"), between Frasers Centrepoint Asset Management Ltd. (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (collectively, the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 5 July 2006 and was included in the Central Provident Fund Investment Scheme ("CPFIS") on 5 July 2006.

These interim consolidated financial statements as at and for the six-month period and full year ended 30 September 2022 ("Financial Information") comprise the Trust and its subsidiaries (collectively, the "Group") and the Group's interest in the equity-accounted investees.

The principal activity of the Trust is to invest in income-producing properties used primarily for retail purposes, in Singapore and overseas, with the primary objective of delivering regular and stable distributions to Unitholders and to achieve long-term capital growth.

The principal activities of the significant subsidiaries are those relating to investment holding, investment in real estate assets and the provision of treasury services, management and maintenance services.

For financial reporting purposes, the Group is regarded as a subsidiary of Frasers Property Limited, a Singapore-domiciled company. The ultimate holding company is TCC Assets Limited, which is incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

2.1 Basis of preparation

The Financial Information has been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants ("ISCA"), the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 30 September 2021. RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under the Financial Reporting Standards in Singapore ("FRS"). The Financial Information does not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 September 2021.

The Financial Information is presented in Singapore dollars, which is the Trust's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.2 New and amended standards adopted by the Group

The Group adopted Amendments to FRS 116 *COVID-19-Related Rent Concessions beyond 30 June 2021* which became effective in the current financial year. The Group's adoption of this amendment to FRS did not have a material effect on its Financial Information.

The accounting policies applied in the Financial Information are the same as those applied in the FCT Group's consolidated financial statements as at and for the year ended 30 September 2021.

Frasers Centrepoint Trust and its subsidiaries
Condensed Interim Financial Statements
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3. INVESTMENT PROPERTIES

	Group		Trust	
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
	\$'000	\$'000	\$'000	\$'000
At beginning	5,506,500	2,749,500	2,441,500	2,749,500
Acquisition of subsidiaries	–	3,065,000	–	–
Capital expenditure	4,850	6,880	3,361	5,660
Disposals	–	(310,000)	–	(310,000)
Amortisation of lease incentives	1,906	(1,582)	1,049	51
Net change in fair value of investment properties	2,744	(3,298)	14,090	(3,711)
At end	<u>5,516,000</u>	<u>5,506,500</u>	<u>2,460,000</u>	<u>2,441,500</u>

The investment properties owned by the Group are set out in the Portfolio Statement on pages 6 to 8.

Certain investment properties of the Group with an aggregate carrying value of \$1,752 million (2021: \$2,743 million) are pledged as securities to banks for certain banking facilities granted (see Note 6).

Valuation processes

Investment properties are stated at fair value based on valuations performed by external independent valuers who possess appropriate recognised professional qualifications and relevant experience in the location and category of the investment properties being valued. In accordance with the CIS code, the Group rotates the independent valuers every two years.

In determining the fair value, the valuers have used valuation methods which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yields, discount rates and terminal yields. The Manager reviews the appropriateness of the valuation methodologies, assumptions and estimates adopted and is of the view that they are reflective of the market conditions as at 30 September 2022.

The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value at 30 September 2022 \$'000	Valuation techniques	Key unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Group					
Investment properties	5,516,000 (2021: 5,506,500)	Capitalisation approach	Capitalisation rate	3.75% - 5.00% (2021: 3.75% - 5.00%)	The higher the rates, the lower the fair value.
		Discounted cash flow analysis	Discount rate	6.75% - 7.50% (2021: 6.25% - 7.50%)	The higher the rates, the lower the fair value.
			Terminal yield	4.00% - 5.25% (2021: 4.00% - 5.25%)	The higher the rates, the lower the fair value.
		Direct comparison method	Transacted prices	\$2,329 - \$4,362 psf ⁽¹⁾ (2021: NA)	The higher the comparable values, the higher the fair value.

⁽¹⁾ The direct comparison method was used in the valuation of Yishun 10 Retail Podium.

4. INVESTMENT IN ASSOCIATE

On 24 December 2021 and 29 December 2021, Hektar Real Estate Investment Trust (“H-REIT”) issued 6,300,000 and 3,000,000 new units respectively in 2 tranches arising from a private placement exercise announced on 15 November 2021. Each unit was priced at RM0.455.

Following the private placement, the Group’s interest in H-REIT decreased from 31.15% to 30.53%. Arising from the dilution of interest in H-REIT, the Group recognised a loss of \$1.14 million, of which a loss of \$0.4 million arose from the realisation of translation reserve.

5. INVESTMENT IN JOINT VENTURES

On 12 September 2022, the Trust entered into a conditional unit sale and purchase agreement with Sekisui House, Ltd. (the “Vendor”) to acquire 10.0% of the total issued units of Sapphire Star Trust (“SST”), comprising 500,001 ordinary units and 56,904,785 redeemable preference units in SST from the Vendor; and a conditional share sale and purchase agreement with the Vendor to acquire 10.0% of the issued share capital of FC Retail Trustee Pte. Ltd., which is the trustee-manager of SST, from the Vendor.

The estimated net total acquisition outlay is approximately \$75.0 million, and the transaction is expected to complete after the date of the condensed interim financial statements. Upon the completion of the transaction, the Group’s interest in SST will increase from 40.0% to 50.0%.

6. INTEREST-BEARING BORROWINGS

	Group		Trust	
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
	\$’000	\$’000	\$’000	\$’000
Current liabilities				
Term loan (secured)	–	120,000	–	120,000
Term loan (unsecured)	191,000	–	–	–
Medium Term Notes (unsecured)	200,000	30,000	–	–
Loans from subsidiary (unsecured)	–	–	200,000	30,000
Short term loan (unsecured)	–	55,000	–	55,000
Less: Unamortised transaction costs	(332)	(173)	(49)	(173)
	390,668	204,827	199,951	204,827
Non-current liabilities				
Term loans (secured)	794,000	834,000	–	40,000
Term loans (unsecured)	560,000	506,000	389,000	239,000
Medium Term Notes (unsecured)	70,000	270,000	–	–
Loans from subsidiary (unsecured)	–	–	70,000	270,000
Less: Unamortised transaction costs	(4,542)	(5,911)	(1,323)	(1,269)
	1,419,458	1,604,089	457,677	547,731

6. INTEREST-BEARING BORROWINGS (cont'd)

Aggregate leverage and interest coverage ratios

As at 30 September 2022, aggregate leverage of the Group was 33.0% (2021: 33.3%) and interest coverage ratio ("ICR") ⁽¹⁾ and adjusted interest coverage ratio ("Adjusted-ICR") ⁽²⁾ for the trailing twelve-month period ended 30 September 2022 was 5.19 times (2021: 4.77 times).

Details of collaterals:

As at 30 September 2022, secured bank loans and certain bank facilities are secured on the following:

- a mortgage over Tampines 1 ("T1"), Century Square ("CS") and White Sands ("WS") (2021: Changi City Point ("CCP"), Tiong Bahru Plaza ("TBP"), T1, CS and WS);
- an assignment of the rights, benefits, title and interest of the respective entities in, under and arising out of the insurances effected in respect of T1, CS and WS (2021: CCP, TBP, T1, CS and WS);
- an assignment and charge of the rights, benefits, title and interest of the respective entities in, under and arising out of the tenancy agreements, the sale agreements, the performance guarantees (including sale proceeds and rental proceeds) and the bank accounts arising from, relating to or in connection with T1, CS and WS (2021: CCP, TBP, T1, CS and WS); and
- a first fixed and floating charge over all present and future assets of the respective entities in connection with T1, CS and WS (2021: CCP, TBP, T1, CS and WS).

The security and security documents in relation to TBP were discharged on 27 January 2022, following the full repayment of the relevant loan and cancellation of the facility on 24 September 2021.

The security and security documents in relation to CCP were discharged following the full repayment of the relevant loan and cancellation of the facility on 25 April 2022.

Undrawn Revolving Credit Facilities as of 30 September 2022 amounted to \$616.9 million (30 September 2021: \$736.9 million).

(1) ICR is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees as defined in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

(2) Adjusted-ICR means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing related fees and distributions on hybrid securities as defined in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. As the Group has not issued any hybrid securities, the aforementioned Adjusted-ICR is identical to the ICR of the Group for the trailing twelve-month period ended 30 September 2022 and 30 September 2021.

7. UNITS IN ISSUE

	Group and Trust			
	Six-month period ended 30/9/2022	Six-month period ended 30/9/2021	Year ended 30/9/2022	Year ended 30/9/2021
	No. of Units '000	No. of Units '000	No. of Units '000	No. of Units '000
Units in issue				
At beginning	1,701,269	1,698,510	1,699,268	1,119,447
Issue of Units				
- private placement and preferential offering	-	-	-	569,321
- issued as satisfaction of asset management fees	788	758	2,789	2,037
- issued as satisfaction of acquisition and divestment fee	-	-	-	8,463
At end	<u>1,702,057</u>	<u>1,699,268</u>	<u>1,702,057</u>	<u>1,699,268</u>
Units to be issued				
- asset management fees payable in Units	1,708	1,591	1,708	1,591
Total issued and issuable Units at end	<u>1,703,765</u>	<u>1,700,859</u>	<u>1,703,765</u>	<u>1,700,859</u>

Units issued during the period/year were as follows:

Asset management fees

2,788,981 units were issued to the Manager comprising:

- (i) 1,590,893 units issued in partial satisfaction of the base fee component of the Manager's management fees for the quarter ended 30 September 2021 and performance fee component for the year ended 30 September 2021;
- (ii) 410,202 units issued in partial satisfaction of the base fee component of the Manager's management fees for the quarter ended 31 December 2021;
- (iii) 379,811 units issued in partial satisfaction of the base fee component of the Manager's management fees for the quarter ended 31 March 2022; and
- (iv) 408,075 units issued in partial satisfaction of the base fee component of the Manager's management fees for the quarter ended 30 June 2022.

Units to be issued are as follows:

Asset management fees

1,708,096 units will be issued in October 2022 to the Manager in partial satisfaction of the base fee component and the performance fee component of the Manager's management fees for the quarter ended 30 September 2022 and the year ended 30 September 2022 respectively.

8. NET ASSET VALUE / NET TANGIBLE ASSET PER UNIT

	Group		Trust	
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
Net asset value / Net tangible asset per Unit is based on:				
Net assets / Net tangible assets (\$'000)	<u>3,964,077</u>	<u>3,918,808</u>	<u>3,814,974</u>	<u>3,794,254</u>
Total issued and issuable Units ('000) (Note 7)	<u>1,703,765</u>	<u>1,700,859</u>	<u>1,703,765</u>	<u>1,700,859</u>

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9. PROPERTY EXPENSES

	Group			
	Six-month period ended 30/9/2022	Six-month period ended 30/9/2021	Year ended 30/9/2022	Year ended 30/9/2021
	\$'000	\$'000	\$'000	\$'000
Property tax	17,215	15,998	33,430	32,028
Maintenance and utilities	14,432	13,131	27,537	27,106
Property management fees	6,896	6,586	13,763	13,241
Net (written back)/allowance for doubtful receivables	(605)	(261)	(656)	601
Bad debts recovered	(3)	–	(3)	–
Depreciation of fixed assets	24	26	49	58
Fixed assets written off	–	6	–	37
Others ⁽¹⁾	14,667	11,140	24,214	21,511
	<u>52,626</u>	<u>46,626</u>	<u>98,334</u>	<u>94,582</u>

⁽¹⁾ Mainly relates to marketing expenses and reimbursement of staff costs paid/payable to the Property Manager.

10. FINANCE COSTS

	Group			
	Six-month period ended 30/9/2022	Six-month period ended 30/9/2021	Year ended 30/9/2022	Year ended 30/9/2021
	\$'000	\$'000	\$'000	\$'000
Interest expense	25,202	20,190	44,393	42,721
Amortisation of transaction costs	1,253	1,573	2,439	3,217
	<u>26,455</u>	<u>21,763</u>	<u>46,832</u>	<u>45,938</u>

11. EARNINGS PER UNIT

(i) Basic earnings per Unit

The calculation of basic earnings per Unit is based on the weighted average number of Units during the period/year and total return for the period/year.

	Group			
	Six-month period ended 30/9/2022	Six-month period ended 30/9/2021	Year ended 30/9/2022	Year ended 30/9/2021
	\$'000	\$'000	\$'000	\$'000
Total return for the period/year (\$'000)	102,262	86,087	207,279	168,633
Weighted average number of Units in issue ('000)	1,703,664	1,699,090	1,701,468	1,670,234

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11. EARNINGS PER UNIT (cont'd)

(ii) Diluted earnings per Unit

In calculating diluted earnings per Unit, the total return for the period/year and weighted average number of Units outstanding are adjusted for the effect of all dilutive potential units, as set out below:

	Group			
	Six-month	Six-month	Year ended	Year ended
	period ended	period ended	30/9/2022	30/9/2021
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
Total return for the period/year (\$'000)	102,262	86,087	207,279	168,633
Weighted average number of Units in issue in arriving at basic earnings per Unit ('000)	1,703,664	1,699,090	1,701,468	1,670,234
Effect of Units to be issued as payment of asset management fees in Units ('000)	1,900	1,769	2,298	2,157
Weighted average number of Units in issue (diluted) ('000)	1,705,564	1,700,859	1,703,766	1,672,391

12. DISTRIBUTION PER UNIT

	Group			
	Six-month	Six-month	Year ended	Year ended
	period ended	period ended	30/9/2022	30/9/2021
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
Total number of units entitled to distribution	1,703,765,660	1,700,859,476	1,703,765,660	1,700,859,476
Distribution to unitholders (\$'000)	103,776	103,576	208,190	204,674

13. SEGMENT REPORTING

Business segments

The Group is in the business of investing in retail malls and an office building, which are considered to be the main business segments.

The Group's portfolio as of 30 September 2022 comprises: -

1. Causeway Point;
2. Northpoint City North Wing;
3. Yishun 10 Retail Podium;
4. Changi City Point;
5. Tampines 1;
6. Tiong Bahru Plaza;
7. Century Square;
8. Hougang Mall;
9. White Sands; and
10. Central Plaza.

The Manager monitors the operating results of the business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment information is presented in respect of the Group's business segments, based on its management and internal reporting structure.

13. SEGMENT REPORTING (cont'd)

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total costs incurred during the year to acquire segment assets that are expected to be used for more than one year.

Geographical segments

The Group's operations are primarily in Singapore except for its associate, H-REIT for which operations are in Malaysia.

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13. **SEGMENT REPORTING (cont'd)**

	Causeway Point	Northpoint City North Wing and Yishun 10 Retail Podium	Changi City Point	Tampines 1	Tiong Bahru Plaza	Century Square	Hougang Mall	White Sands	Central Plaza	Others *	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 September 2022											
<i>Revenue and expenses</i>											
Gross rental income	80,252	50,075	21,040	42,926	38,735	29,968	27,318	25,901	9,411	–	325,626
Others	8,755	4,772	2,895	4,696	2,623	1,488	3,191	2,868	3	14	31,305
Gross revenue	89,007	54,847	23,935	47,622	41,358	31,456	30,509	28,769	9,414	14	356,931
Segment net property income	68,447	40,891	14,570	34,416	31,013	21,847	21,141	20,245	5,821	206	258,597
Finance income											43
Finance costs											(46,832)
Non-property expenses											(36,245)
Net income											175,563
Share of results of associate											(1,096)
Share of results of joint ventures											24,599
Loss from the dilution of interest in associate											(1,143)
Net change in fair value of investment properties	8,375	6,904	(1,189)	1,057	1,169	(15,423)	214	902	735	–	2,744
Gain from fair valuation of derivatives											528
Net foreign exchange loss											(8)
Total return before tax											201,187
Taxation	–	–	–	–	–	6,102	–	–	–	–	6,102
Unallocated taxation											(10)
Total return for the year											207,279

* These net property income contribution arise mainly due to the adjustments made for the divested malls i.e. Bedok Point, Anchorpoint and YewTee Point.

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13. SEGMENT REPORTING (cont'd)

	Causeway Point \$'000	Northpoint City North Wing and Yishun 10 Retail Podium \$'000	Changi City Point \$'000	Tampines 1 ** \$'000	Tiong Bahru Plaza ** \$'000	Century Square ** \$'000	Hougang Mall ** \$'000	White Sands ** \$'000	Central Plaza ** \$'000	Other investment properties * \$'000	Group \$'000
Year ended 30 September 2021											
<i>Revenue and expenses</i>											
Gross rental income	75,180	46,707	19,808	37,649	34,412	27,246	24,130	23,225	10,836	12,254	311,447
Others	7,403	4,130	2,585	3,815	1,856	3,705	2,509	2,223	62	1,414	29,702
Gross revenue	82,583	50,837	22,393	41,464	36,268	30,951	26,639	25,448	10,898	13,668	341,149
Segment net property income	60,905	37,743	13,435	29,796	27,081	24,360	18,255	17,876	7,550	9,566	246,567
Finance income											119
Other income											341
Interest income from joint venture											801
Finance costs											(45,938)
Non-property expenses											(36,109)
Net income											165,781
Share of results of associates											(1,386)
Share of results of joint ventures											16,886
Impairment loss on investment in associate											(11,976)
Net change in fair value of investment properties	1,700	(2,226)	(13,159)	(879)	(50)	1,666	(294)	68	(99)	9,975	(3,298)
Gain from fair valuation of derivatives											2,948
Net gain on step acquisition											11,470
Expenses in relation to acquisitions of subsidiaries and associate											(25,318)
Net foreign exchange loss											(21)
Gain on disposal of investment properties											17,156
Total return before tax											172,242
Taxation	-	-	-	(37)	(37)	(3,352)	(21)	(21)	(4)	-	(3,472)
Unallocated taxation											(137)
Total return for the year											168,633

* Other investment properties comprised Bedok Point (divested on 9 November 2020), Anchorpoint (divested on 22 March 2021), and YewTee Point (divested on 28 May 2021).

** These properties were included in the Group's portfolio following the acquisition of the balance 63.11% stake in ARF on 27 October 2020.

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13. **SEGMENT REPORTING (cont'd)**

	Causeway Point	Northpoint City North Wing and Yishun 10 Retail Podium	Changi City Point	Tampines 1	Tiong Bahru Plaza	Century Square	Hougang Mall	White Sands	Central Plaza	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 September 2022										
<i>Assets and liabilities</i>										
Segment assets	1,328,583	813,922	327,723	771,053	661,875	561,142	435,643	432,058	217,655	5,549,654
Investment in associate										40,808
Investment in joint ventures										312,341
Unallocated assets										
- Financial derivatives										25,071
- Others										13,494
Total assets										<u>5,941,368</u>
Segment liabilities	29,923	20,133	11,771	24,153	14,582	15,325	12,032	11,705	3,694	143,318
Unallocated liabilities										
- Interest-bearing borrowings										1,810,126
- Others										23,847
Total liabilities										<u>1,977,291</u>

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13. SEGMENT REPORTING (cont'd)

	Causeway Point \$'000	Northpoint City North Wing and Yishun 10 Retail Podium \$'000	Changi City Point \$'000	Tampines 1 \$'000	Tiong Bahru Plaza \$'000	Century Square \$'000	Hougang Mall \$'000	White Sands \$'000	Central Plaza \$'000	Group \$'000
Year ended 30 September 2022										
<i>Other segmental information</i>										
Net (written back)/allowance for doubtful receivables	(644)	–	5	(15)	–	9	(11)	–	–	(656)
Bad debts recovered	(1)	–	–	(1)	(1)	–	–	–	–	(3)
Amortisation of lease incentives	(565)	(275)	(209)	(611)	310	(310)	(221)	29	(54)	(1,906)
Depreciation of fixed assets	22	8	19	–	–	–	–	–	–	49
Capital expenditure										
- Investment properties	2,060	320	981	331	141	113	565	127	212	4,850

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13. **SEGMENT REPORTING (cont'd)**

	Causeway Point	Northpoint City North Wing and Yishun 10 Retail Podium	Changi City Point	Tampines 1 **	Tiong Bahru Plaza **	Century Square **	Hougang Mall **	White Sands **	Central Plaza **	Other investment properties *	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 September 2021											
<i>Assets and liabilities</i>											
Segment assets	1,316,081	807,852	328,383	767,702	659,198	579,642	436,383	431,340	219,191	1,430	5,547,202
Investment in associate											46,494
Investment in joint ventures											294,399
Unallocated assets											
- Others											10,702
Total assets											<u>5,898,797</u>
Segment liabilities	28,011	17,794	9,429	23,256	14,298	22,589	11,253	11,325	4,120	427	142,502
Unallocated liabilities											
- Financial derivatives											3,136
- Interest-bearing borrowings											1,808,916
- Others											25,435
Total liabilities											<u>1,979,989</u>

* Other investment properties comprised Bedok Point (divested on 9 November 2020), Anchorpoint (divested on 22 March 2021), and YewTee Point (divested on 28 May 2021).

** These properties were included in the Group's portfolio following the acquisition of the balance 63.11% stake in ARF on 27 October 2020.

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13. SEGMENT REPORTING (cont'd)

	Causeway Point	Northpoint City North Wing and Yishun 10 Retail Podium	Changi City Point	Tampines 1**	Tiong Bahru Plaza**	Century Square**	Hougang Mall**	White Sands**	Central Plaza**	Other investment properties*	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 September 2021											
<i>Other segmental information</i>											
Net allowance/(written back) for doubtful receivables	707	(110)	(1)	116	(18)	(96)	17	(6)	–	(8)	601
Amortisation of lease incentives	51	(210)	108	(195)	216	1,728	(118)	69	(67)	–	1,582
Depreciation of fixed assets	26	9	18	–	–	–	–	–	–	5	58
Fixed assets written off	–	–	–	–	–	–	–	–	–	37	37
Capital expenditure											
- Investment properties	5,351	17	266	684	267	61	176	–	32	26	6,880
- Fixed assets	7	–	30	–	–	–	–	–	–	4	41

* Other investment properties comprised Bedok Point (divested on 9 November 2020), Anchorpoint (divested on 22 March 2021), and YewTee Point (divested on 28 May 2021).

** These properties were included in the Group's portfolio following the acquisition of the balance 63.11% stake in ARF on 27 October 2020.

14. FINANCIAL RATIOS

The following financial ratios are presented as required by RAP 7:

	Group	
	2022	2021
	%	%
Expenses to weighted average net assets ⁽¹⁾ :		
• including performance component of asset management fees	0.93	0.93
• excluding performance component of asset management fees	0.57	0.58
Portfolio turnover rate ⁽²⁾	–	11.28

⁽¹⁾ The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses, interest expense and taxation.

⁽²⁾ The annualised ratios are computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. REVIEW

The condensed interim statements of financial position of Frasers Centrepoint Trust and its subsidiaries as at 30 September 2022 and the related condensed interim statement of total return, distribution statement, condensed interim statements of movements in unitholders' funds and condensed interim statement of cash flows for the six-month period and full year ended 30 September 2022 and certain explanatory notes have not been audited or reviewed.

2. REVIEW OF PERFORMANCE OF THE GROUP

(a)(i) Group financial performance (2H Sep 2022 vs 2H Sep 2021)

Gross revenue for the six-month period ended 30 September 2022 totalled \$180.7 million, an increase of \$13.2 million or 7.9% as compared to the corresponding period last year. The increase was mainly due to the absence of rental rebates provided to the tenants, increase in atrium income with the resumption of atrium events with effect from 29 March 2022 and partially offset by the loss of gross revenue from YewTee Point, which was divested in May 2021.

Property expenses for the six-month period ended 30 September 2022 totalled \$52.6 million, an increase of \$6.0 million or 12.9% compared to the corresponding period last year. The increase was mainly due to higher property tax expenses and marketing expenses as well as more ad-hoc maintenance works carried out during the period.

Net property income for the six-month period ended 30 September 2022 was therefore higher at \$128.1 million, being \$7.2 million or 6.0% higher than the corresponding period last year.

Net non-property expenses of \$44.5 million was \$5.6 million or 14.4% higher than the corresponding period last year mainly due to higher finance costs arising from the rising interest rate environment and the increase in Manager's management fees corresponding to the increase in net property income.

Total return included:

- Finance income of \$0.02 million was 48.7% lower than the corresponding period last year due to fewer fixed deposit placements.
- Gain from fair valuation of derivatives of \$0.03 million was \$1.8 million or 98.6% lower than the corresponding period last year mainly due to absence of realisation of hedging reserve upon expiry of an interest rate swaps contract in current period.
- Share of results of associates of \$1.5 million was \$0.8 million or 100.8% higher than the corresponding period last year due to better financial performance of H-REIT.

The results for H-REIT are equity accounted for at the Group level, net of 10% (2021: 10%) withholding tax in Malaysia and comprises the following:

- a. An estimate of H-REIT's results for the quarter ended 30 September 2022, based on H-REIT's actual results for the quarter ended 30 June 2022 (the latest publicly available results) adjusted for significant transactions and events occurring up to the reporting date of the Group, if any; and
 - b. Difference in the actual results subsequently reported, and the results previously estimated, in respect of the quarter ended 31 March 2022.
- Share of results of joint ventures of \$14.2 million was \$5.2 million or 58.1% higher than the corresponding period last year due to share of SST's fair value gain on investment property of \$4.3 million in current period.
 - For the period ended 30 September 2022, the Group recognised a net change in fair value of investment properties of \$2.7 million.

2. REVIEW OF PERFORMANCE OF THE GROUP (cont'd)

(a)(i) Group financial performance (2H Sep 2022 vs 2H Sep 2021) (cont'd)

- No provision has been made for tax at the Trust level as well as for certain subsidiaries as it is assumed that 100% of the taxable income available for distribution to unitholders in the next financial year will be distributed. The Tax Ruling grants tax transparency to FCT, Tiong Bahru Plaza Trust 1, White Sands Trust 1, Hougang Mall Trust 1, Tampines 1 Trust 1, Century Square Trust 1, Century Square Trust 2 and Central Plaza Trust 1 on their taxable income that is distributed to unitholders such that the aforementioned entities would not be taxed on such taxable income. The Group's tax credit of \$0.1 million mainly arises from over-provision of prior year tax expenses of certain subsidiaries within the Group.

(a)(ii) Group financial performance (2H Sep 2022 vs 1H Mar 2022)

Gross revenue for the six-month period ended 30 September 2022 totalled \$180.7 million, an increase of \$4.6 million or 2.6% as compared to six-month period ended 31 March 2022. The increase was mainly due to increase in atrium income with the resumption of atrium events with effect from 29 March 2022 following the relaxation of safe management measures.

Property expenses for the six-month period ended 30 September 2022 of \$52.6 million was \$6.9 million or 15.1% higher as compared to six-month period ended 31 March 2022. The increase was mainly due to higher property tax expenses and marketing expenses as well as more ad-hoc maintenance works carried out during the period.

Net property income for the six-month period ended 30 September 2022 was therefore lower at \$128.1 million, being \$2.4 million or 1.8% lower than six-month period ended 31 March 2022.

Net non-property expenses of \$44.5 million was \$5.9 million or 15.2% higher than six-month period ended 31 March 2022 mainly due to higher finance costs arising from the rising interest rate environment.

(a)(iii) Group financial performance (FY Sep 2022 vs FY Sep 2021)

Gross revenue for the year ended 30 September 2022 totalled \$356.9 million, an increase of \$15.8 million or 4.6% over the corresponding period last year. The increase was mainly due to the full year contribution from the enlarged retail portfolio following the ARF acquisition on 27 October 2020, absence of rental rebates provided to the tenants and increase in atrium income with the resumption of atrium events with effect from 29 March 2022. It was partially offset by the loss of gross revenue from the divested properties – Bedok Point, Anchorpoint and YewTee Point.

Property expenses for the year ended 30 September 2022 totalled \$98.3 million, an increase of \$3.8 million or 4.0% compared to the corresponding period last year. The increase was mainly due to the full year contribution from the enlarged retail portfolio, higher marketing expenses and more ad-hoc maintenance works carried out during the period. It was partially offset by the absence of property expenses from the divested properties – Bedok Point, Anchorpoint and YewTee Point.

Net property income for the year ended 30 September 2022 was therefore higher at \$258.6 million, being \$12.0 million or 4.9% higher than the corresponding period last year.

Net non-property expenses of \$83.0 million was \$2.2 million or 2.8% higher than the corresponding period last year mainly due to higher finance costs arising from the rising interest rate environment and absence of interest income from joint venture following the conversion of the loan to joint venture to Redeemable Preference Units.

2. REVIEW OF PERFORMANCE OF THE GROUP (cont'd)

(a)(iii) Group financial performance (FY Sep 2022 vs FY Sep 2021) (cont'd)

Total return included:

- Finance income of \$0.04 million was 63.9% lower than last year due to fewer fixed deposit placements.
- Gain from fair valuation of derivatives of \$0.5 million was \$2.4 million or 82.1% lower than the corresponding period last year mainly due to absence of realisation of hedging reserve and lower unrealised gain upon the expiry of the interest rate swaps.
- Share of results of associates' loss of \$1.1 million was \$0.3 million or 20.9% lower than the corresponding period last year mainly due to better financial performance from H-REIT in current year, partially offset by the absence of contribution from ARF, upon the reclassification of investment in ARF from "investment in associates" to "investment in subsidiaries" following the acquisition of remaining 63.11% of the total issued share capital of ARF on 27 October 2020.

On 24 December 2021 and 29 December 2021, H-REIT issued 6,300,000 and 3,000,000 new units respectively in 2 tranches arising from a private placement exercise announced on 15 November 2021. Each unit was priced at RM0.455.

Following the private placement, the Group's interest in H-REIT decreased from 31.15% to 30.53%. Arising from the dilution of interest in H-REIT, the Group recognised a loss of \$1.14 million, of which a loss of \$0.4 million arose from the realisation of translation reserve.

- Share of results of joint ventures of \$24.6 million was \$7.7 million or 45.7% higher than the corresponding period last year due to better SST's results and recognition of SST's fair value gain on investment property of \$4.3 million in current year.
- For the year ended 30 September 2022, the Group recognised a net change in fair value of investment properties of \$2.7 million.
- No provision has been made for tax at the Trust level as well as for certain subsidiaries as it is assumed that 100% of the taxable income available for distribution to unitholders in the next financial year will be distributed. The Tax Ruling grants tax transparency to FCT, Tiong Bahru Plaza Trust 1, White Sands Trust 1, Hougang Mall Trust 1, Tampines 1 Trust 1, Century Square Trust 1, Century Square Trust 2 and Central Plaza Trust 1 on their taxable income that is distributed to unitholders such that the aforementioned entities would not be taxed on such taxable income. The Group's tax credit of \$6.1 million mainly arises from the reversal of deferred tax relating to Century Square and is partially offset by the tax expenses of Century Square prior to the establishment of the limited liability partnership structure.

(b)(i) Group Balance Sheet as at 30 September 2022

The Properties are stated at valuation as at 30 September 2022 as assessed by independent professional valuers.

The decrease in investment in associate of \$5.7 million was mainly due to the share of H-REIT's fair value loss on investment properties of \$4.4 million.

The increase in investment in joint ventures of \$17.9 million was mainly due to the share of SST's fair value gain on investment properties of \$4.3 million and share of other comprehensive income of \$13.1 million.

The trade and other receivables of \$8.9 million included net provision for doubtful receivables of \$0.2 million (30 September 2021: \$0.9 million).

The increase in net total financial derivatives was mainly due to the fair value adjustments of interest rate swaps.

2. REVIEW OF PERFORMANCE OF THE GROUP (cont'd)

The Group is in a net current liability position as at 30 September 2022. Based on the Group's undrawn Revolving Credit Facilities of \$616.9 million as of 30 September 2022, the Group would be able to meet its current obligations as and when they fall due.

3. WHERE A FORECAST, OR A PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO SHAREHOLDERS, ANY VARIANCE BETWEEN IT AND THE ACTUAL RESULTS NOT APPLICABLE.

Not applicable.

4. COMMENTARY ON THE COMPETITIVE CONDITIONS OF THE INDUSTRY IN WHICH THE GROUP OPERATES AND ANY KNOWN FACTORS OR EVENTS THAT MAY AFFECT THE GROUP IN THE NEXT REPORTING PERIOD AND THE NEXT 12 MONTHS.

The Ministry of Trade and Industry (the "MTI") has revised its GDP growth forecast for 2022 to "3.0 to 4.0 per cent"¹ from "3.0 to 5.0 per cent" in the earlier projection, taking into account the GDP performance in the first half of 2022 and the latest global and domestic economic developments.

The MTI noted that the Singapore has transitioned to living with COVID-19 with the progressive removal of almost all of its domestic and border restrictions. This has in turn supported the recovery of segments of the Singapore economy that had been badly affected by the pandemic. The Department of Statistics ("DOS") has reported a 16.2% year-on-year increase in retail sales (excluding motor vehicle) for August 2022, extending the 18.4% increase in July 2022. The food & beverage (F&B) services grew by 40.2% year-on-year in August, extending the 41.9% increase in the previous month. DOS noted the strong F&B growth was mainly attributed to the low base in August 2021, when the safe distancing measures and group restriction measure were still in place.

Rising interest rates, cost inflation pressures and global geopolitical tensions are key factors that impact financing costs and operating expenses. The Manager also notes the development of the new strain of the COVID-19 ("XBB sub-variant") in Singapore. Due to multiple increases in the fund rates by the U.S. Federal Reserve in 2022, interest rates have risen significantly. The Manager expects the average cost of borrowing for FCT to rise above 3% in FY2023 from 2.5% currently. The Manager has hedged 71% of its borrowing on fixed interest rate to mitigate the risk of interest rate rise.

The Manager is also closely monitoring other cost factors such as energy prices and contracted service fees and would take appropriate hedging strategies to mitigate impact to its operating expenses. The Manager sees several opportunities to mitigate the impact on FCT's financial performance. These opportunities include active property and asset management and AEI. The Manager announced on 12 September 2022 the proposed acquisition of an additional 10.0% interest in Waterway Point to raise its stake from 40.0% to 50.0%. This acquisition will increase the mall's income contribution to FCT in FY2023.

FCT's portfolio of high-quality suburban retail properties has strong competitive advantages with its proximity to residential homes and transportation nodes, and it is well-positioned to ride on rising trends such as hybrid work arrangement and the shift to omnichannel retailing.

¹ Ministry of Trade and Industry. (11 August 2022). MTI Narrows Singapore's GDP Growth Forecast for 2022 to "3.0 to 4.0 Per Cent" [Press Release]. https://www.mti.gov.sg/-/media/MTI/Resources/Economic-Survey-of-Singapore/2022/Economic-Survey-of-Singapore-Second-Quarter-2022/PR_2Q22.pdf

5. DISTRIBUTIONS

5(a) Current financial period

Any distribution declared for the current period? Yes

Name of distribution i) Distribution for the period from 1 April 2022 to 30 September 2022

Distribution Type Taxable income

Distribution Rate Taxable income distribution – 6.091 cents per unit (including release of Retained Income from 1 October 2021 to 31 March 2022 of 0.282 cents per unit)

Par value of units Not meaningful

Tax Rate Taxable income distribution

Individuals who hold the units as investment assets and not through a partnership in Singapore will receive pre-tax distributions. These distributions are tax-exempt at the individuals' level.

Individuals who hold the units from the carrying on of a trade, business, or profession or individuals who hold units through a partnership in Singapore will receive pre-tax distributions. These distributions will however be subject to tax at the individuals' level at their applicable income tax rates.

Qualifying unitholders will receive pre-tax distributions. These distributions will however be subject to tax at their applicable income tax rates.

Qualifying foreign non-individual investors and foreign funds under Section 13CA, 13X or 13Y of the Singapore Income Tax Act will receive distributions after deduction of tax at the rate of 10%. This is based on the existing income tax concession for listed REITs on distributions made to non-resident non-individual investors during the period from 18 February 2005 to 31 December 2025 and non-resident funds during the period from 1 July 2019 to 31 December 2025.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

5. DISTRIBUTIONS (cont'd)

5(b) Corresponding period of the immediate preceding financial period

Any distribution declared for the current period? Yes

Name of distribution i) Distribution for the period from 1 April 2021 to 30 September 2021

Distribution Type a) Taxable income
b) Tax-exempt income

Distribution Rate a) Taxable income distribution – 5.667 cents per unit
b) Tax-exempt income distribution – 0.422 cents per unit

Par value of units Not meaningful

Tax Rate Taxable income distribution

Individuals who hold the units as investment assets and not through a partnership in Singapore will receive pre-tax distributions. These distributions are tax-exempt at the individuals' level.

Individuals who hold the units from the carrying on of a trade, business, or profession or individuals who hold units through a partnership in Singapore will receive pre-tax distributions. These distributions will however be subject to tax at the individuals' level at their applicable income tax rates.

Qualifying unitholders will receive pre-tax distributions. These distributions will however be subject to tax at their applicable income tax rates.

Qualifying foreign non-individual investors and foreign funds under Section 13CA, 13X or 13Y of the Singapore Income Tax Act will receive distributions after deduction of tax at the rate of 10%. This is based on the existing income tax concession for listed REITs on distributions made to non-resident non-individual investors during the period from 18 February 2005 to 31 December 2025 and non-resident funds during the period from 1 July 2019 to 31 December 2025.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-exempt income distribution

Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to the net income from the investment in H-REIT, FCT Holdings (Sigma) Pte. Ltd, Century Square Trust 1 and Century Square Trust 2.

5(c) Date paid/payable 29 November 2022

5(d) Books closure date 3 November 2022 (5.00 pm)

5(e) Unitholders must complete and return 16 November 2022

6. IF NO DIVIDEND HAS BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT.

Not applicable.

7. IF THE GROUP HAS OBTAINED A GENERAL MANDATE FROM UNITHOLDERS FOR IPT, THE AGGREGATE VALUE OF SUCH TRANSACTIONS ARE REQUIRED UNDER RULE 920(1)(A)(II). IF NO IPT MANDATE HAS BEEN OBTAINED, A STATEMENT TO THAT EFFECT.

FCT Group did not obtain any general mandate from unitholders for IPTs.

8. IN THE REVIEW OF PERFORMANCE, THE FACTORS LEADING TO ANY MATERIAL CHANGES IN CONTRIBUTIONS TO TURNOVER AND EARNINGS BY THE BUSINESS OR GEOGRAPHICAL SEGMENTS.

Please refer to section 2 on pages 26 to 29 for the review of the actual performance.

ADDITIONAL INFORMATION REQUIRED:

9. BREAKDOWN OF SALES

	Actual Oct 21 to Sep 22	Actual Oct 20 to Sep 21	Increase / (Decrease)
	\$'000	\$'000	%
Gross revenue reported for first half year	176,187	173,614	1.5
Total return ^(a)	105,017	82,546	27.2
Gross revenue reported for second half year	180,744	167,535	7.9
Total return ^(a)	102,262	86,087	18.8

^(a) Total return includes net change in fair value of investment properties and gain on disposal of the investment properties.

10. BREAKDOWN OF DISTRIBUTIONS

	Actual Oct 21 to Sep 22	Actual Oct 20 to Sep 21
	\$'000	\$'000
1 October 2020 to 6 October 2020	–	1,478
7 October 2020 to 31 March 2021	–	99,623
1 April 2021 to 30 September 2021	103,565	–
1 October 2021 to 31 March 2022	104,414	–
1 April 2022 to 30 September 2022	Refer to page 3	–

11. CONFIRMATION PURSUANT TO RULE 704(13) OF THE SGX-ST LISTING MANUAL

Pursuant to Rule 704(13) of the SGX-ST Listing Manual, Frasers Centrepoint Asset Management Ltd (as Manager of FCT) confirms that there is no person occupying a managerial position in the Manager or in any of the principal subsidiaries of FCT who is a relative of a Director, Chief Executive Officer or substantial shareholder/unitholder of the Manager or FCT. At present, the Manager does not have any subsidiary.

12. CONFIRMATION PURSUANT TO RULE 720(1) OF THE SGX-ST LISTING MANUAL

Frasers Centrepoint Asset Management Ltd (as Manager of FCT) confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX-ST Listing Manual.

ON BEHALF OF THE BOARD
FRASERS CENTREPOINT ASSET MANAGEMENT LTD
(Company registration no. 200601347G)
(as Manager for FRASERS CENTREPOINT TRUST)

Cheong Choong Kong
Chairman

Low Chee Wah
Director

BY ORDER OF THE BOARD
Catherine Yeo
Company Secretary
26 October 2022