

FCT reports DPU of 12.227 Singapore cents for FY2022

- ◆ Achieved higher revenue, net property income and distribution per Unit in FY2022
- ◆ Healthy financial position with aggregate leverage at 33.0% with stable portfolio appraised valuations
- ◆ Broad-based improvement in operating performance with double-digit year-on-year rise in shopper traffic and tenants' sales, positive rental reversion and higher portfolio occupancy

SINGAPORE, 26 OCTOBER 2022

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 distribution per unit ("DPU") of 6.091¹ Singapore cents for the six-month period from 1 April 2022 to 30 September 2022 ("2H2022"). The books closure date for the 2H2022 DPU is 5.00 p.m. on 3 November 2022 and the payment date is 29 November 2022. The total DPU for the year ended 30 September 2022 ("FY2022") is 12.227 Singapore cents, up 1.2% year-on-year.

Mr Richard Ng, Chief Executive Officer of FCAM, said, "We are pleased that FCT closed FY2022 with higher revenue, net property income ("NPI") and DPU. Improvements in operating performance were broad-based with double-digit year-on-year rise in shopper traffic and tenants' sales, positive rental reversion and higher portfolio occupancy. The appraised value of FCT's suburban retail portfolio has also remained relatively stable.

While there are headwinds from rising interest rates, inflation and volatilities in the global geopolitical situations, we see several opportunities that would help cushion the impact. These include rent growth and room for higher ancillary income, opportunity for asset enhancement initiatives ("AEI") for value creation and higher contributions from the acquisition of the additional 10% stake in Waterway Point to be completed in FY2023. FCT's malls are also well positioned to leverage their proximity to homes, provision of basic essentials and strong loyalty program membership base to benefit from the rising trend of hybrid work arrangement and increasing consumer preference for click-and-collect and order fulfilment from malls near their homes."

Summary of 2H2022 and FY2022 results

In S\$ million unless otherwise stated	2H2022 Six-month period ended 30/9/2022	2H2021 Six-month period ended 30/9/2021	Increase/ (Decrease)	FY2022 Year ended 30/9/2022	FY2021 Year ended 30/9/2021	Increase/ (Decrease)
Gross revenue	180.74	167.54	7.9%	356.93	341.15	4.6%
Net property income	128.12	120.91	6.0%	258.60	246.57	4.9%
Distribution to Unitholders	103.78 ¹	103.58	0.2%	208.19 ²	204.67	1.7%
DPU (S cents)	6.091	6.089	-	12.227	12.085	1.2%
				As at 30 September 2022	As at 30 September 2021	
Net asset value and net tangible asset value per Unit (S\$)*				2.33	2.30	

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

* Includes the DPU to be paid for 2H2022 and 2H2021, respectively, based on issued and issuable units.

¹ In 2H2022, 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 tax-exempt income available for distribution to Unitholders.

² In 2H2022, FCT had retained \$1.7 million of its current period tax-exempt income available for distribution to Unitholders.

Improved financial performance and stable portfolio valuation

2H2022 gross revenue rose 7.9% year-on-year to \$180.74 million on full contribution from the ARF acquisition³ which was partially offset by the absence of contribution from properties divested in FY2021⁴. 2H2022 NPI was up 6.0% year-on-year to \$128.12 million. For the full year, revenue and NPI reached new highs of \$356.93 million and \$258.60 million, respectively. The higher income helped to lift the full year DPU to 12.227 cents from 12.085 cents last year.

FCT's financial position remains healthy with aggregate leverage at 33.0%⁵ and its interest coverage ratio is 5.19 times⁶. The Manager has increased the proportion of fixed interest rate borrowings to 71% to better manage interest rate risks. With the rise in interest rates, FCT's all-in average cost of debt for the year rose to 2.5% from 2.4% in June 2022.

The aggregate appraised value of FCT's investment portfolio remained relatively stable at approximately S\$5.5 billion with no change in valuation cap rates used by the independent valuers. Net asset value per unit as at 30 September 2022 rose 1.3% to \$2.33 from \$2.30 a year ago.

Broad-based operating performance improvement

The retail property portfolio registered improved committed occupancy of 97.5%, up 0.4%-points from the previous quarter. The larger malls - Causeway Point, Waterway Point and Northpoint City North Wing - continued to maintain strong occupancy, with Causeway Point and Northpoint City North Wing registering 100% occupancy. Central Plaza recorded the largest improvement in committed occupancy of 11.9%-point, while Century Square and Tampines 1 improved by 3.8%-points and 1.3%-points, respectively, with signings of new tenants. The rental portfolio achieved better average rental reversion of 1.5% (on incoming versus outgoing basis) and 4.2% (on average versus average basis), compared with the previous year's -0.6% and 2.1% for the respective figures.

The easing of the COVID-19 safe management measures since end-March 2022 helped lift shopper traffic and tenants' sales of the retail portfolio. Shopper traffic and tenants' sales in FY2022 rose 12.4% and 11.3% year-on-year, respectively. The portfolio tenants' sales in the nine months to September 2022 period averaged 10% above pre-COVID levels. With higher tenants' sales, occupancy cost for the retail portfolio continued to improve to 16.2% in FY2022, down from 19.2% in FY2020 and 17.5% in FY2021, providing headroom for rental growth.

Outlook

The Ministry of Trade and Industry (the "MTI") has revised its GDP growth forecast for 2022 to "3.0 to 4.0 per cent"⁷ 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 Singapore has transited 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

³ The acquisition of the remaining 63.11% stake in AsiaRetail Fund Limited, completed on 27 October 2020.

⁴ FCT divested 3 retail properties - Bedok Point, Anchorpoint and YewTee Point in FY2021.

⁵ In accordance with the Property Funds Appendix, the aggregate leverage includes FCT's proportionate share of deposited property value and borrowings in Sapphire Star Trust, which owns Waterway Point.

⁶ Ratio 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. As the Group has not issued any hybrid securities, Adjusted ICR is identical to the ICR of the Group.

⁷ 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

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 COVID-19 (“XBB sub-variant”) in Singapore. Due to multiple increases in the federal funds 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 rates 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.

End

About Frasers Centrepoint Trust

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\$6.2 billion. FCT’s current property portfolio comprises nine 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 2.3 million square feet of net lettable area with over 1,400 leases with a strong focus on providing for necessity spending, food & beverage and essential services.

The portfolio comprises Causeway Point, Northpoint City North Wing (including Yishun 10 Retail Podium), Changi City Point, Waterway Point (40%-interest), Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square and Tampines 1 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.

FCT also holds a 30.53% 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 the 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., a real estate management company and a wholly-owned subsidiary of Frasers Property Limited.

For more information on FCT, please visit www.frasersproperty.com/reits/fct.

About Frasers Property Limited

Frasers Property Limited (“Frasers Property” and together with its subsidiaries, the “Frasers Property Group” or the “Group”), is a multinational developer-manager-investor 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\$40.7 billion as at 31 March 2022.

Frasers Property’s multinational businesses operate across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. 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 spans 70 cities in over 20 countries 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.

As a purpose-led organisation, 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 or follow us on [LinkedIn](#).

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