

LEADING WITH PURPOSE



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GLOSSARY

For ease of reading, this glossary provides definitions of abbreviations that are frequently used throughout this report

AEI	: Asset Enhancement Initiative
AGM	: Annual General Meeting
ARF Acquisition	: The acquisition of the remaining approximately 63.11% interest in ARF, announced on 3 September 2020 and completed on 27 October 2020
ARF	: AsiaRetail Fund Limited
COVID-19	: Coronavirus disease
CSFS	: Community/Sports Facilities Scheme
DPU	: Distribution per unit
EGAS Index	: FTSE EPRA/NAREIT Developed Asia Index
Essential Services	: The groupings of essential and non-essential services based on Ministry of Trade and Industry's press release on 21 April 2020
F&B	: Food and Beverage
FCAM	: Frasers Centrepoint Asset Management Ltd., the Manager of FCT
FCT	: Frasers Centrepoint Trust
Fed	: Federal Reserve System
Fed Fund Rate	: Federal Funds Target Rates
FSTREI Index	: FTSE ST All-share Real Estate Investment Trust Index
FPL	: Frasers Property Limited, the sponsor of FCT
FY	: FCT's financial year ending 30 September
GFA	: Gross Floor Area
GRESB	: Global Real Estate Sustainability Benchmark
GRI	: Gross Rental Income
MOH	: Ministry of Health
Moody's	: Moody's Investors Service (credit rating agency)
MTN	: Medium Term Notes
NAV	: Net Asset Value
NLA	: Net Lettable Area
NPI	: Net Property Income
NTA	: Net Tangible Asset
q-o-q	: quarter-on-quarter, refers to the comparison with the previous quarter
RCF	: Revolving Credit Facilities
REIT	: Real Estate Investment Trust
Retail Portfolio	: Includes all retail malls in FCT's investment portfolio, and includes Waterway Point (40.00%-owned by FCT as at 30 September 2022), but excludes Central Plaza which is an office property
RSI	: Retail Sales Index, published by the Department of Statistics
RSV	: Retail Sales Value, published by the Department of Statistics
S&P	: Standard and Poor's (credit rating agency)
SMM	: Safe Management Measures
Sq ft	: Square Feet
Sq m	: Square Meter
SST	: Sapphire Star Trust, which holds Waterway Point; it is a joint venture of FCT
WALE	: Weighted Average Lease Expiry
y-o-y	: year-on-year, refers to the comparison with the same period in the previous year
Unitholders	: Unitholders of FCT

LEADING WITH PURPOSE

At Frasers Centrepoint Trust, people are at the centre of everything we do. We help connect and strengthen businesses and communities. We consider our impact on people and the planet. Our Purpose – ***Inspiring experiences, creating places for good.*** – requires us to maintain a long-term view to business, creating lasting shared value for our stakeholders. We want to collaborate with like-minded partners, taking a science-based approach for outcomes that are equitable, people-focused and climate-positive. By being purpose-led, we challenge ourselves to constantly innovate and evolve as we strive to help build a more sustainable, inclusive and healthy world for all. As we aspire to be a leading real estate investment trust of choice, we believe we will build further on the progress made thus far in ensuring a more resilient, future-ready business.



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.

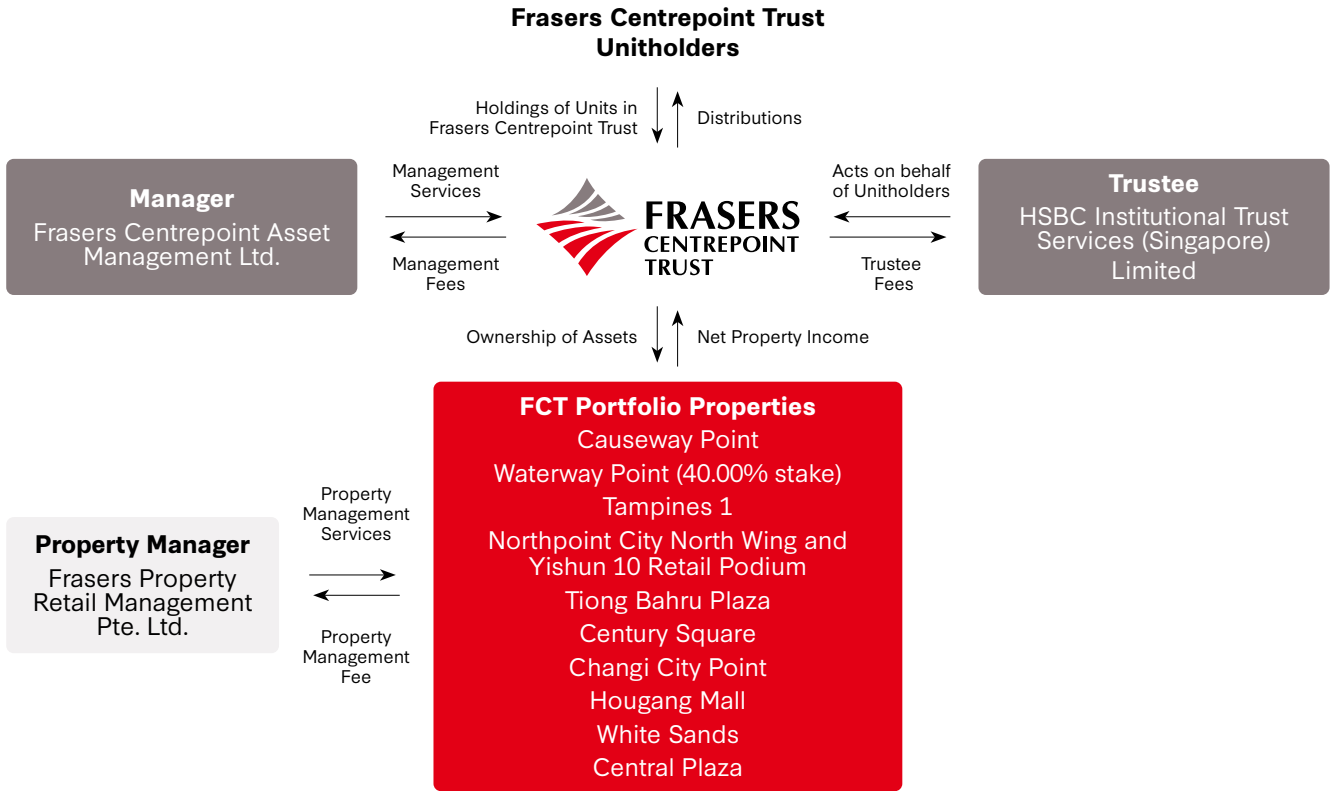
The portfolio comprises Causeway Point, Northpoint City North Wing (including Yishun 10 Retail Podium), Changi City Point, Waterway Point (40.00%-interest), Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square and Tampines 1 and an office property (Central Plaza). FCT's malls enjoy stable and recurring shopper footfall supported by commuter traffic and residential population in the catchment areas.

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.

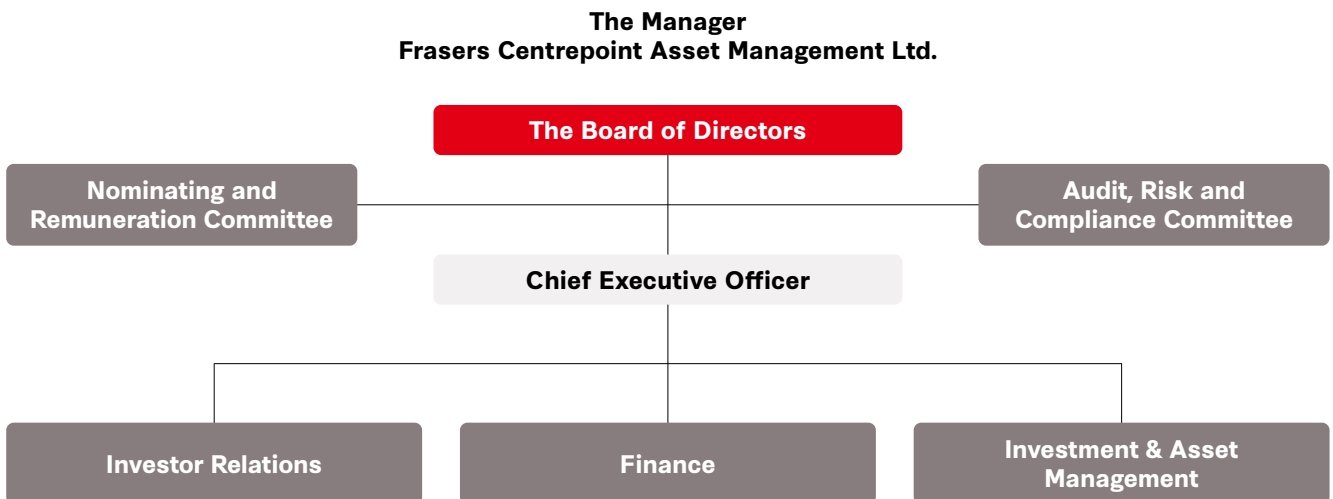
FCT is index constituent of several benchmark indices including the FTSE EPRA/NAREIT Global Real Estate Index Series (Global Developed Index), FTSE ST Real Estate Investment Trust Index, MSCI Singapore Small Cap Index and SGX iEdge S-REIT Leaders Index.

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.

STRUCTURE OF FRASERS CENTREPOINT TRUST



ORGANISATION STRUCTURE OF THE MANAGER



BUSINESS OBJECTIVES AND GROWTH STRATEGIES

FCT is a real estate investment trust set up to own and invest in income-producing properties or properties that could be developed or redeveloped into income-producing properties, used primarily for retail purposes in Singapore and overseas.

FCT's objectives are to deliver regular and stable distributions to Unitholders of FCT ("Unitholders") and to achieve long-term growth in its net asset value, so as to provide Unitholders with competitive rate of returns for their investments.

FCAM, the Manager of FCT, sets the strategic direction for FCT and this includes making recommendations to HSBC Institutional Trust Services (Singapore) Limited, as the Trustee of FCT, on acquisitions, divestments and enhancement of assets. FCAM also oversees the overall management of FCT's portfolio of investment properties, including the capital and risk management.

FCT's growth strategies comprise three growth drivers - acquisition growth, enhancement growth and organic growth.

ACQUISITION GROWTH

Identifying and pursuing growth opportunities via acquiring additional income-producing properties and properties that could be developed or redeveloped into income-producing properties. The acquisitions should meet FCT's investment objectives to enhance yields and returns for Unitholders while improving portfolio diversification. The acquisition opportunities include Sponsor's pipeline assets and third party assets, in Singapore and overseas.

ENHANCEMENT GROWTH

This includes change of configuration and layout of the properties to achieve better asset yield and sustainable income growth, and to achieve value creation through AEI to improve the income-producing capability of the properties.

ORGANIC GROWTH

Active lease management to achieve positive rental reversions and maintaining healthy portfolio occupancy to provide steady rental growth. FCAM adopts prudent capital and risk management strategies in its course of business.

CAPITAL MANAGEMENT

FCAM continues to maintain a prudent financial structure and adequate financial flexibility to ensure that it has access to capital resources at competitive cost.

FCAM proactively manages FCT's cash flows, financial position, debt maturity profile, costs of capital, interest rates exposure and overall liquidity position.

RISK MANAGEMENT

Effective risk management is a fundamental part of FCT's business management. Key risks, mitigating measures and management actions are continually identified, reviewed and monitored by management as part of FCAM's enterprise-wide risk management framework.

Recognising and managing risks are central to the business and to protecting Unitholders' interests.

FY2022 HIGHLIGHTS

GROSS REVENUE

S\$356.9
million

▲ 4.6% year-on-year

NET PROPERTY INCOME

S\$258.6
million

▲ 4.9% year-on-year

FY2022 gross revenue and NPI reached new highs of S\$356.9 million and S\$258.6 million respectively. The growth was largely led by the full year contribution from the enlarged retail portfolio following the ARF Acquisition on 27 October 2020 and absence of rental rebates given to tenants in FY2021 as well as an increase in atrium income with the lifting of restrictions on atrium events in late March 2022. The performance was partially offset by the loss of contributions from the divested properties – Bedok Point, Anchorpoint and YewTee Point which were divested in FY2021, and higher property expenses.

DISTRIBUTION PER UNIT

12.227
S cents

▲ 1.2% year-on-year

DPU for FY2022 was 12.227 cents, which is 1.2% higher than the 12.085 cents DPU in FY2021. The increase was mainly attributed to higher NPI and distribution from joint ventures partially offset by higher finance costs arising from the rising interest rate environment.

NET ASSET VALUE AND NET TANGIBLE ASSET PER UNIT

S\$2.33

▲ 1.3% year-on-year

FCT's NAV and NTA per unit as at 30 September 2022 stood at S\$2.33 per unit¹ which is 1.3% higher than the NAV and NTA per unit of S\$2.30 per unit² a year ago.

APPRAISED VALUE OF INVESTMENT PROPERTY PORTFOLIO

S\$5,516.0
million

▲ 0.2% year-on-year

Total appraised value of FCT's portfolio of investment properties as at 30 September 2022 stood at S\$5,516.0 million, registering an increase of S\$9.5 million as compared to 30 September 2021.

The increase in portfolio value was largely driven by higher valuation achieved by Causeway Point and Northpoint City North Wing which registered an uplift in its appraised value of S\$11.0 million and S\$6.5 million respectively. Century Square registered a decline of S\$15.0 million in its appraised value. The appraised values of all other properties remained relatively stable.

AGGREGATE LEVERAGE

33.0%

FCT's aggregate leverage stood at a healthy level of 33.0%³, compared to average of 36.9%⁴ in the S-REITs industry.

1 Includes the distribution to be paid for the second half of FY2022.

2 Includes the distribution to be paid for the second half of FY2021.

3 In accordance with Property Funds Appendix, the aggregate leverage includes FCT's 40.00% proportionate share of deposited property value and borrowing in Sapphire Star Trust (which owns Waterway Point).

4 Weekly S-REITs Tracker, 31 October 2022, Bank of Singapore Equity Research.

KEY EVENTS

OCTOBER 2021

- ▶ FCT announced the full year financial results for FY2021 on 27 October 2021: DPU for FY2021 rose 33.7% year-on-year at 12.085 Singapore cents, gross revenue and net property income for FY2021 reached new highs of S\$341.1 million and S\$246.6 million, respectively. The improved financial performance in FY2021 was attributed to the ARF acquisition completed in October 2020 and lower rental rebates granted to tenants during the financial year and partially offset by the loss of contribution from the properties divested during the year.
- ▶ FCT achieved a 5-Star rating and an overall score of 92 in the 2021 GRESB Real Estate Assessment. This was a remarkable improvement from the 3-star rating achieved in the previous year.

DECEMBER 2021

- ▶ FCT announced the retirement of Mr Christopher Tang Kok Kai as a Non-Executive and Non-Independent Director of FCAM and as a member of the Nominating and Remuneration Committee. Mr Tang has served on the Board of FCAM since 27 January 2006. The Board expressed its appreciation to Mr Tang for his dedication and invaluable contribution during his tenure of service.

JANUARY 2022

- ▶ FCT provided the business update for the first quarter ended 31 December 2021. FCT continued to deliver resilient performance despite continuing COVID-19 impact and portfolio occupancy remained stable at a healthy level of 97.2%.
- ▶ FCT convened and held its 13th AGM by way of electronic means on Tuesday, 18 January 2022. All resolutions proposed were duly passed. On 12 January 2022, prior to the AGM, the Manager published the responses to the substantial and relevant questions for the AGM from Unitholders. The minutes of the AGM were published on 17 February 2022.

FEBRUARY 2022

- ▶ FCT announced the appointment of Ms Soon Su Lin as a Non-Executive and Non-Independent Director of FCAM with effect from 1 March 2022.

APRIL 2022

- ▶ FCT released its interim financial statements for the six-month period ended 31 March 2022. DPU for 1H2022 was 2.3% higher year-on-year at 6.136 Singapore cents. FCT also reported improved operating and financial performance in 1H2022 with higher retail portfolio occupancy at 97.8% and tenants' sales compared to the same period a year ago.

JULY 2022

- ▶ FCT provided business updates for the third quarter ended 30 June 2022 on 26 July 2022. FCT reported stable retail occupancy at 97.1% and improved shopper traffic and tenants' sales in 3Q2022.

SEPTEMBER 2022

- ▶ FCT announced the acquisition of an additional 10.00% stake in Waterway Point to raise its stake to 50.00%. The acquisition is in line with FCT's growth strategy to generate long-term returns for the Trust and its Unitholders.

SUBSEQUENT EVENTS

October 2022

- ▶ FCT announced the full year financial results for FY2022 on 26 October 2022. FCT achieved higher gross revenue, net property income and DPU in FY2022. DPU for FY2022 was 1.2% higher year-on-year at 12.227 Singapore cents. FCT maintained a healthy financial position with aggregate leverage at 33.0% and portfolio appraised valuation remaining stable. FCT also achieved broad-based improvement in operating performance with double-digit percentage year-on-year rise in shopper traffic and tenants' sales, positive rental reversion and higher portfolio occupancy.
- ▶ FCT maintained its 5-Star rating and an overall score of 92 in the 2022 GRESB Real Estate Assessment.



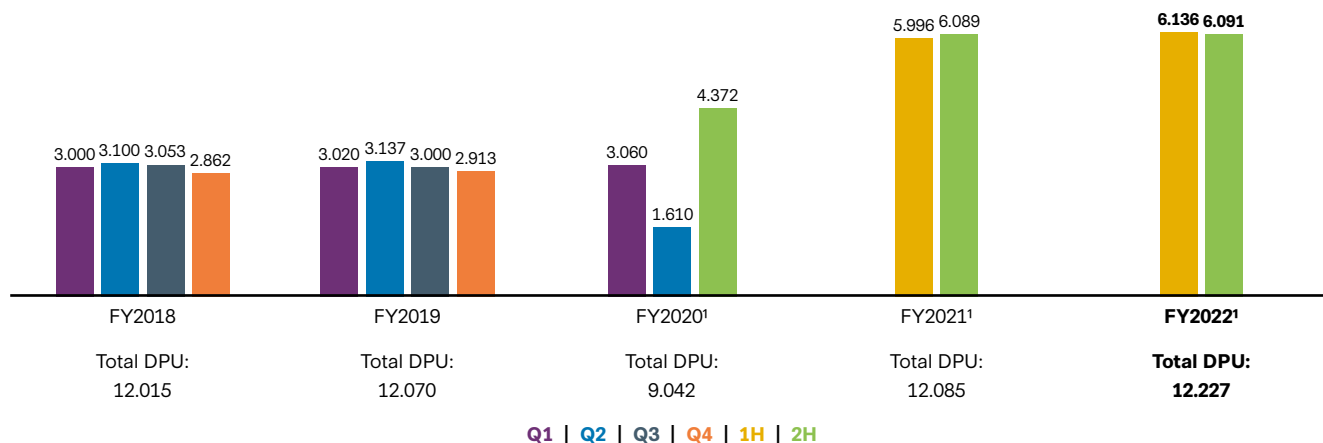
5-YEAR PERFORMANCE AT A GLANCE



1 In accordance with the Property Funds Appendix, the aggregate leverage includes FCT's 40.00% proportionate share of deposited property value and borrowing in Sapphire Star Trust (which owns Waterway Point).

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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Distribution per Unit by Financial Reporting Periods (S cents)



- 1 FCT moved to half-yearly financial announcement and half-yearly distribution payment with effect from the second half of its financial year 2020. The announcement was made on 13 May 2020. This follows the amendment of SGX's listing manual (Rule 705(2)) that allows issuers to move to half yearly reporting which took effect from 7 February 2020.

FCT and its subsidiaries ("FCT Group")
For the Financial Year ended 30 September

FY2018 FY2019 FY2020 FY2021 FY2022

Selected Income Statement and Distribution Information (S\$'000)

Gross Revenue	193,347	196,386	164,377	341,149	356,931
Net Property Income	137,186	139,283	110,888	246,567	258,597
Distributable Income	111,316	118,718	101,146	204,674	208,190

Selected Balance Sheet Information (S\$ million)

Total Assets	2,840.4	3,610.9	3,883.4	5,898.8	5,941.4
Total Borrowings	813.0	1,042.0	1,255.0	1,815.0	1,815.0
Net Assets	1,933.8	2,471.0	2,538.3	3,918.8	3,964.1
Value of Portfolio Properties	2,749.0	2,846.0	2,749.5	5,506.5 ^{1,2}	5,516.0¹

Other Financial Indicators

Distribution per Unit (S cents) ³	12.015	12.070	9.042	12.085	12.227
Net Asset Value per Unit (S\$) ³	2.08	2.21	2.27	2.30	2.33
Aggregate Leverage ⁴	28.6%	32.9%	35.9%	33.3%	33.0%
Interest Coverage (times) ⁵	6.25	5.74	6.34	4.77	5.19
Market Capitalisation (S\$ million)	2,102.9	3,058.6	2,675.5	3,857.3	3,693.5⁶

1 The investment properties are Causeway Point, Northpoint City North Wing (including Yishun 10 Retail Podium), Changi City Point, Tampines 1, Tiong Bahru Plaza, Century Square, Hougang Mall, White Sands, and Central Plaza. The 40.00% interest in Waterway Point is held as investment in joint venture.

2 The properties Tampines 1, Tiong Bahru Plaza, Century Square, Hougang Mall, White Sands and Central Plaza were included in FCT's investment property portfolio following the completion of the acquisition of the remaining 63.11% interest in AsiaRetail Fund Limited on 27 October 2020. The properties Bedok Point, Anchorpoint and YewTee Point were divested during FY2021.

3 Includes the distribution to be paid for the last quarter for FY2018 and FY2019. Includes the distribution to be paid for the second half for FY2020, FY2021 and FY2022.

4 In accordance with the Property Funds Appendix, the aggregate leverage includes FCT's 40.00% proportionate share of deposited property value and borrowing in Sapphire Star Trust (which owns Waterway Point).

5 From FY2020, 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 FCT Group has not issued any hybrid securities, adjusted Interest Coverage Ratio ("ICR") is identical to the ICR.

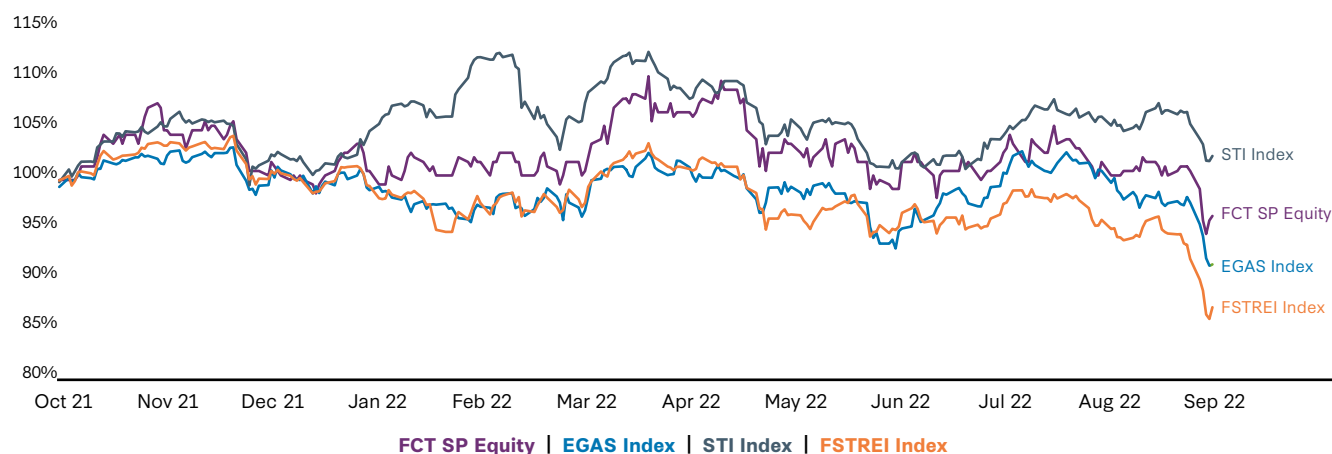
6 Based on total outstanding 1,702,057,564 issued units and FCT's closing price of S\$2.17 as at 30 September 2022.

UNIT PRICE PERFORMANCE

FCT'S UNIT PRICE AND TOTAL RETURN IN FY2022 WERE AFFECTED BY INTEREST RATE HIKES

FCT unit price closed at S\$2.17 on 30 September 2022. This represents a unit price decline of 4.4% and a total return of 0.6% during the year under review. FCT unit price rode on the market rally in mid-March 2022 on hopes of sustained economy re-opening, after the Singapore Government announced further relaxation of the COVID-19 safe management measures. Markets turned cautious after the United States Central Bank, the Federal Reserve System (the "Fed") increased the Federal Funds Target Rates (the "Fed Fund Rate") in May 2022 by 50 basis points, which was higher than the 25 basis points when it first raised the rate in March 2022. The key benchmark REIT indices, namely the FTSE ST All-share Real Estate Investment Trust Index (the "FSTREI Index") and the FTSE EPRA/NAREIT Developed Asia Index (the "EGAS Index") fell following the Fed's rate hike announcement in May 2022. FCT unit price fell in tandem, after it peaked at S\$2.48 on 5 April 2022. Thereafter, the Fed announced consecutive 75 basis points rate hikes in June, July and September 2022, and this continued to exert downward pressure on the REITs, with the respective REIT indices closing at their lowest points in end September 2022. The lowest closing unit price for FCT was S\$2.13 on 28 September 2022. Please refer to the chart below on FCT's unit price performance versus the FSTREI Index, FTSE Straits Times Index and the EGAS Index between 1 October 2021 and 30 September 2022.

1-Year FCT Unit price performance versus FTSE REIT Index, FTSE Straits Times index and EGAS Index



Source: Bloomberg

REVIEW OF FCT PAST UNIT PRICE AND TOTAL RETURN PERFORMANCE COMPARED WITH THE BENCHMARK INDICES

The benchmark REIT indices generally underperformed the broader based FTSE Straits Times Index during the year under review mainly due to the impact from the Fed rate hikes. Both the FTSE REIT index and the EGAS Index registered negative total returns for the one-year period between 1 October 2021 and 30 September 2022, while FCT achieved a slight positive return of 0.61%. Over the three-year period, FCT registered -10.26% in total return compared with -12.22% for the EGAS Index and -7.51% for the FTSE REIT Index, due to the stronger unit price performance in the 2019/2020 period before COVID-19 hit. Over a five-year period, FCT's total return stood at 29.62%, which outperformed the two REIT benchmark indices and the FTSE Straits Times Index. FCT achieved a total return of more than 400% since inception, and this is much higher than the 3 benchmark indices, as shown in the following table:

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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	1 year 1 October 2021 to 30 September 2022		3 years 1 October 2019 to 30 September 2022		5 years 1 October 2017 to 30 September 2022		Since inception 5 July 2006 to 30 September 2022	
	Price Change %	Total Return % ¹	Price Change %	Total Return % ¹	Price Change %	Total Return % ¹	Price Change %	Total Return % ¹
FCT	-4.41%	0.61%	-20.61%	-10.26%	3.18%	29.62%	111.37%	411.50%
FTSE REIT Index	-13.25%	-8.33%	-20.34%	-7.51%	-8.41%	19.53%	9.26%	175.38%
FTSE Straits Times Index	1.41%	5.59%	0.33%	12.56%	-2.78%	17.54%	29.82%	115.74%
EGAS	-8.95%	-5.08%	-22.05%	-12.22%	-6.04%	13.72%	5.52%	88.59%

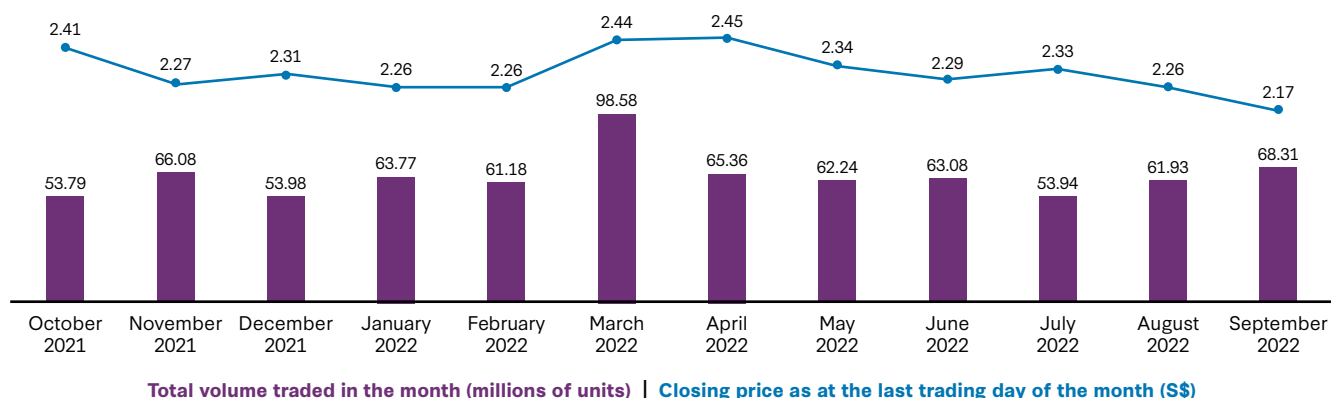
Source: Bloomberg

1 Assumes the distributions are reinvested

FCT MONTHLY TRADING PERFORMANCE IN FY2022

FCT's trading volume and the unit closing price for each month in FY2022 is shown in the chart below. The average daily trading volume (the "ADTV") in FY2022 was 3.05 million units (FY2021: 3.98 million units), which is about 23.3% lower compared with the same period in the previous year. The closing unit price at the end of each month generally trended lower from April 2022, mainly due to the rising Fed Fund Rates discussed earlier.

Trading Performance in FY2022



Source: Bloomberg

TRADING PERFORMANCE IN THE PAST FIVE FINANCIAL YEARS

The table below shows the historical trading information of FCT units in the past five financial years. The market capitalisation of FCT stood at approximately S\$3.693 billion as at 30 September 2022.

	FY2018	FY2019	FY2020	FY2021	FY2022
Opening price (S\$)	2.11	2.27	2.73	2.39	2.26
Closing price (S\$) ¹	2.27	2.74	2.39	2.27	2.17
Highest closing price (S\$)	2.36	2.85	3.04	2.64	2.48
Lowest closing price (S\$)	2.12	2.14	1.64	2.08	2.13
Total volume traded (million units)	271.2	478.5	820.8	1,006.5	769.2
Average daily trading volume (million units)	1.085	1.916	3.283	3.978	3.053
Market capitalisation (S\$ billion) ²	2.103	3.059	2.675	3.857	3.693

Source: Bloomberg

1 Based on the closing price as at the last trading day for the respective financial year.

2 Based on the closing price and issued Units as at the last trading day for the respective financial year.



LETTER TO UNITHOLDERS

THE COVID-19 PANDEMIC HAS TRANSFORMED MANY ASPECTS OF THE WAY WE LIVE, WORK AND PLAY, WHICH INCLUDE THE RISE OF OMNICHANNEL RETAILING AND SHIFT TO HYBRID WORK ARRANGEMENT. WE BELIEVE FCT'S PORTFOLIO OF WELL-LOCATED AND HIGH QUALITY SUBURBAN RETAIL PROPERTIES IS WELL-POSITIONED TO BENEFIT FROM THESE TRENDS.

Dear Unitholders,

We are pleased to present Frasers Centrepoint Trust and its subsidiaries' ("FCT" and the "FCT Group") Annual Report and Sustainability Report for the financial year ended 30 September 2022 ("FY2022").

Year of recovery but hampered by geopolitical and trade tensions, persistent inflation and rising interest rates

As we transitioned progressively in the past year to the endemic phase of COVID-19, new challenges continued to emerge. We saw the war break out between Ukraine and Russia; wild swings in energy and commodity prices; aggressive rate hikes by the U.S. Federal Reserve; rising geopolitical and trade tensions as well as persistent inflation.

These challenges cast a long shadow over recovery of businesses and an economy still reeling from the COVID-19 pandemic. The capital markets have also been severely impacted as investors remained concerned about the impact on business earnings due to soaring operating and borrowing costs, supply chain disruptions, persistent inflation and deteriorating growth outlook. The Singapore REIT benchmark index, the FTSE REIT Index, retreated 13.25% during FY2022 as yields rose with rising interest rates. Analysts have also lowered their earnings forecasts for the REIT sector, citing rising interest rates, higher operating costs and slower growth prospects as reasons that would impact the financial performance of REITs in the near-term.

OPPORTUNITIES AHEAD TO CUSHION THE IMPACT

Notwithstanding these challenges, FCT has remained steadfast in managing its asset portfolio to deliver resilient performance and steady returns to its Unitholders. The Manager sees several opportunities that can help cushion the impact. These include rent growth and higher ancillary income. Data from CBRE¹ shows prime retail rents in both Orchard Road and suburban malls are firming up. This bodes well for retail landlords. Other opportunities include asset enhancement initiatives ("AEI") for value creation and higher contributions from the acquisition of the additional 10.00% stake in Waterway Point to be completed in FY2023. The Manager will stay vigilant on cost movements such as energy prices and contracted service fees and will adopt appropriate hedging strategies to manage the risks.

FY2022 PERFORMANCE REVIEW

Higher gross revenue, NPI and DPU; healthy financial position

FCT closed FY2022 with higher gross revenue, net property income ("NPI") and distribution per unit ("DPU"). Gross revenue rose 4.6% year-on-year to S\$356.9 million and NPI was 4.9% higher at S\$258.6 million. The increase was attributed to full year contribution from the enlarged retail portfolio following the completion of the ARF Acquisition in FY2021; the absence of rental rebates provided to tenants in FY2021; and an increase in atrium income with the lifting of restrictions on atrium events in late March 2022. The increase was partially offset by the loss of contribution from properties divested in FY2021. The stronger financial performance lifted distribution to Unitholders in FY2022 by 1.7% to S\$208.2 million and DPU by 1.2% to a new high of 12.227 Singapore cents from 12.085 Singapore cents last year.

FCT's financial position remained healthy with aggregate leverage at 33.0% and interest coverage ratio at 5.19 times. 70.5% of FCT's total borrowings are on fixed interest rates and average cost of debt for FY2022 stood at 2.5%.

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

Broad-based operating performance improvement

FCT achieved broad based improvements in operating performance with double-digit percentage year-on-year increases in shopper traffic and tenants' sales, positive rental reversion, higher portfolio occupancy and lower retail portfolio occupancy cost.

The retail property portfolio registered improved committed occupancy of 97.5% as at 30 September 2022, up 0.2%-points year-on-year. The larger malls - Causeway Point, Waterway Point and Northpoint City North Wing - continued to maintain strong occupancies, with Causeway Point and Northpoint City North Wing registering 100% occupancy. Tampines 1 and Causeway Point registered the largest year-on-year improvement in occupancy of 2.0%-points and 1.4%-points respectively. The rental portfolio achieved better average rental reversion of 1.5% (on incoming versus outgoing basis) compared with the previous year's -0.6%.

Strong tenants' sales and shopper traffic growth; more than 70 new-to-FCT brands introduced

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. 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.

1 CBRE Singapore Real Estate Market Update, Q3 2022.

LETTER TO UNITHOLDERS

We were able to attract more than 70 new-to-FCT brands to our malls in FY2022. Some notable brands include the first Don Don Donki in the North at Northpoint City, new-to-Singapore Café BomBom from South Korea which opened at Tampines 1 and Tiong Bahru Bakery's first outlet in a suburban mall at Waterway Point. These new tenants are testament to the strong appeal and relevance our suburban malls continue to have for both retailers and shoppers.

Making progress in our sustainability journey

Sustainability is a core component of FCT's business strategy. The Manager works closely with FCT's Sponsor, Frasers Property Limited ("Frasers Property" or the "Group") towards the Group's goal to net-zero carbon by 2050. We have made notable progress in our sustainability journey in FY2022. We introduced Technology Risk Management and Environmental Risk Management in our governance framework and aligned our climate-related disclosures with the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations.

For the second consecutive year, we achieved a 5-Star rating in the 2022 GRESB Real Estate Assessment. We believe this is a meaningful benchmark that enables our stakeholders to compare FCT's performance with its global real estate peers in the same sector. FCT has also received an "A" rating from the MSCI ESG Ratings in May 2022, improving from its previous "BBB" rating, for advancing in its management of financially relevant ESG risks and opportunities.

We invite you to read the details in the Sustainability Report which is an integral part of this Annual Report.

Looking ahead - FCT is well-positioned to ride the rising trends

The COVID-19 pandemic has transformed many aspects of the way we live, work and play, which include the rise of omnichannel retailing and shift to hybrid work arrangement. FCT is well-positioned to benefit from these trends due to its portfolio properties' competitive advantages of being near homes and transportation nodes, focus on diversified essential trade and services, high quality amenities and a well-established shopper loyalty program.

The proximity of FCT's malls to homes offers shoppers flexibility and convenience for their orders through Frasers digital platforms to be fulfilled. The rise in hybrid work arrangement means more people will work from homes and shop in nearby malls. There is a growing demand for prime spaces in large and well-located suburban malls as retailers and F&B operators assess their store location strategy to manage rising costs, manpower constraints and changes in shopper behaviour. We believe FCT's portfolio of well-located and high quality suburban retail properties is well-positioned to benefit from these trends.

Looking ahead, the Manager remains focused on the financial and operational performance of the FCT portfolio to optimise returns to the Trust and its Unitholders. It will also continue to look at AEI of its properties for value creation and acquisition opportunities. The opportunities in the Sponsor's pipeline include Northpoint City South Wing, which is owned by Frasers Property and the TCC Group.

ACKNOWLEDGEMENTS

We welcome Ms Soon Su Lin who was appointed to the board on 1 March 2022 as Non-Executive and Non-Independent Director. Su Lin brings on board a wealth of real estate industry experience in retail property development and investment, real estate consultancy, leasing and management leadership.

We thank Mr Christopher Tang, who retired from the FCAM board as Director at the end of 2021 after 16 years of illustrious service. He also served as the first Chief Executive Officer of FCAM from July 2006 to March 2010. We thank Christopher for his invaluable contributions and wish him all the best in his future endeavours.

In closing, we would like to express appreciation to our board members for their stewardship and advice, and the management and staff for their commitment and hard work. We are grateful to our stakeholders, including our Unitholders, tenants and shoppers as well as our business partners for their confidence and support.



Cheong Choong Kong
Chairman



Richard Ng
Chief Executive Officer



Causeway Point,
Singapore

BOARD OF DIRECTORS



Dr Cheong Choong Kong, 81

Chairman, Non-Executive and Independent Director

Date of appointment as Director

18 May 2016

Length of service as Director (as at 30 September 2022)

6 years and 4 months

Board committees served on

- Audit, Risk and Compliance Committee (Member)
- Nominating and Remuneration Committee (Member)

Academic & Professional Qualifications

- Bachelor of Science, Adelaide University
- Master of Science, Australian National University
- Doctor of Philosophy, Australian National University
- Doctor of Science (Honorary), Australian National University
- Degree of Doctor of the University (Honorary), Adelaide University

Present Directorships in other companies (as at 30 September 2022)

Listed companies

- Nil

Listed REITs/Trusts

- Nil

Others

- Nil

Major appointments (other than Directorships)

- Chairman, NUS Mind Science Centre Advisory Board

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2019 to 30 September 2022)

- Nil

Past major appointments

- Chairman, Oversea-Chinese Banking Corporation Limited
- Chairman, Singapore Broadcasting Corporation
- Chairman, NUS Council
- Deputy Chairman and CEO, Singapore Airlines Limited



Mr Ho Chai Seng, 62

Non-Executive and Independent Director

Date of appointment as Director

30 June 2017

Length of service as Director (as at 30 September 2022)

5 years and 3 months

Board committees served on

- Nominating and Remuneration Committee (Chairman)
- Audit, Risk and Compliance Committee (Member)

Academic & Professional Qualifications

- Bachelor of Commerce, University of Windsor, Canada
- Member, Singapore Institute of Directors
- Member, International Bankers Association of Japan

Present Directorships in other companies (as at 30 September 2022)

Listed companies

- Nil

Listed REITs/Trusts

- Nil

Others

- Nil

Major appointments (other than Directorships)

- Executive Director and Country Manager, United Overseas Bank Ltd, Tokyo Branch

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2019 to 30 September 2022)

- Nil

Past major appointments

- Vice President, BHF-Bank, New York
- Assistant General Manager, BHF-Bank, Singapore
- General Manager, DBS Bank, London
- General Manager, United Overseas Bank Ltd. London
- Executive Director, United Overseas Bank Ltd. Singapore

BOARD OF DIRECTORS



**Mr Ho Chee Hwee,
Simon, 61**

Non-Executive and
Non-Independent Director

Date of appointment as Director
9 February 2017

**Length of service as Director
(as at 30 September 2022)**
5 years and 7 months

Board committees served on

- Audit, Risk and Compliance Committee (Member)
- Nominating and Remuneration Committee (Member)

Academic & Professional Qualifications

- Bachelor of Science (Estate Management) (Honours), National University of Singapore
- Master of Real Estate, National University of Singapore

Present Directorships in other companies (as at 30 September 2022)

Listed companies

- Nil

Listed REITs/Trusts

- Nil

Others

- ALPS Pte. Ltd. (formerly known as Agency for Healthcare Supply Chain Pte. Ltd.)
- Frasers Hospitality International Pte. Ltd.
- Frasers Property (Singapore) Pte. Ltd.

**Major appointments
(other than Directorships)**

- Nil

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2019 to 30 September 2022)

- Nil

Past major appointments

- Deputy CEO of CapitaLand Mall Asia Limited (formerly known as CapitaMalls Asia Limited)
- CEO of the Manager of CapitaLand Mall Trust (formerly known as CapitaMall Trust)

Others

- Previously on the Board of Directors of the managers of CapitaLand Mall Trust (which is listed on the Singapore Exchange Securities Trading Limited) and CapitaLand Malaysia Mall Trust (which is listed on Bursa Malaysia)



Mr Low Chee Wah, 57

Non-Executive and
Non-Independent Director

Date of appointment as Director
3 January 2020

**Length of service as Director
(as at 30 September 2022)**
2 years and 9 months

Board committees served on

- Nil

Academic & Professional Qualifications

- Bachelor of Economics, Monash University
- Bachelor of Laws, Monash University
- Fellow of CPA Australia
- Fellow of Chartered Accountant of Singapore

Present Directorships in other companies (as at 30 September 2022)

Listed companies

- Nil

Listed REITs/Trusts

- Nil

Others

- President, Real Estate Investment Trust Association of Singapore (REITAS)
- Chairman, Audit, Risk and Governance Committee, Dover Park Hospice
- Board Member, Singapore River One Limited

**Major appointments
(other than Directorships)**

- Chief Executive Officer, Frasers Property Retail, Frasers Property (Singapore) Pte. Ltd.

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2019 to 30 September 2022)

- Frasers Commercial Asset Management Ltd., Manager of Frasers Commercial Trust¹

Past major appointments

- Senior Executive Vice President, Head of Retail and Commercial Division, Frasers Property Limited
- Chief Executive Officer of Frasers Commercial Asset Management Ltd, manager of Frasers Commercial Trust
- Chief Executive Officer of BNP Paribas Peregrine (Singapore) Ltd., investment banking arm of BNP Paribas Singapore

1 Frasers Commercial Trust has been merged with Frasers Logistics & Industrial Trust with effect from 15 April 2020, to form Frasers Logistics & Commercial Trust.



Ms Koh Choon Fah, 64

Non-Executive and Independent Director

Date of appointment as Director
1 October 2019

Length of service as Director (as at 30 September 2022)
3 years

Board committees served on

- Audit, Risk and Compliance Committee (Chairperson)
- Nominating and Remuneration Committee (Member)

Academic & Professional Qualifications

- Bachelor of Science (Estate Management) (Honours), National University of Singapore
- Master of Arts (Business Administration), University of Georgia (Athens)/United States of America
- Fellow, Royal Institute of Chartered Surveyors
- Fellow, Singapore Institute of Surveyors & Valuers

Present Directorships in other companies (as at 30 September 2022)

Listed companies

- Nil

Listed REITs/Trusts

- Nil

Others

- Edmund Tie Holdings Pte. Ltd.
- New Horizons Holdings Pte. Ltd.
- CPG Corporation Pte Ltd
- GLP REIT Management Pte. Ltd.

Major appointments (other than Directorships)

- Global Governing Trustee, Urban Land Institute, USA
- Executive Committee Member and Chairperson of Nominations Committee, Urban Land Institute Singapore Council, Singapore
- Management Board Member, National University of Singapore Institute of Real Estate and Urban Studies, Singapore
- Council Member and Vice-Chairperson of Professional Development Committee, Council for Estate Agencies, Singapore

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2019 to 30 September 2022)

- Nil

Past major appointments

- Chief Executive Officer, Edmund Tie & Company (SEA) Pte. Ltd.
- Chief Operating Officer, DTZ Debenham Tie Leung (SEA) Pte. Ltd. (now known as Edmund Tie & Company (SEA) Pte. Ltd.)
- Chairperson, Urban Land Institute Singapore Council, Singapore



Ms Soon Su Lin, 62

Non-Executive and Non-Independent Director

Date of appointment as Director
1 March 2022

Length of service as Director (as at 30 September 2022)
7 months

Board committees served on

- Nil

Academic & Professional Qualifications

- Master in Business Administration, National University of Singapore
- Bachelor of Science - Estate Management (Honours), National University of Singapore

Present Directorships in other companies (as at 30 September 2022)

Listed companies

- Nil

Listed REITs/Trusts

- Nil

Others

- Nil

Major appointments (other than Directorships)

- Chief Executive Officer of Frasers Property Singapore
- Member of the Integrated Development Council, Urban Land Institute, Singapore

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2019 to 30 September 2022)

- Nil

Past major appointments

- Chief Executive Officer (Development) of Frasers Property Holdings (Thailand) Co., Ltd.
- Chief Executive Officer (Development) of TCC Assets (Thailand) Co., Ltd.
- Chief Executive Officer of Orchard Turn Developments Pte. Ltd.

TRUST MANAGEMENT TEAM



Mr Richard Ng

Chief Executive Officer

Richard is responsible for the overall business direction, investment strategies and operations of FCT. He leads the FCAM management team to ensure that FCT's finance, investment, asset management, investor relations and other plans and initiatives are executed successfully.

Richard has over 30 years of experience in the Singapore and regional property markets, spanning the areas of marketing, investment, asset and REIT management. Prior to joining Frasers Property, he was Executive Director, Asset Management, at PGIM (Singapore) Pte. Ltd. where he oversaw the portfolio asset management comprising retail and commercial properties in Singapore and Malaysia. Richard has held senior management appointments during his 14 years at the CapitaLand Group, including 10 years at CapitaLand Mall Trust (CMT) where he was part of the team that oversaw the initial public offering of CMT in 2002. At CMT, Richard was the Head of Asset Management, responsible for overall performance of CMT's assets.

Richard holds a Bachelor of Science (Honours) degree in Estate Management and a Master of Science degree in Real Estate, both from the National University of Singapore.



Ms Audrey Tan

Chief Financial Officer

Audrey is responsible for the financial, taxation, treasury and compliance functions of FCT. She has over 20 years of financial experience in locally-listed and multinational companies. Prior to joining FCAM, she was Head of Finance (Frasers Property Retail) at Frasers Property Limited. Prior to joining Frasers Property Limited, she held various positions at CapitaLand Limited (including its subsidiaries) for more than 10 years. Audrey holds a Bachelor's degree of Business (Accountancy) from RMIT and is a Certified Practising Accountant with CPA Australia.



Ms Pauline Lim

Head, Investment & Asset Management

Pauline is responsible for the management of FCT's portfolio of retail assets in Singapore. She has over 20 years of real estate experience. Prior to joining FCAM, she was the Executive Director at PGIM Real Estate ("PGIM") and was responsible for the portfolio management of PGIM Real Estate AsiaRetail Fund and another private equity co-investment which together own several malls in Singapore and Malaysia. Before PGIM, Pauline was Vice-President, Investment Management of GIC Real Estate (GIC RE), where she was responsible for investment and asset management in the office, retail and residential sectors in various Asia Pacific markets and supported GIC RE senior management in global portfolio reporting, asset strategy and planning. Prior to GIC RE, she held various roles at DBS and Jones Lang LaSalle in Singapore and Hong Kong.

Pauline holds a Master of Business Administration degree from the University of Western Australia and a Bachelor's degree in Business Administration from the National University of Singapore.

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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Mr Adrian Tan

Head, Investment

Adrian is responsible for FCT's investment function. He joined the Frasers Property Group in 2018. Prior to joining Frasers, he spent 12 years in various investment and asset management roles for other established real estate developers including the CapitaLand Group, Ascendas-Singbridge Group, and NTUC Income. He has extensive experience in the acquisition, asset management and divestment of real estate assets across multiple sectors including office, retail and logistics/business parks. In addition to his core market experience in Singapore, he is also experienced in overseas markets including Australia, Malaysia and India. Adrian has represented Singapore as a Trade Counsellor in Singapore's Embassy in Russia.

Adrian Tan Holds an Honours degree in Business Administration from the National University of Singapore.



Mr Chen Fung Leng

Vice President, Investor Relations

Fung Leng is responsible for FCT's investor relations function. He has more than 15 years of experience in the field of investor relations and is responsible for communications and forging relations between FCT and its Unitholders, the investment community and the media. He also provides market intelligence and research to the management team and oversees sustainability reporting for FCT.

Fung Leng holds a Master of Science degree in Industrial and Systems Engineering and a Bachelor's degree in Mechanical Engineering (Honours), both from the National University of Singapore.

INVESTOR RELATIONS

OPEN AND TRANSPARENT COMMUNICATION WITH UNITHOLDERS

Frasers Centrepoint Asset Management Ltd., as Manager of Frasers Centrepoint Trust, is committed to maintaining open and transparent communication with its Unitholders, media and investors. FCAM provides factual and timely disclosure on all material information concerning FCT. General information on FCT including annual reports, portfolio information and investor presentations are updated regularly on FCT's website. All news releases and company announcements are also available on the SGX-ST website.

ANNUAL GENERAL MEETING

The AGM and EGM are important communication platforms between the board of directors, the management of FCAM and the Unitholders. FCT convened its 13th AGM on 18 January 2022, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. All resolutions tabled at the AGM were duly passed.

Unitholders who wished to attend the AGM were requested to pre-register electronically to enable the Manager to verify their status as Unitholders. Following the verification, authenticated Unitholders will each receive an email, which will contain a user ID and password details, as well as instructions on how to access the live audio-visual webcast and live audio-only stream of the AGM proceedings.

Unitholders were invited to submit questions related to the resolutions to be tabled for approval at the AGM in advance, to the Chairman of the AGM. The responses to the substantial and relevant questions received from Unitholders before the deadline on 9 January 2022 were published on 12 January 2022 (approximately one week prior to the AGM) on FCT's website and SGXNET. Unitholders have ample time and opportunity to consider the Manager's responses before submitting their proxy forms. Questions which were submitted after 9 January 2022 were consolidated and addressed "live" at the AGM.

All resolutions were duly passed, and the results were announced on SGXNET and FCT's website on the same day of the AGM. The minutes of the AGM were also published on SGXNET and FCT's website on 17 February 2022.

PROACTIVE OUTREACH TO INVESTORS

FCAM proactively engages investors and research analysts through various channels to extend its outreach and to raise the profile of FCT among investors.

FCT participated in multiple major investor conferences, investor outreach events and post-results meetings organised by the banks and securities broking firms. While most of the events were organised on electronic platforms such as Zoom or Microsoft Teams, the FCAM management team also participated in physical meetings after the relevant restrictions were lifted by the authorities.

During FY2022, the FCAM management team met a total of 435 investors during investor conferences, post-results analysts' briefing calls and post-results investors calls. Of these 435 investors, 124 or 28.5% were new investors¹. The management team also reached out to retail investors through the retail investors webinar hosted by Tiger Brokers, which was attended by more than 1,800 participants.

¹ Includes new-to-FCT and investors whom FCAM has not met or engaged in the preceding 24 months, including through virtual meetings.

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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The table below shows the list of investor relations events and activities during FY2022:

Timeframe	Key Investor Relations Events
1 October - 31 December 2021	<ul style="list-style-type: none"> FCT 2H FY2021 post financial results analysts' briefing call (27 October 2021) FCT 2H FY2021 post financial results investors' call hosted by UBS (27 October 2021) Debt Investor Day (hosted by DBS) (10 November 2021) Frasers Bangkok Day (18 November 2021) UBS Global Real Estate CEO/CFO Conference 2021 (1-2 December 2021)
1 January - 31 March 2022	<ul style="list-style-type: none"> FCT 1Q FY2022 post business updates analysts' briefing call (26 January 2022) FCT 1Q FY2022 post business updates investors' call hosted by JP Morgan (26 January 2022) FCT Global Debt Investors Call (7 February 2022) BofA Securities Retail Panel: Malls in a Post Covid World (8 March 2022) 18th Citic CLSA ASEAN Forum 2022 (9 March 2022) Tiger Brokers Retail Investor Webinar (15 March 2022)
1 April - 30 June 2022	<ul style="list-style-type: none"> FCT 1H FY2022 post results analysts' briefing call (27 April 2022) FCT 1H FY2022 post results investors' call hosted by DBS (27 April 2022) BofA 2022 APAC Financial, Real Estate Equity and Credit Conference (11 May 2022) BNP Singapore Property Days (18 May 2022) Presentation and mall tour for Korean Institutional investors (29 June 2022)
1 July - 30 September 2022	<ul style="list-style-type: none"> FCT 3Q FY2022 post business updates analysts' briefing call (27 July 2022) FCT 3Q FY2022 post business updates investors' call hosted by Daiwa (27 July 2022) Citi-SGX-REITAS/Sponsor Forum (24-25 August 2022) CITIC/CLSA Flagship Investors' Forum (14 September 2022)
Subsequent event: The 2H FY2022 and full year results were announced on 26 October 2022.	

ACCOLADE

5-Star rating in the 2022 GRESB Real Estate Assessment

FCT maintained its top 5-Star rating in the 2022 GRESB Real Estate Assessment with a total score of 92 points (2021: 92). It ranked second in the Asia Retail Centres (Listed) category.

Coverage by equity research houses

As at 12 November 2022, there were 20 equity research firms which provided equity research coverage on FCT. The research firms which cover FCT (in alphabetical order) are:

1. BofA Securities
2. CGS-CIMB Securities (Singapore)
3. Citi Research
4. CLSA
5. Credit Suisse
6. Daiwa Capital Markets
7. DBS Bank
8. Goldman Sachs (Singapore)
9. HSBC
10. J.P. Morgan Securities Singapore
11. Macquarie Research
12. Maybank Research
13. Morgan Stanley Asia (Singapore)
14. Morningstar Equity Research
15. OCBC
16. Phillip Securities Research (Singapore)
17. RHB
18. Soochow CSSD Capital Markets
19. UBS Securities
20. UOB Kay Hian


INVESTOR RELATIONS

CREDIT RATINGS BY CREDIT RATING AGENCIES

Credit rating agencies	Long term issue rating	Outlook	Rating date	Last review date
Moody's Investors Service	Baa2	Stable	21 November 2022	21 November 2022
S&P Global Ratings	BBB	Stable	13 April 2020	7 November 2022

ESG RATINGS AND SCORES BY AGENCIES

As of 26 May 2022, FCT received an MSCI ESG Rating of A for ESG Rating issued by MSCI ESG Ratings.

Agency	ESG Credit Impact Score	Date
MSCI ESG Ratings		<ul style="list-style-type: none"> Rating action date: 26 May 2022 Last report update: 26 July 2022

ENQUIRIES

For general enquiries on FCT, please contact:

Mr Chen Fung Leng
 Vice President, Investor Relations
 Frasers Centrepoint Asset Management Ltd.
 438 Alexandra Road, #21-00 Alexandra Point
 Singapore 119958
 Phone: (65) 6276 4882
 Fax: (65) 6272 8776
 Email: ir@fraserscentrepointtrust.com

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
 1 Harbourfront Avenue
 Keppel Bay Tower, #14-07
 Singapore 098632
 Phone: (65) 6536 5355
 Fax: (65) 6536 1360
 Website: www.boardroomlimited.com



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Northpoint City

OPERATIONS REVIEW



SINGAPORE



LEASE RENEWALS AND RENTAL REVERSIONS

A total of 394 leases in the Retail Portfolio and five leases at Central Plaza were renewed or newly leased in FY2022. The retail leases accounted for 565,689 square feet or 26.1% of Retail Portfolio net lettable area¹ ("NLA"). The NLA of the five renewed leases at Central Plaza in FY2022 represented 14.7% of its total NLA.

Positive rental reversion for Retail Portfolio in FY2022

The average rental reversion for the Retail Portfolio in FY2022 was positive at 1.5%, based on the variance between the rent in the first year of the incoming lease and the rent in the final year of the outgoing lease ("incoming versus outgoing"). The rental reversion was 4.2%, based on the variance between the average rent of the incoming lease and the average rent of the outgoing lease ("average-to-average"). The average rent includes the step-up rents during the respective lease tenure, which the incoming versus outgoing method does not.

Leasing demand for suburban retail malls picked up in FY2022 as business sentiments and confidence has improved with the normalisation of economy and reopening of borders. However, retailers and operators remained cautious with their renewals and new store expansions amidst manpower constraints and rising cost of goods.

All malls except for Changi City Point and Century Square recorded positive reversion between 1.2% and 2.6% due to their strategic locations in populous residential catchment with direct connectivity to public transport including buses and MRT trains. Changi City Point's catchment includes nearby residents, workers from Changi Business Park and visitors to Singapore Expo. Its recovery was diluted by hybrid work arrangement and slow resumption of large-scale exposition events. On the other hand, Century Square has been affected by dampened occupancy with the pre-termination of an anchor tenant.

¹ Including Waterway Point, which FCT holds 40.00% interest.

OPERATIONS REVIEW

Summary of Lease Renewals And Rental Reversion in FY2022

(Excluding newly created and reconfigured area)

Property	Number of Renewals / New Leases	Area (sq ft)	As % of leased area of property	FY2022 rental reversion	
				(Incoming vs outgoing)	(Average-to-average)
Causeway Point	58	171,312	40.8%	1.6%	4.4%
Waterway Point	85	132,294	35.6%	1.9%	4.9%
Tampines 1	20	33,491	12.5%	1.5%	3.7%
Northpoint City North Wing ³	41	43,103	20.7%	1.3%	4.4%
Tiong Bahru Plaza	59	59,360	27.6%	2.4%	4.4%
Century Square	27	34,913	17.2%	(1.1%)	2.2%
Changi City Point	28	27,794	13.6%	(3.7%)	2.6%
Hougang Mall	27	16,112	10.7%	1.2%	2.6%
White Sands	49	47,310	36.8%	2.6%	4.2%
Retail Portfolio	394	565,689	26.1%	1.5%	4.2%
Central Plaza	5	21,098	14.7%	2.4%	2.4%

LEASE EXPIRY PROFILE

Well-spread lease expiry profile

The portfolio lease expiry from FY2023 to FY2027 and beyond, and the lease expiry by property in FY2023 are presented in tables below. The leases have a typical lease duration of 3 years although certain key or anchor tenancies may be of longer tenure.

FCT has a well-spread portfolio lease expiry profile with low concentration risk. The leases expiring over the next two years in FY2023 and FY2024 account for 27.6% and 35.0% of FCT's Gross Rental Income ("GRI"), respectively. As at 30 September 2022, the weighted average lease expiry² ("WALE") of the Retail Portfolio

stood at 1.87 years (FY2021: 1.64 years) by NLA and 1.78 years (FY2021: 1.64 years) by GRI.

The WALE (by GRI) of the new leases entered during FY2022, based on duration to lease expiry as at 30 September 2022 was 2.55 years (FY2021: 2.50 years). The weighted average lease expiry (by NLA) of these new leases is 2.66 years (FY2021: 2.45 years). These new leases account for 33.7% (FY2021: 30.7%) of the total GRI of the Retail Portfolio as at 30 September 2022.

The aggregate NLA of the leases in the Retail Portfolio, including that of Waterway Point, due for renewal in FY2023 is 581,872 sq ft.

Retail Portfolio Lease Expiry as at 30 September 2022

Lease expiry as at 30 September 2022	FY2023	FY2024	FY2025	FY2026	FY2027 and beyond	Total
Number of expiring leases	463	501	421	82	19	1,486
NLA of expiring leases (sq ft)	581,872	717,877	455,736	203,433	155,509	2,114,427
Expiries as % of total leased area	27.5%	33.9%	21.6%	9.6%	7.4%	100.0%
Expiries as % of GRI	27.6%	35.0%	25.2%	7.4%	4.8%	100.0%

Calculation based on committed leases as at 30 September 2022; vacant floor area and Community and Sports Facilities Scheme (CSFS) leases are excluded. Excludes Central Plaza (office).

- Computation of WALE is as follows:
WALE (by NLA) = Sum of (remaining lease tenure x NLA of individual leases)/total leased area.
WALE (by GRI) = Sum of (remaining lease tenure x GRI of individual leases)/total GRI.
Remaining lease tenure = time period between reporting date and the lease expiry date.
- Includes Yishun 10 Retail Podium.

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FY2023 Lease Expiry as at 30 September 2022

FY2023 Lease Expiry (As at 30 September 2022)	Number of expiring leases	NLA of expiring leases (sq ft)	as % of leased area of property	as % of total GRI of property
Causeway Point	76	106,945	25.5%	30.0%
Waterway Point	51	58,356	15.9%	19.8%
Tampines 1	76	93,054	35.0%	32.7%
Northpoint City North Wing ³	57	50,453	24.2%	30.3%
Tiong Bahru Plaza	37	74,557	35.1%	28.9%
Century Square	39	57,037	32.4%	26.3%
Changi City Point	53	65,160	33.9%	32.8%
Hougang Mall	35	33,214	22.5%	21.8%
White Sands	39	43,096	34.8%	29.1%
Retail Portfolio	463	581,872	27.5%	27.6%
Central Plaza	7	29,319	22.9%	27.8%
FCT Portfolio	470	611,191	27.3%	27.6%

Calculation based on committed leases as at 30 September 2022; vacant floor area and Community and Sports Facilities Scheme (CSFS) leases are excluded.

PORTFOLIO TENANTS' SALES, SHOPPER TRAFFIC AND OCCUPANCY COST

Tenants' sales improved 11.3% year-on-year

Retail Portfolio's total tenants' sales in FY2022 stood at S\$2,313.9 million, which is approximately 11.3% higher than S\$2,078.3 million achieved in FY2021. Brick-and-mortar retail and restaurants once again showed resilience and went on their recovery trajectory as soon as Covid regulations relaxed to allow 5 pax dine-in in November 2021. The significant recovery over 2022 is a testament towards ongoing consumer demand for in-store experiences.

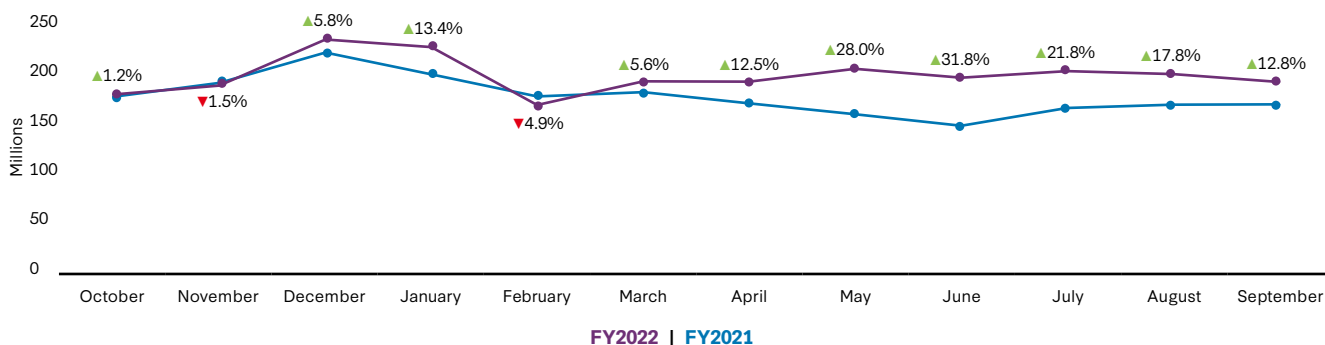
Performance recovery among the trade categories was uneven and polarised

The top five trade categories which constituted 79% of Retail Portfolio GRI traded well. F&B, the largest trade category of Retail Portfolio registered stronger sales year-on-year in FY2022, in particular sub-trades Restaurants, Cafes and Food Courts with the removal of group size limit and safe distancing measures between seats.

Some of the other trade categories which benefitted from the opening of economy included Beauty & Healthcare, Fashion & Accessories and Leisure & Entertainment. This was driven by higher demand for cosmetics, bags and footwear as people returned to work.

Retail Portfolio Tenants' Sales Year-on-Year Comparison

Retail Portfolio tenants' sales in S\$ Millions

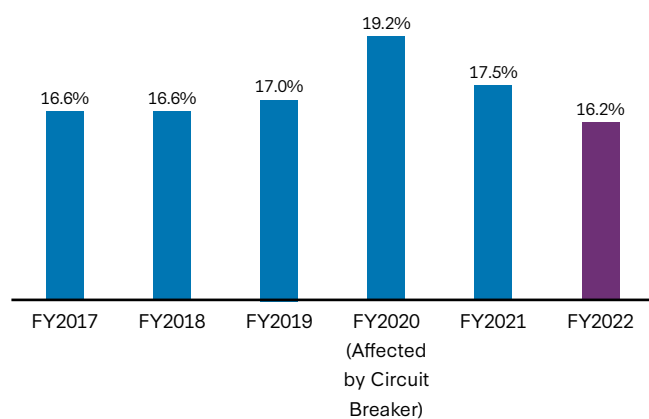


OPERATIONS REVIEW

As tenants' sales saw a continued improvement in FY2022 with the significant scale back of Covid restrictions, the average occupancy cost of the Retail Portfolio moderated to 16.2% which is within a healthy and sustainable range for suburban retail malls.

Occupancy cost refers to the ratio of gross rental (including turnover rent) paid by the tenants to the tenant's sales turnover (excluding Goods & Services Tax). The average occupancy cost of Retail Portfolio for FY2022 and the preceding 5 financial years are presented in the chart below:

Retail Portfolio Average Occupancy Cost



LEASES WITH GROSS TURNOVER RENT AND STEP-UP CLAUSES

Approximately 91.8% (FY2021: 93.2%) of our leases include step-up rent clauses that provide for annual rental increment of between 1% and 2% over the lease term. 92.3% (FY2021: 90.4%) of the committed leases include Gross Turnover rent ("GTO") clauses, which the tenants would typically pay between 0.5% and 1% of their sales as part of the gross rent.

PORTFOLIO OCCUPANCY

The portfolio committed occupancy stood at 97.5% as at 30 September 2022, up 0.2%-points year-on-year. All the malls generally show a year-on-year improvement in occupancy. The improvement in portfolio occupancy was in tandem with the pickup in leasing activities as Singapore re-opens and embarks on its journey towards endemicity, although retailers generally remain cautious due to the prevailing labor crunch and rising cost of goods.

The occupancy by property is tabulated in the table below:

Committed Occupancy by Property	As at 30 September 2022	As at 30 June 2022	As at 30 September 2021
Causeway Point	100.0%	99.3%	98.6%
Waterway Point	99.0%	100.0%	98.4%
Tampines 1	99.1%	97.8%	97.1%
Northpoint City North Wing ³	100.0%	100.0%	100.0%
Tiong Bahru Plaza	99.0%	98.2%	98.3%
Century Square	86.8%	83.0%	91.8%
Changi City Point	93.7%	96.1%	94.7%
Hougang Mall	98.4%	99.4%	97.8%
White Sands	96.4%	95.3%	95.4%
Retail Portfolio	97.5%	97.1%	97.3%
Central Plaza	88.9%	77.0%	91.8%

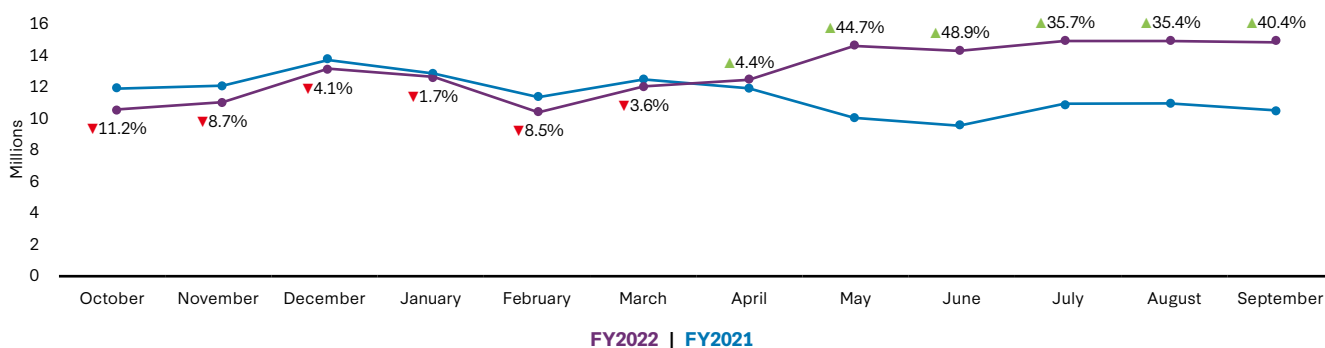
Committed occupancy includes occupied units and vacant units with committed leases.

³ Includes Yishun 10 Retail Podium.

SHOPPER TRAFFIC

The Retail Portfolio traffic had seen steady recovery as Covid-19 infection growth rate dwindled in late 2021. Restrictions had significantly scaled back, with the removal of group size limits and workplace capacities limits, the lowering level of Disease Outbreak Response System Condition (DORSCON) level from orange to yellow, removal of SafeEntry and TraceTogether requirement at malls, as well as the removal of mandatory mask rules except in healthcare facilities and on public transport. Mall entrances are all reopened, allowing the unvaccinated to visit the malls. These mark a significant milestone towards normalisation. The aggregate shopper traffic of the Retail Portfolio has improved by 12.4% from 136.1 million in FY2021 to 153.0 million in FY2022, with a faster recovery amongst the dominant malls.

Retail Portfolio Shopper Traffic Year-On-Year Comparison



Shopper Traffic by Property (million)	FY2022 (1 October 2021 - 30 September 2022)	FY2021 (1 October 2020 - 30 September 2021)	Increase/ (Decrease)
Causeway Point	21.4	18.8	13.8%
Waterway Point	19.3	15.2	27.0%
Tampines 1	15.9	14.4	10.4%
Northpoint City North Wing ³	47.6	43.0	10.7%
Tiong Bahru Plaza	13.4	11.6	15.5%
Century Square	10.2	10.2	0.0%
Changi City Point	7.5	6.4	17.2%
Hougang Mall	9.4	8.9	5.6%
White Sands	8.4	7.5	12.0%

Note: Total may not add up due to rounding differences.

OPERATIONS REVIEW



Waterway Point, Singapore

RETAIL PORTFOLIO TRADE CATEGORIES

F&B is the largest trade category accounting for 30.2% (FY2021: 29.1%) of total NLA and 38.0% (FY2021: 37.8%) of total GRI. The second and the third largest trade categories by GRI are Beauty & Healthcare at 15.0% (FY2021: 14.6%) and Fashion & Accessories at 11.5% (FY2021: 12.1%).

Trade Category (in descending order of FY2022 GRI)	As % of total NLA	As % of total GRI
Food & Beverage	30.2%	38.0%
Beauty & Healthcare	11.8%	15.0%
Fashion & Accessories	11.6%	11.5%
Sundry & Services	6.0%	8.6%
Supermarket & Grocers	10.0%	6.3%
Homeware & Furnishing	3.9%	2.9%
Information & Technology	2.6%	2.8%
Leisure & Entertainment	5.8%	2.5%
Electrical & Electronics	3.1%	2.4%
Books, Music, Arts & Craft, Hobbies	3.4%	2.3%
Sports Apparel & Equipment	2.9%	2.2%
Jewellery & Watches	0.8%	2.1%
Education	2.6%	1.8%
Department Store	2.8%	1.6%
Vacant	2.5%	0.0%
Retail Portfolio	100.0%	100.0%

Note: Total may not add up due to rounding differences.



Tampines 1, Singapore



Northpoint City, Singapore

TOP 10 TENANTS BY GRI

The top ten tenants collectively accounted for 18.4% (FY2021: 19.5%) of the total GRI as at 30 September 2022. Our largest tenant NTUC FairPrice, the operator of FairPrice supermarkets and Unity Pharmacy in FCT malls, accounted for 4.1% (FY2021: 3.3%) of the portfolio GRI.

Top 10 Tenants by GRI as at 30 September 2022

Tenants	Trade Category	As % of total NLA	As % of total GRI
1 NTUC FairPrice ¹	Supermarket & Grocers, Beauty & Healthcare	6.1%	4.1%
2 Breadtalk Group ²	Food & Beverage	2.0%	2.3%
3 Kopitiam ³	Food & Beverage	2.2%	1.9%
4 Dairy Farm Group ⁴	Supermarket & Grocers, Beauty & Healthcare, Sundry & Services	1.5%	1.8%
5 Metro (Private) Limited ⁵	Department Store, Beauty & Healthcare	3.0%	1.7%
6 Hanbaobao Pte Ltd ⁶	Food & Beverage	1.1%	1.6%
7 Courts (Singapore) Pte. Ltd.	Electrical & Electronics	1.7%	1.4%
8 Oversea-Chinese Banking Corporation Limited	Sundry & Services	0.8%	1.3%
9 United Overseas Bank Limited	Sundry & Services	0.7%	1.2%
10 Koufu ⁷	Food & Beverage	1.1%	1.1%
Total for Top 10		20.2%	18.4%

Note: Total may not add up due to rounding differences.

1 Includes FairPrice, FairPrice Finest and Unity Pharmacy.

2 Includes Food Republic, Breadtalk, Toast Box, The Food Market and Din Tai Fung.

3 Operator of Kopitiam food courts, includes Kopitiam, Cantine and Food Tempo.

4 Includes Cold Storage supermarkets, Guardian Pharmacy and 7-Eleven.

5 Includes Metro Department Store and Clinique Service Centre.

6 Operator of Mcdonald's.

7 Operator of Cookhouse by Koufu.

FINANCIAL REVIEW



SINGAPORE



INVESTMENT PROPERTY PORTFOLIO

The investment property portfolio of FCT and its subsidiaries ("FCT Group") comprises Causeway Point, Northpoint City North Wing (including Yishun 10 Retail Podium), Changi City Point, Tampines 1, Tiong Bahru Plaza, Century Square, Hougang Mall, White Sands and Central Plaza. The properties are strategically located in suburban regions of Singapore and have a diversified tenant base covering a wide variety of trade categories. Three properties - Bedok Point, Anchorpoint and YewTee Point, which were previously part of FCT's investment property portfolio, were divested on 9 November 2020, 22 March 2021 and 28 May 2021, respectively.

INVESTMENTS HELD IN ASSOCIATE AND JOINT VENTURE

Sapphire Star Trust

FCT owns a 40.00% interest in the ownership and voting rights in a joint venture, Sapphire Star Trust ("SST"), a private trust that owns Waterway Point, a suburban shopping mall located in Punggol. FCT jointly controls the venture with other partners under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities.

On 12 September 2022, FCT entered into a conditional sale and purchase agreement with Sekisui House, Ltd. (the "Vendor") to acquire 10.00% of the total issued units of 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 10.00% of the issued share capital of FC Retail Trustee Pte. Ltd., which is the trustee-manager of SST, from the Vendor. Upon the completion in FY2023, the FCT's interest in SST will increase from 40.00% to 50.00%.

Hektar Real Estate Investment Trust

FCT holds 30.53% of the units in Hektar Real Estate Investment Trust ("H-REIT"), an associate of FCT. H-REIT is a retail-focused REIT in Malaysia listed on the Main Market of Bursa Malaysia Securities Berhad. Its property portfolio comprises Subang Parade (Selangor), Mahkota Parade (Melaka), Wetex Parade (Johor), Central Square (Kedah), Kulim Central (Kedah) and Segamat Central (Johor).

FINANCIAL REVIEW

FINANCIAL PERFORMANCE OF INVESTMENT PROPERTY PORTFOLIO

The tables presented below show the gross revenue, property expenses and net property income for FCT Group's investment property portfolio for the Financial Year ended 30 September 2022 ("FY2022") and Financial Year ended 30 September 2021 ("FY2021").

	FY2022 1 October 2021 - 30 September 2022	FY2021 1 October 2020 - 30 September 2021	Increase / (Decrease)
Gross Revenue S\$'000			
Causeway Point	89,007	82,583	7.8%
Northpoint City North Wing*	54,847	50,837	7.9%
Changi City Point	23,935	22,393	6.9%
Tampines 1**	47,622	41,464	14.9%
Tiong Bahru Plaza**	41,358	36,268	14.0%
Century Square**	31,456	30,951	1.6%
Hougang Mall**	30,509	26,639	14.5%
White Sands**	28,769	25,448	13.1%
Central Plaza**	9,414	10,898	(13.6%)
Other investment properties***	14	13,668	(99.9%)
Total	356,931	341,149	4.6%
Property Expenses S\$'000			
Causeway Point	20,560	21,678	(5.2%)
Northpoint City North Wing*	13,956	13,094	6.6%
Changi City Point	9,365	8,958	4.5%
Tampines 1**	13,206	11,668	13.2%
Tiong Bahru Plaza**	10,345	9,187	12.6%
Century Square**	9,609	6,591	45.8%
Hougang Mall**	9,368	8,384	11.7%
White Sands**	8,524	7,572	12.6%
Central Plaza**	3,593	3,348	7.3%
Other investment properties***	(192)	4,102	N.M.
Total	98,334	94,582	4.0%
Net Property Income S\$'000			
Causeway Point	68,447	60,905	12.4%
Northpoint City North Wing*	40,891	37,743	8.3%
Changi City Point	14,570	13,435	8.4%
Tampines 1**	34,416	29,796	15.5%
Tiong Bahru Plaza**	31,013	27,081	14.5%
Century Square**	21,847	24,360	(10.3%)
Hougang Mall**	21,141	18,255	15.8%
White Sands**	20,245	17,876	13.3%
Central Plaza**	5,821	7,550	(22.9%)
Other investment properties***	206	9,566	(97.8%)
Total	258,597	246,567	4.9%
* Includes Yishun 10 Retail Podium.			
** These properties were included in the Group's portfolio following the ARF Acquisition on 27 October 2020.			
*** Other investment properties comprise Bedok Point (until its divestment on 9 November 2020), Anchorpoint (until its divestment on 22 March 2021), and YewTee Point (until its divestment on 28 May 2021). For FY2022, the amount mainly relates to adjustment after the divestment of the properties, i.e. Bedok Mall, Anchorpoint and YewTee Point.			

PERFORMANCE COMPARISON BETWEEN FY2022 AND FY2021

Gross revenue for FY2022 was S\$356.9 million, an increase of S\$15.8 million or 4.6% from FY2021. 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, higher gross turnover rental income due to higher tenant's sales as well as 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 FY2022 was S\$98.3 million, an increase of S\$3.8 million or 4.0% from FY2021. 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. It was partially offset by the absence of property expenses from the divested properties – Bedok Point, Anchorpoint and YewTee Point.

Net property income for FY2022 was therefore higher at S\$258.6 million, an increase of S\$12.0 million or 4.9% from FY2021.

Net non-property expenses for FY2022 of S\$83.0 million was S\$2.2 million or 2.8% higher than FY2021 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.

Total return included:

- ▶ Gain from fair valuation of derivatives of S\$0.5 million was S\$2.4 million or 82.1% lower than FY2021 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 S\$1.1 million was S\$0.3 million or 20.9% lower than FY2021 mainly due to better financial performance from H-REIT in FY2022, 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, FCT Group's interest in H-REIT decreased from 31.15% to 30.53%. Arising from the dilution of interest in H-REIT, FCT Group recognised a loss of S\$1.1 million, of which a loss of S\$0.4 million arose from the realisation of translation reserve.
- ▶ Share of results of joint ventures for FY2022 of S\$24.6 million was S\$7.7 million or 45.7% higher than FY2021 due to better SST's results and recognition of SST's fair value gain on investment property of S\$4.3 million in FY2022.
- ▶ In FY2022, FCT Group recognised a net change in fair value of investment properties of S\$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. FCT Group's tax credit of S\$6.1 million in FY2022 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.

FINANCIAL REVIEW

DISTRIBUTION

Distribution to Unitholders for FY2022 was S\$208.2 million, which was S\$3.5 million or 1.7% higher compared to FY2021.

The breakdown and comparison of the DPU for FY2022 and FY2021 are presented below:

	FY2022 1 October 2021 - 30 September 2022	FY2021 1 October 2020 - 30 September 2021	Increase / (Decrease)
Distribution per Unit (S cents)			
First half (1 October - 31 March)	6.136 ¹	5.996	2.3%
Second half (1 April - 30 September)	6.091 ^{1,2}	6.089	-
Full Year (1 October - 30 September)	12.227	12.085	1.2%
¹ Includes retention of S\$4.8 million in first half 2022 which was released in second half of FY2022. ² Includes retention of S\$1.7 million of tax-exempt income.			

TOTAL ASSETS, NET ASSET VALUE PER UNIT AND NET TANGIBLE ASSET PER UNIT

As at 30 September 2022, the total assets stood at S\$5,941.4 million, an increase of S\$42.6 million from S\$5,898.8 million a year ago. The increase was mainly attributed to investment in joint ventures of S\$17.9 million, valuation gain of S\$2.7 million and capital expenditure of S\$4.9 million as well as financial derivatives of S\$25.1 million arising from the fair value adjustments of interest rate swaps. The increase was partially offset by lower investment in associate of S\$5.7 million mainly due to share of H-REIT's fair value loss on investment properties of S\$4.4 million and decrease in cash and cash equivalents of S\$4.1 million.

FCT Group's net assets stood at S\$3,964.1 million as at 30 September 2022, an increase of S\$45.3 million compared with S\$3,918.8 million a year ago.

Correspondingly, the NAV and the NTA of FCT Group increased to S\$2.33 per Unit from S\$2.30 per Unit a year ago. The NAV and NTA per Unit are calculated based on the following:

	30 September 2022	30 September 2021
NAV/NTA (S\$'000)	3,964,077	3,918,808
Total issued and issuable Units ('000)	1,703,765	1,700,859
NAV/NTA per Unit (S\$)	2.33	2.30

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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APPRAISED VALUE OF PROPERTIES

Independent valuations of the investment properties as at 30 September 2022 and 30 September 2021 were undertaken by Jones Lang LaSalle Property Consultants Pte Ltd and Savills Valuation and Professional Services (S) Pte Ltd ("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. Valuation methods used for the investment properties include the capitalisation approach and discounted cash flow analysis (and direct comparison method as a cross-check) in determining the fair values of the properties.

Annual valuations are required by the Code on Collective Investment Schemes.

The total appraised value of FCT Group's investment property portfolio as at 30 September 2022 stood at S\$5,516.0 million, compared with S\$5,506.5 million a year ago.

The appraised values of Causeway Point and Northpoint City North Wing saw an increase of S\$11.0 million and S\$6.5 million respectively, while Century Square registered decline of S\$15.0 million in its appraised value. The remaining properties in the investment portfolio were relatively stable compared to a year ago.

Properties	As at 30 September 2022		As at 30 September 2021	
	Appraised Value (S\$ million)	Capitalisation rate	Appraised Value (S\$ million)	Capitalisation rate
Causeway Point	1,323.0	4.75%	1,312.0	4.75%
Northpoint City North Wing	778.0	4.75%	771.5	4.75%
Changi City Point	325.0	5.00%	325.0	5.00%
Yishun 10 Retail Podium ¹	34.0	3.75%	33.0	3.75%
Tampines 1	764.0	4.75%	762.0	4.75%
Tiong Bahru Plaza	655.0	4.75%	654.0	4.75%
Century Square	559.0	4.75%	574.0	4.75%
Hougang Mall	433.0	4.75%	432.0	4.75%
White Sands	429.0	4.75%	428.0	4.75%
Central Plaza	216.0	3.75%	215.0	3.75%
Total	5,516.0		5,506.5	
Waterway Point ⁶	1,312.5	4.50%	1,300.0	4.50%

1 Yishun 10 Retail Podium comprises 10 strata-titled retail units at Yishun 10 Cinema Complex. As at 30 September 2022, its valuation was based on the capitalisation approach, discounted cash flow analysis and direct comparison method.

2 As of 30 September 2022, FCT owns 40.00% of Sapphire Star Trust which holds Waterway Point. The value reflected in this table is the total value of the retail property and is based on the agreed property value in the proposed acquisition of an additional 10.00% interest in Waterway Point as announced on 12 September 2022. The agreed property value was arrived at after taking into account the independent valuation conducted by Savills (commissioned jointly by the Manager of FCT, HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of FCT) and an unrelated third-party purchaser of the other 10.00% interest in Waterway Point). Savills, in its report dated 31 July 2022, stated that the open market value of the Property as at 31 July 2022 was S\$1,300.0 million. The valuation methods used to derive the open market value of the Property include the capitalisation approach and discounted cash flow analysis, with the direct comparison method used as a cross-check. FCT's 40.00% interest amounts to S\$525.0 million.

CAPITAL RESOURCES

OVERVIEW

The Manager of FCT continues to maintain a prudent financial structure and adequate financial flexibility to ensure that it has access to capital resources to drive growth. The Manager proactively manages FCT Group's cash flows, financial position, debt maturity profile, cost of funds, interest rates exposure and overall liquidity position to stay competitive. The Manager monitors and maintains a level of cash and cash equivalents deemed adequate by management to meet its operational needs. It also maintains a strong capital structure that is supported by diversified sources of funding.

SOURCES OF FUNDING

FCT Group taps on the debt and equity market for its funding needs. The Manager maintains active relationship with local and foreign banks which are located in Singapore. The principal bankers of FCT Group are BNP Paribas, Citibank, N.A., Singapore Branch, Credit Industriel et Commercial, Singapore Branch, DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and Standard Chartered Bank.

As at 30 September 2022, FCT Group has a total capacity of S\$6,161.9 million from its sources of funding, of which S\$1,815.0 million or 29.5% has been utilised.

The following table summarises the capacity and the amount utilised for each of the sources of funding:

Sources of Funding	Type	Capacity	Amount Utilised	% Utilised
Revolving credit facilities	Unsecured	S\$665.0 million	S\$171.0 million	25.7%
Revolving credit facilities	Secured	S\$298.8 million	S\$175.9 million	58.9%
Medium Term Note Programme	Unsecured	S\$1,000.0 million	S\$70.0 million	7.0%
Bank borrowings	Unsecured	S\$580.0 million	S\$580.0 million	100.0%
Bank borrowings	Secured	S\$618.1 million	S\$618.1 million	100.0%
Multicurrency Debt Issuance Programme	Unsecured	S\$3,000.0 million	S\$200.0 million	6.7%
Total		S\$6,161.9 million	S\$1,815.0 million	29.5%

CREDIT RATINGS

FCT has corporate credit ratings from S&P Global Ratings ("S&P") and Moody's Investors Service ("Moody's"). FCT has been assigned a corporate rating of "BBB" with a stable outlook by S&P and a corporate rating of "Baa2" with a stable outlook by Moody's. In addition, FCT's Medium Term Note Programme ("MTN Programme") has been rated "BBB" by S&P.

SUSTAINABLE FINANCING

In December 2021, FCT set up a sustainable finance framework to demonstrate its commitment towards responsible investment by improving its portfolio's ESG performance. FCT's goal is to certify 80.0% of its existing buildings by 2024 to at least Building Construction Authority Green Mark Gold certification. As at 30 September 2022, green loans account approximately 31.9% of total borrowings¹.

DEBT PROFILE

In 2022, FCT Group entered into new term loan and bank facilities of S\$150.0 million and S\$120.0 million respectively to re-finance the existing bank loans as well as S\$30.0 million bond issued under its MTN Programme. To mitigate interest rate risk, Interest Rate Swaps of notional S\$410.0 million were executed. As at 30 September 2022, 70.5% of the total borrowings are on fixed interest rates. During the year, the security in relation to Tiong Bahru Plaza and Changi City Point were unencumbered, following the full repayment of the relevant loans and cancellation of facilities. The percentage of total assets that are unencumbered increased to 68.2% as at 30 September 2022 as compared to 50.0% a year ago.

FCT Group's total debt stood at S\$1,815.0 million on 30 September 2022 for which it comprised S\$794.0 million secured bank borrowings, S\$751.0 million unsecured bank borrowings and S\$270.0 million unsecured Notes. The Interest Coverage Ratio ("ICR") for the year ended 30 September 2022 was 5.19 times. FCT Group's aggregate leverage stood at 33.0% as at 30 September 2022.

¹ The green loans and the total borrowings include FCT's 40.00% proportionate share of borrowing in SST.

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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KEY FINANCIAL METRICS

Financial Year ended 30 September	2022	2021
Total Borrowings	S\$1,815.0 million	S\$1,815.0 million
Aggregate Leverage ¹	33.0%	33.3%
Interest Coverage ²	5.19 times	4.77 times
Average All-In Cost Of Borrowing	2.5%	2.2%
Average Debt Maturity	2.0 years	2.5 years

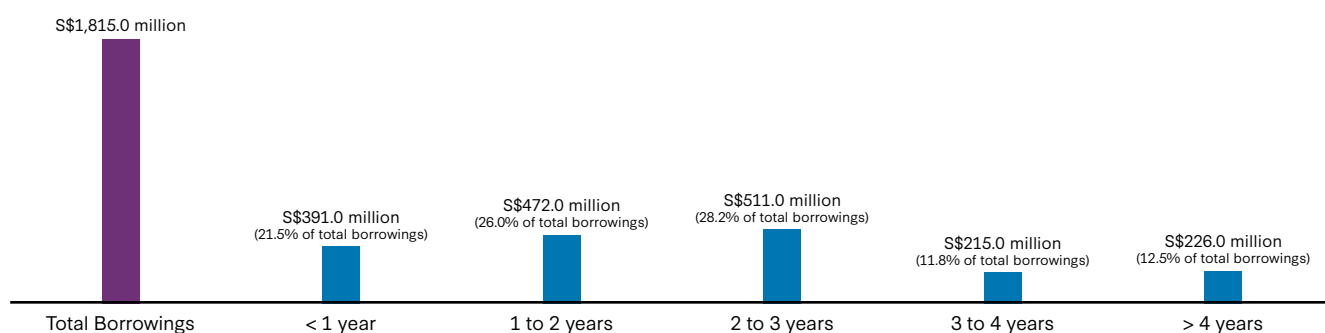
1 In accordance with Property Funds Appendix, the aggregate leverage included FCT's proportionate share (40.00%) of deposited property value and borrowings in SST (which owns Waterway Point).

2 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.

FCT Group holds derivative financial instruments to hedge its interest rate risk exposure. The fair value of derivative assets as at 30 September 2022 of S\$25.1 million (2021: S\$3.1 million liabilities) is disclosed in Note 13 Financial Derivatives to the Financial Statements. The fair value of financial derivatives represented 0.63% (2021: 0.08%) of the net assets of FCT Group as at 30 September 2022.

DEBT MATURITY PROFILE AS AT 30 SEPTEMBER 2022

	Amount Due	As % of total borrowings
< 1 year	S\$391.0 million	21.5%
1 to 2 years	S\$472.0 million	26.0%
2 to 3 years	S\$511.0 million	28.2%
3 to 4 years	S\$215.0 million	11.8%
> 4 years	S\$226.0 million	12.5%
Total Borrowings	S\$1,815.0 million	100.0%



RETAIL PROPERTY MARKET OVERVIEW

1. INTRODUCTION

This report has been prepared by Cistri Pte. Ltd.

This report provides an independent review of the Singapore retail market, including the suburban shopping centre market.

First, we consider the macro economic drivers of the retail market, including economic growth, inflation, tourism, and population growth.

Second, we look at the shopping centre market in more detail, providing an analysis of key market dynamics such as shopping centre supply, rental, and occupancy growth.

Finally, we summarise key trends in the retail market over the past year.

2. ECONOMIC CONTEXT

This section provides background information on the economic context at the global and Singapore level.

Current Situation & Near-Term Outlook

Economic activity across many countries, particularly advanced economies, bounced back from the COVID-19 pandemic over late 2021 and early 2022. For example, gross domestic product ("GDP") in both the United States ("US") and European Union surpassed pre-pandemic levels in Q2 2022. This recovery was supported by economic reopening, the lifting of border restrictions, consumer spending fuelled by pent-up demand and accommodative monetary policy up to early 2022.

Nevertheless, in the near future, the global economic outlook is clouded by several headwinds. Firstly, inflationary pressures have emerged as the demand recovery coincided with tight labour markets and commodity supply shortages largely due to the Russia-Ukraine War and adverse weather events.

Second, interest rates have risen as central banks worldwide responded to higher inflation by tightening monetary policy. For example, the US Federal Reserve has already increased the federal funds rate six times up to November 2022 to reach a range of 3.75% - 4.00%.

Third, economic recovery in China - now a significant economic player and consumer on the global stage - remains hampered by its "Zero-COVID-19" policy and a downturn in its property sector. These market disruptions could slow down private consumption growth and broader economic activity if not managed well.

So far, the Singapore economy has benefited from the global and domestic post-pandemic reopening. Notwithstanding the COVID-19 waves due to the Omicron and XBB variants, Singapore has been able to continue its economic reopening, lift its mask mandate for most settings and fully remove Vaccination-Differentiated Safe Management Measures ("VDS") by October 2022 as the local population gained immunity through vaccination, boosters and prior infection.

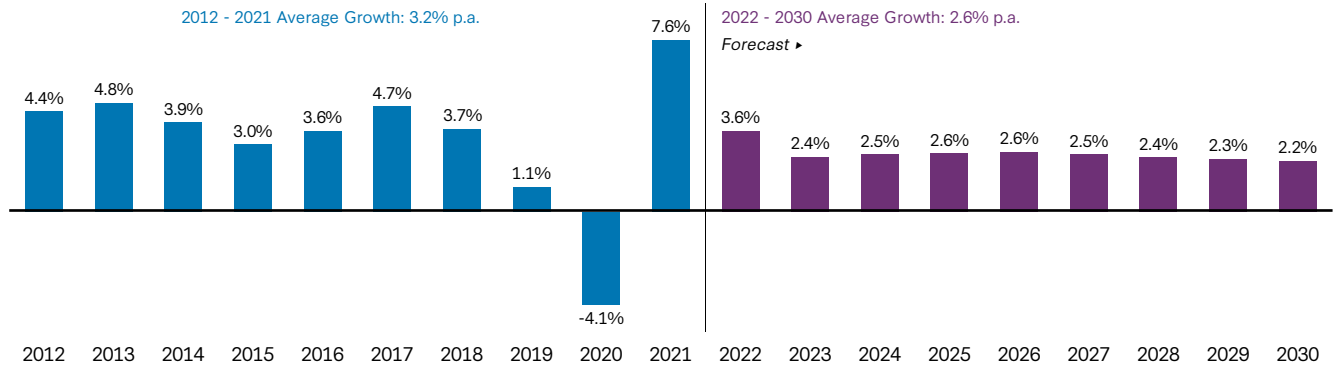
With the economic reopening, Singapore recorded year-on-year real GDP growth rates of around 4.5% in Q2 2022 and 4.4% Q3 2022 (according to advance estimates), with the fastest growth occurring in the service sectors. For the full year of 2022, the Ministry of Trade and Industry is forecasting real GDP growth within a range of 3.0% - 4.0%. To achieve this growth and manage the impacts of the emerging global economic risks, the Singapore government will need to find a balance between promoting growth and controlling inflationary pressures through its monetary policy.

Medium-Term Outlook

In the medium term, we expect the momentum of the post-pandemic rebound to continue, particularly with the recovery of tourism. However, there are also some risks that could affect the medium-term economic outlook.

Firstly, global economic growth over the next few years will depend on how long inflation persists, and how well central banks are able to strike a balance between controlling inflation and supporting growth. Raising interest rates too much or too quickly risks causing an economic slowdown. Should this occur in Singapore's major export markets, Singapore may be negatively impacted.

Singapore Full-Year Real GDP Growth
2012 - 2030



Source: Focus Economics, Cistri

The second key variable in the medium-term outlook is the pace with which the Chinese economy reopens and recovers. Market commentators have expressed concern about the health of the Chinese economy in light of a sharp slowdown in GDP growth in Q2 2022 (0.4% year-on-year and -2.6% quarter-on-quarter) and the delayed release of China’s Q3 economic data. The sooner China is able to transition towards a more open domestic economy and open borders, the sooner Singapore stands to benefit from resumption of trade and tourism activities with China.

Third, as a small open economy, international and domestic political tensions affecting Singapore’s trade partners could also impact Singapore’s medium-term outlook. Trade and political tensions between the US and China – both of which are Singapore’s major trade partners – continue to play out through the imposition of trade restrictions and sanctions on political personnel. Singapore will need to manage its relations with these two powerhouses well to maintain good trading ties with both countries and their allies.

Finally, the medium-term outlook could be affected by the emergence of new COVID-19 variants should they be more severe than past variants and necessitate the reimposition of Safe Management Measures such as mask-wearing.

Long-Term Outlook

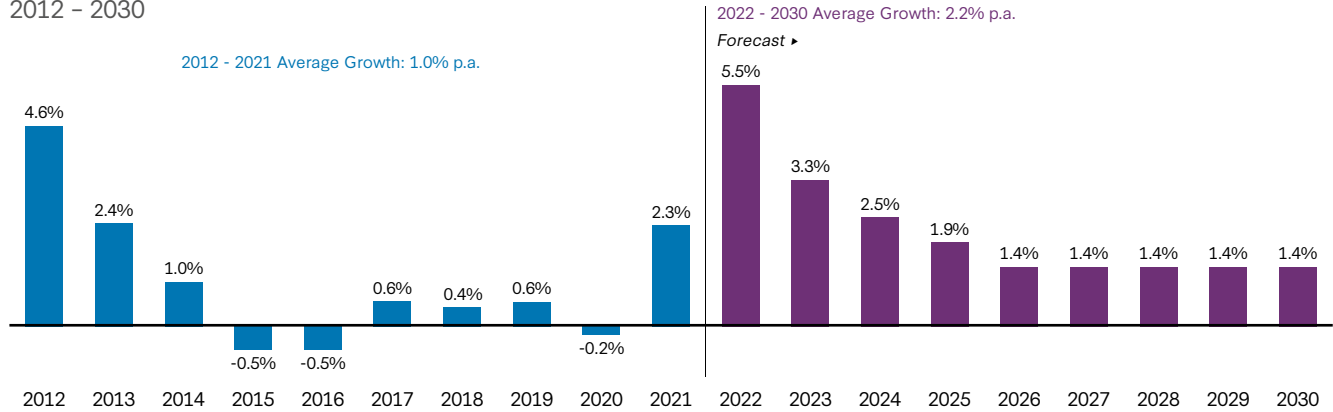
Even with the aforementioned developments, Singapore has continued to demonstrate a sound and prudent approach to governance that places it in good stead to navigate economic uncertainties. In the longer term, we remain optimistic about Singapore’s position as the preferred hub for business, investment and trade in the growth region of ASEAN. Singapore’s political stability and its decisive, business-friendly policies have proven to be its key factors of success, putting the city-state ahead of other Asian business hubs on the road to post-pandemic recovery.

Going forward, full-year GDP growth is forecast to average around 2.6% p.a. between 2022 and 2030.

RETAIL PROPERTY MARKET OVERVIEW

Consumer Price Inflation

2012 - 2030



Source: Focus Economics, Cistri

3. INFLATION

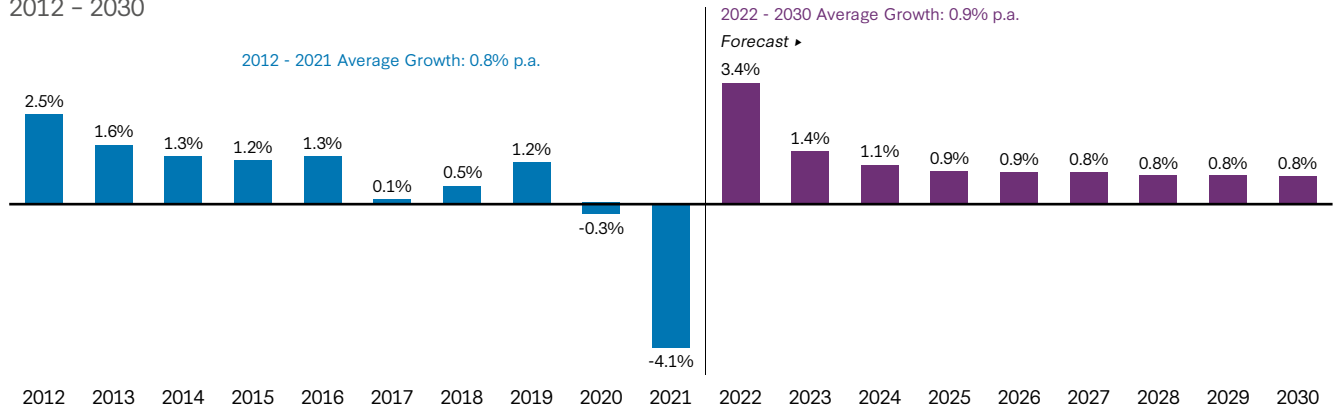
Like many other economies, Singapore experienced heightened inflation in 2022 due to the supply chain shocks caused by the Russia-Ukraine War and other global disruptions. In September 2022, Singapore saw year-on-year inflation of around 7.5% – the highest since 2008. Amongst product and service categories, transport registered the highest inflation rate of around 19% year-on-year due to higher prices for fuel and cars. Strong inflation rates were also observed in the food category (6.9%) and clothing and footwear category (6.0%).

As long as geopolitical tensions in Europe and supply chain issues remain unresolved, energy and commodity prices are expected to remain elevated. Domestically, Singapore may also face some additional short-term price pressures due to the upcoming increase in Goods and Services Tax (“GST”). The government will raise GST from 7% to 9% in two stages; first to 8% on 1 January 2023, and then to 9% on 1 January 2024.

To mitigate the impacts of inflation, the Monetary Authority of Singapore has made multiple adjustments to its monetary policy stance throughout 2022 to strengthen the Singapore Dollar and moderate imported inflation. At the same time, the Singapore government rolled out two fiscal support packages worth a total of S\$3 billion to help Singaporean households cope with rising prices. These support packages are in addition to the S\$6 billion Assurance Package that was introduced in Budget 2020 and topped up in Budget 2022 to help cushion the impact of the GST increase on consumers. These policies should help to protect consumers’ spending power from inflationary effects to some degree.

Assuming the Russia-Ukraine War ends by 2023, inflation is forecast to moderate over time and average around 2.2% p.a. between 2022 and 2030.

Population Growth
2012 - 2030



Source: SingStat, Cistri

4. POPULATION GROWTH

Following a decline in population in the prior year, Singapore’s population rebounded by 3.4% from 2021 to 2022 to reach 5.63 million. Residents (Singapore Citizens and Permanent Residents) accounted for around 47% of the population growth from 2021 to 2022 while foreigners accounted for the remaining 53%.

Nevertheless, due to the large decline in expatriate population in 2021, the foreigner population was still around 7% below pre-pandemic levels by 2022. In contrast, the resident population in 2022 was 1% above pre-pandemic levels. Overall, Singapore’s total population by 2022 was still around 1% below that in 2019.

We expect population levels to return to pre-pandemic levels within the next year as inbound migration continues to recover, supported by the pent-up demand for labour. The Singapore government recognises the importance of keeping Singapore open to global talent to sustain economic growth and has made the following manpower policy changes to ease the foreign talent crunch:

- ▶ The minimum duration for firms to advertise jobs to locals before hiring foreigners has been reverted to two weeks after being temporarily extended to four weeks during the pandemic.
- ▶ Employment Pass holders (i.e. white-collar foreign workers) working in tech occupations with a shortage of workers are now allowed to stay in Singapore for up to five years, up from two or three years.
- ▶ The government is also introducing a new work pass – the Overseas Network and Expertise (“One”) Pass – to attract top foreign talent with valuable networks and deep skills from across all industries. However, we do not expect many workers to be admitted under this pass as it is highly selective and requires applicants to earn a fixed monthly salary of at least S\$30,000.

In the long term, given the low birth rate and ageing population in Singapore, we expect some degree of inward migration to remain a key policy tool to support population and economic growth in Singapore.

Overall, we forecast population growth to average around 0.9% p.a. in 2023 – 2030 to reach around 6.1 million by 2030.

RETAIL PROPERTY MARKET OVERVIEW

5. TOURISM GROWTH

While Singapore's tourism sector has yet to fully bounce back from the pandemic, it has made steady progress towards recovery. Monthly inbound visitor arrivals have climbed month-on-month to reach around 778,000 by September 2022, which is around half the number of arrivals achieved in September 2019. The steady recovery has been facilitated by the decisive steps that Singapore took this year to revive its tourism sector:

- ▶ **Relaxation of border restrictions:** All fully vaccinated adult visitors and children regardless of vaccination status can now enter Singapore without pre-departure testing or quarantine. Short-term visitors who are not fully vaccinated can also enter Singapore without quarantine subject to pre-departure testing. These simplified border measures help to entice tourists to return to the city-state.
- ▶ **Reopening of Changi Airport:** In response to rising travel demand, Changi Airport has resumed operations at Terminal 4 and Terminal 2. This restores the passenger handling capacity at Changi Airport to around 70 million passengers a year, the same as pre-pandemic levels.
- ▶ **Business and leisure events:** With the removal of VDS, various business and leisure events have been able to resume normally in 2022. This year saw the return of the Formula 1 Singapore Grand Prix, which attracted a record high of 302,000 attendees, around half of whom were from abroad. On the business front, Singapore has hosted high-profile MICE events such as the Milken Institute Asia Summit, Forbes Global CEO Conference, the Bloomberg New Economy Forum amongst other events that help to reinforce Singapore's status as a regional and global business hub.

Besides these measures, the Singapore Tourism Board ("STB") has rolled out multiple initiatives to raise Singapore's profile as a global tourist destination. This year, as part of its SingapoReimagine campaign, STB partnered international artistes Charlie Puth and Billie Eilish as well as Korean drama production house Studio Dragon to feature Singapore in various forms of entertainment media. In addition, STB signed a partnership agreement with Warner Bros Discovery to collaborate on producing entertainment, lifestyle and marketing content to spotlight Singapore as a travel destination. Other partners that STB is working with to promote travel to Singapore include travel booking platform Klook and Malaysia Airlines.

Ultimately, the main factor that will influence the recovery of Singapore's tourism sector will be the reopening of its biggest single tourist source market – China. Tourist inflows are unlikely to return to pre-pandemic levels until outbound travel restrictions from China are lifted. Nevertheless, the ongoing promotional initiatives by Singapore's tourism and economic agencies remain important to keep Singapore front-of-mind among prospective global visitors until they can travel freely.

6. RETAIL SALES

Current Situation

Following a steep decline in 2020, retail sales began to recover in 2021 and have been continuing to grow through 2022. Growth has been facilitated by consumers seeking to fulfil pent-up demand for shopping from the last two years.

Different product categories have seen sales rebound to differing extents. Some categories have seen sales return to or even exceed pre-pandemic levels, while others have yet to fully recover. Comparing total sales in the first eight months of the year, supermarket and hypermarket sales in 2022 were around 25% higher than pre-pandemic levels. For the same period, sales in non-food discretionary categories such as jewellery, apparel, IT and household goods have also exceeded pre-pandemic levels.

In contrast, F&B sales at restaurants for the year up to August were still below pre-pandemic levels. However, F&B sales could improve in the coming months with the recent lifting of VDS at dining establishments.

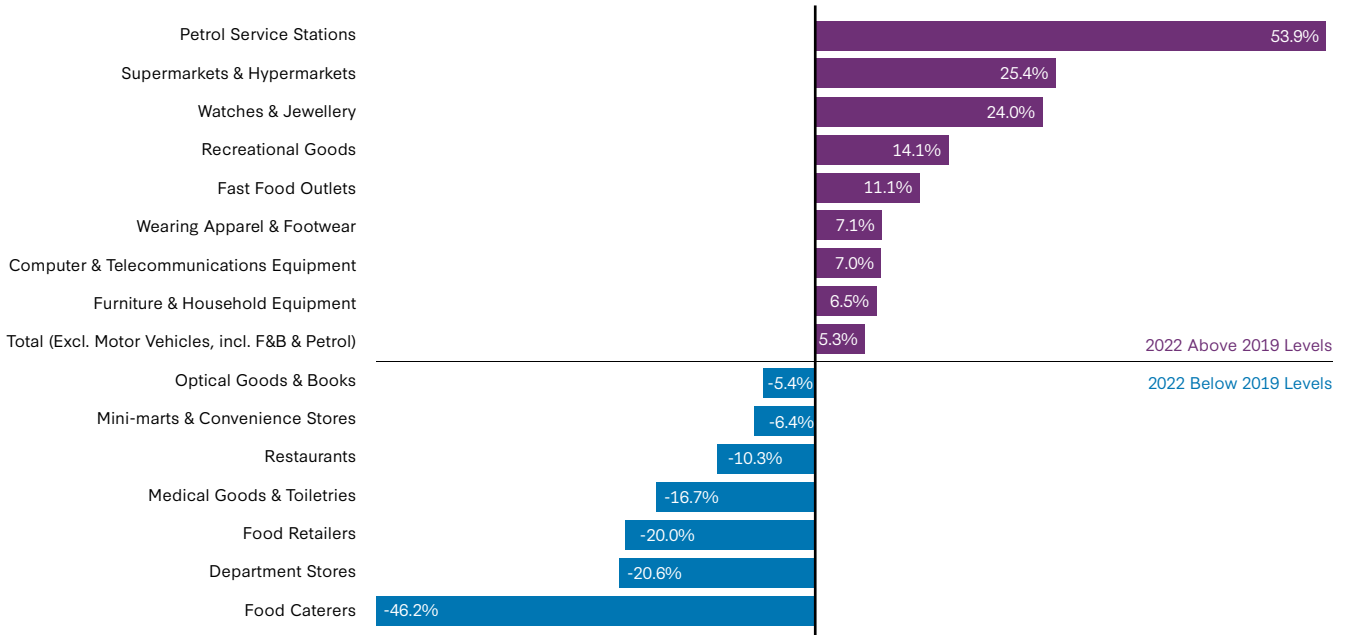
Based on SingStat's data up to August 2022, Cistri forecasts full-year retail sales (excluding petrol and motor vehicles but including F&B) to grow by around 9.9% in 2022 and reach close to 2019 levels by end 2022.

Medium-Term and Long-Term Outlook

A sustained recovery in retail sales in the next few years will require a stable economic environment where the impacts of high inflation and interest rates are carefully managed. Otherwise, there is a risk that high inflation and/or interest rates will dampen consumers' spending. In addition, inbound tourism from major source markets will need to fully recover.

Assuming these conditions for recovery are achieved, total retail sales in Singapore could exceed pre-pandemic levels in 2023. As pent-up demand tapers off in 2023, sales growth is forecast to moderate to 4.5% in 2023 before picking up again in 2024 with anticipated recovery in tourism inflows. Overall, between 2022 and 2030, total nominal retail sales growth is forecast to average around 4.3% p.a..

Retail Sales Growth by Category
First Eight Months of 2019 vs. First Eight Months of 2022

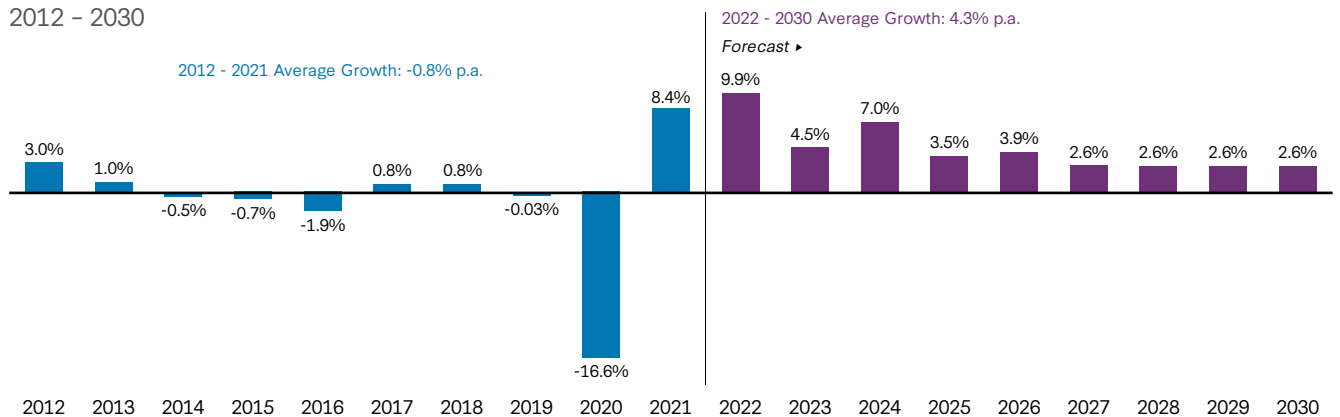


Source: SingStat, Cistri

It should be noted that not all of this growth will accrue to bricks-and-mortar retail stores as the penetration of online retail has also been increasing. Before the pandemic, SingStat’s data suggests that around 6% of total retail sales (excluding F&B) in Singapore were transacted online. By 2022, this share had more than doubled to around 13%, and it is expected to remain around this level in the next couple of years as consumers remain accustomed to the convenience of online shopping.

Notwithstanding, this still leaves 87% of sales being purely transacted in physical stores, even before including online sales that are fulfilled in-store. Our view is that physical stores will continue to play a critical role in facilitating most retail transactions over the next decade, particularly via omnichannel means. Furthermore, there will be variations in the pace of bricks-and-mortar sales recovery across different types of retail centres. High-quality, well-managed and well-located retail centres are likely to experience a faster uptick in sales.

Nominal Retail Sales Growth
2012 - 2030



Source: SingStat, Cistri

RETAIL PROPERTY MARKET OVERVIEW

7. RETAIL SUPPLY

Cistri's estimate of future retail floorspace includes announced retail projects, longer-term allowances for unannounced future projects, as well as an allowance for obsolescence. Supply forecasts for announced projects are based on the URA's commercial projects pipelines and developers' intentions.

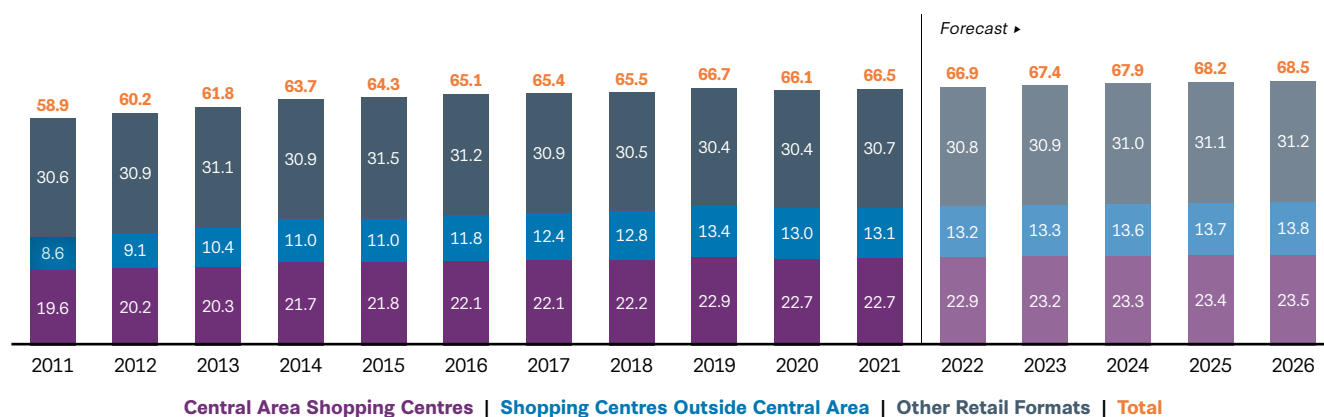
Total retail net lettable area ("NLA") supply in Singapore reached 66.5 million sq ft by end 2021, approximately 400,000 sq ft higher than in 2020. Some of the decline in floorspace supply in 2020 was reversed with the opening of Northshore Plaza I (62,200 sq ft) and the

addition of non-mall retail spaces. By end 2022, total retail NLA is expected to increase further to around 66.9 million sq ft due to a combination of new mall openings (e.g. Northshore Plaza II, Hougang Rivercourt), centre re-openings post-renovation (e.g. i12 Katong), and the re-opening of retail outlets that were closed due to the pandemic.

By 2026, total retail floorspace is forecast to increase to around 68.5 million sq ft, which translates to an average growth rate of approximately 400,000 sq ft p.a. or 0.6% p.a. from 2021. Of this, the share of shopping centre floorspace outside the Central Area is expected to remain stable at around 20% from 2021 to 2026.

Retail Floorspace Supply

Singapore, 2011 - 2026 (Million Sq ft)



Note: Central Area includes Central Core and central fringe areas
Source: URA, Developers' Announcements, Cistri; as of September 2022

Notable upcoming retail centre projects include a mixture of projects in the central fringe and suburban east and northeast Singapore. These are listed in the table below.

Upcoming Enclosed Retail Centre Projects (>60,000 sq ft NLA)

2023 - 2027

Name	Opening Year	NLA (sq ft)	Closest MRT/LRT	Centre Type
Woodleigh Mall	2023	206,000	Woodleigh	Sub-Regional
Grantral Mall @ Macpherson	2023	63,000	Tai Seng	Neighbourhood
Punggol Digital District	2024	173,000	Punggol Coast (U/C)	Neighbourhood
Sengkang Grand Mall	2024	112,000	Sengkang	Neighbourhood
One Holland Village	2024	62,000	Holland Village	Neighbourhood
Changi Airport Terminal 2 Expansion	2024	60,000	Changi Airport	Neighbourhood
Caninghill Square (Former Liang Court)	2025	90,000	Fort Canning	Neighbourhood
Lentor Modern	2026	60,000	Lentor	Neighbourhood
Pasir Ris Mall	2024	269,000	Pasir Ris	Sub-Regional

Source: URA, developers, Cistri

Besides the above, several other locations provide the potential for new retail floorspace:

- ▶ Areas identified for development under URA's 2019 Master Plan, including: Woodlands Regional Centre, Changi Gateway, the Greater Southern Waterfront, Tengah and Bidadari, as well as tourist destinations like Sentosa-Brani, Jurong Lake District and Mandai Eco-Tourism Hub.
- ▶ Government Land Sales ("GLS") that provide opportunities for mixed-use developments with retail components. Currently, there is only one GLS site that could potentially accommodate retail development and this site is still in the Reserve List. The Kampong Bugis white site was removed from the tender list March 2022 due to delays in the completion of soil remediation works, but we expect this site to be re-included eventually. Development on such sites is likely to still be a few years away as it will first require the submission of a satisfactory bid to trigger a land tender process.

Upcoming Government Land Sale Sites (Mixed Use/White Sites)

October 2022

Site	Site Area (ha)	Proposed Gross Plot Ratio	Maximum GFA (sq ft)	Capped Retail GFA (sq ft)	Status
Woodlands Avenue 2	2.8	4.2	1,240,000	360,000	Reserve List

Source: URA

8. SHOPPING CENTRE FLOORSPACE PER CAPITA

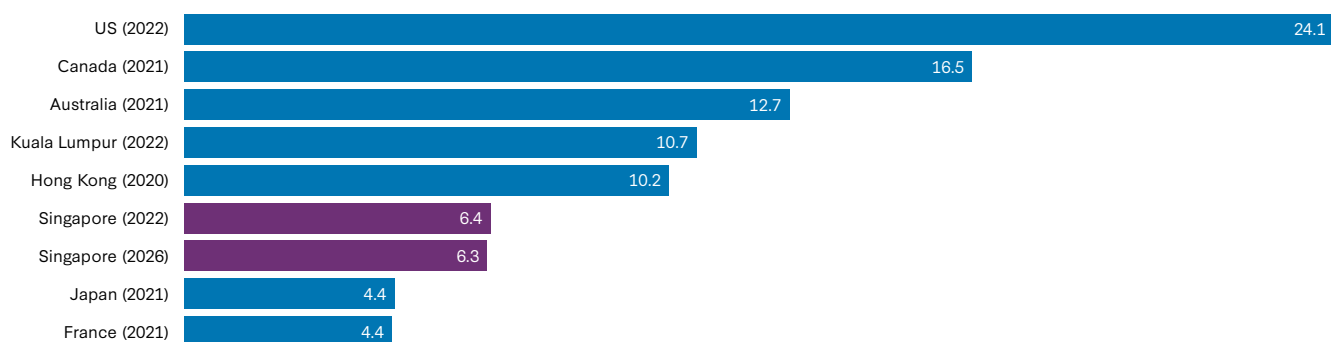
By end 2022, Singapore's shopping centre floorspace per capita provision is anticipated to reach around 6.4 sq ft NLA. This is slightly lower than the provision in 2021 primarily due to a rebound in the population level in 2022, but the change is minor. By 2026, we expect floorspace per capita to moderate further to around 6.3 sq ft as the population continues to grow faster than supply.

Compared to other countries, Singapore has a lower provision of floorspace per capita compared to other larger countries like the US, Australia, and other major cities in the region. This is primarily because Singapore has fewer large shopping centres.

However, the quantum of floorspace per capita does not reflect the quality of the retail offering. Singapore generally has good quality shopping malls, a comprehensive retail hierarchy, and low levels of vacancy. This means that shoppers are generally well-served notwithstanding the lower per capita provision of floorspace.

Shopping Centre Floorspace Per Capita (sq ft NLA)

Singapore vs. Various Countries & Cities



Global benchmarks updated based on latest data availability.
Source: Cistri

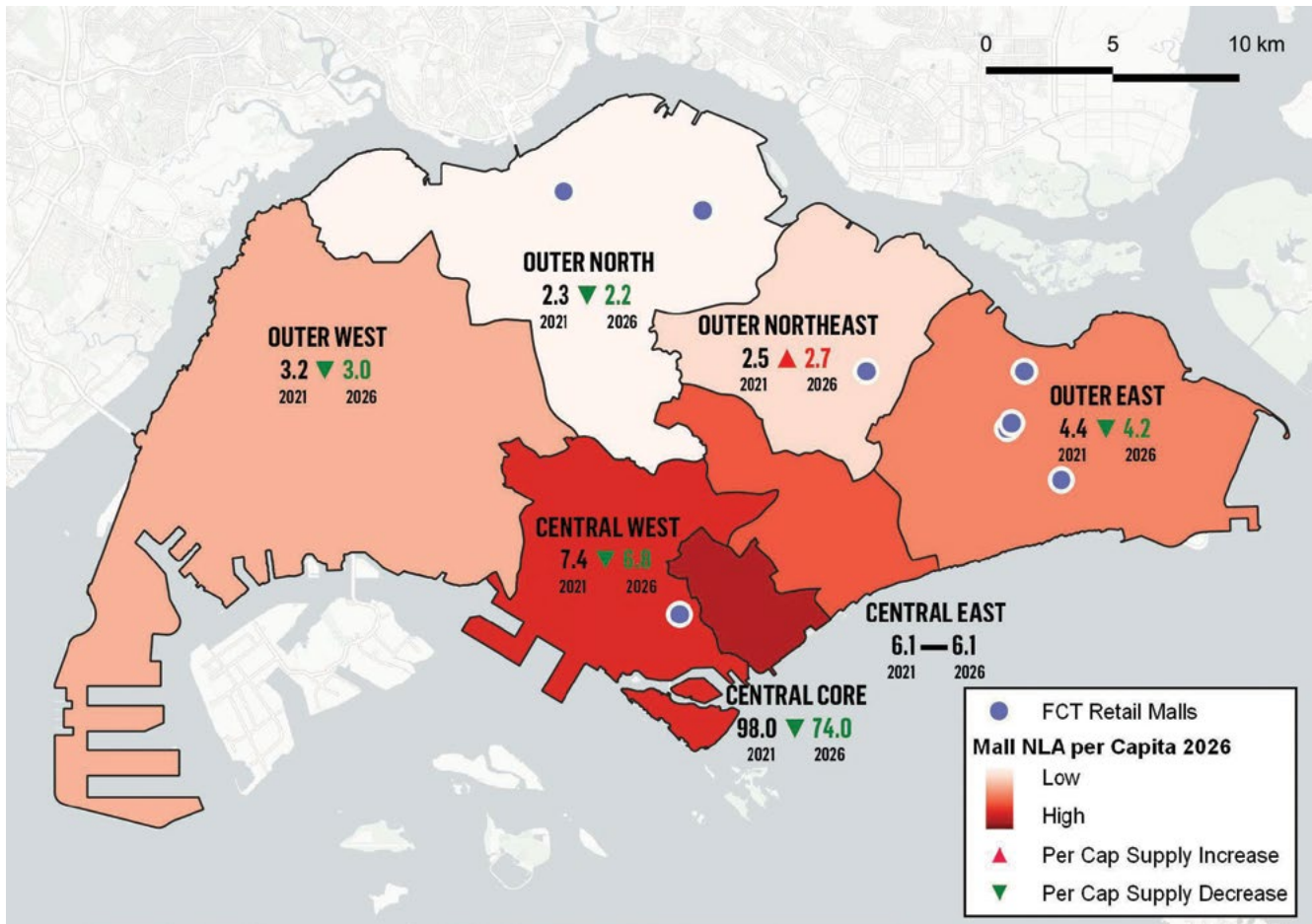
RETAIL PROPERTY MARKET OVERVIEW

Amongst the various regions of Singapore, the highest concentration of shopping centre floorspace is within the central areas, particularly around Orchard Road. The suburban areas have materially lower provisions, ranging from around 2.3 Sq ft per capita in the Outer North to around 4.4 Sq ft per capita in the Outer East in 2021.

Cistri expects the Outer Northeast region to be the only region to experience growth in per capita floorspace

provision between 2021 and 2026. Contributing to this are two Housing Development Board (“HDB”) neighbourhood centres that newly opened in 2022 – Hougang Rivercourt and Northshore Plaza II – as well as other planned openings after 2022 such as Sengkang Grand Mall and the retail components of Punggol Digital District. In all other regions, floorspace per capita is expected to decline from 2021 as the 2021 provisions were elevated by a low population base.

Shopping Centre Floorspace Per Capita by Region 2021 vs. 2026



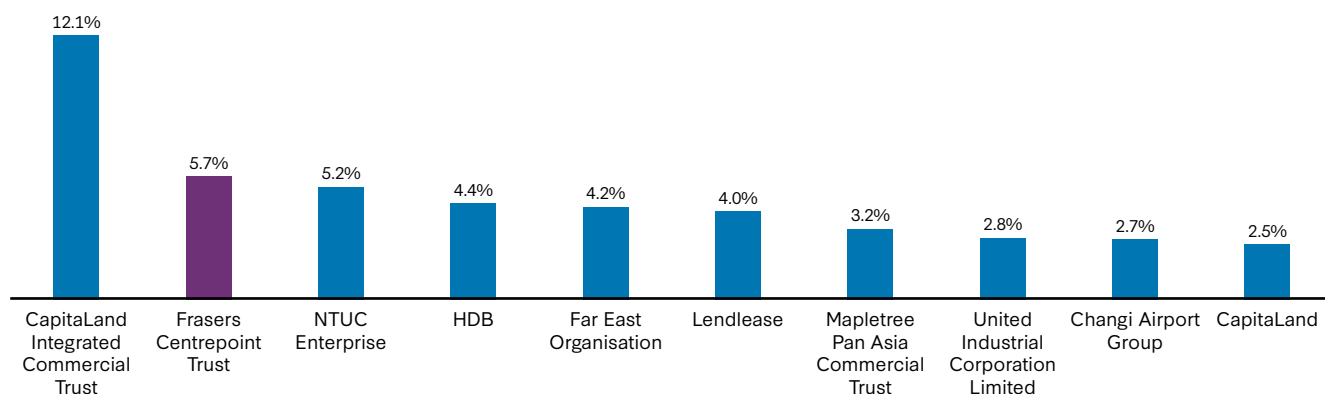
Source: SingStat, Cistri

9. MARKET SHARE OF SHOPPING CENTRE NLA BY OWNER

FCT remains the second-largest owner of total shopping centre floorspace in Singapore with a market share of around 5.7% as at October 2022. This share has not changed since the end of 2021.

Share of Island-wide Shopping Centre Floorspace by Owner

By NLA



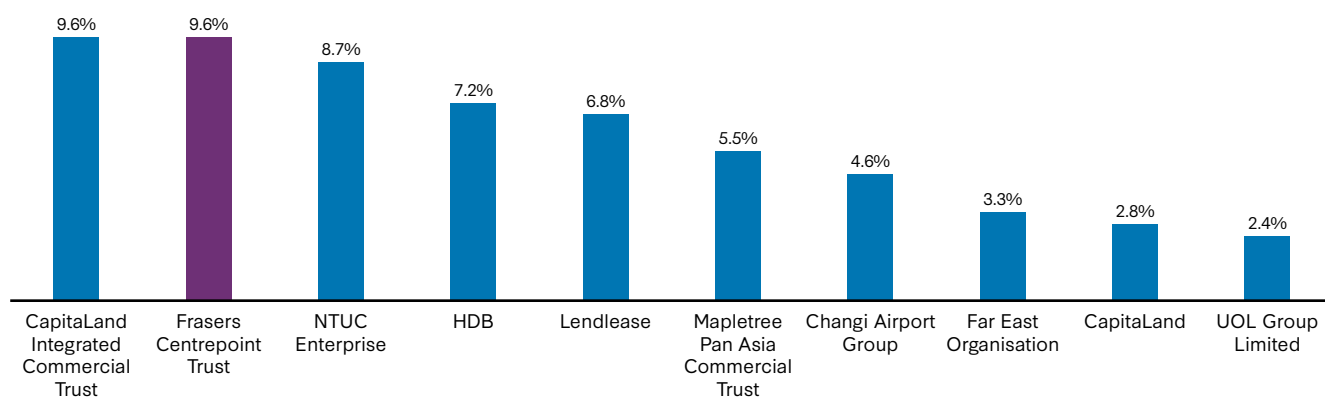
Source: Cistri

Note: As at October 2022

FCT's share of suburban shopping centre floorspace as at October 2022 is estimated to be around 9.6%. This is slightly lower than its 2021 share of around 9.7% but not significantly different. The slight drop is caused by an increase in the total suburban floorspace stock due to additions by other retail property players outside the top 10 players.

Share of Suburban Shopping Centre Floorspace by Owner

By NLA



Source: Cistri

Note: As at October 2022

RETAIL PROPERTY MARKET OVERVIEW

Key changes to the top 10 shopping centre owners in 2022 include the following:

- ▶ CapitaLand Integrated Commercial Trust's floorspace share has declined due to its divestment of JCube to its sponsor CapitaLand. Consequently, CapitaLand's floorspace share has increased and it is now among the top 10 owners.
- ▶ HDB's floorspace share has increased due to the opening of Hougang Rivercourt and Northshore Plaza II.
- ▶ Changi Airport Group's floorspace share has risen due to the reopening of terminals at Changi Airport and the retail stores therein.

10. RETAIL RENTS & OCCUPANCY

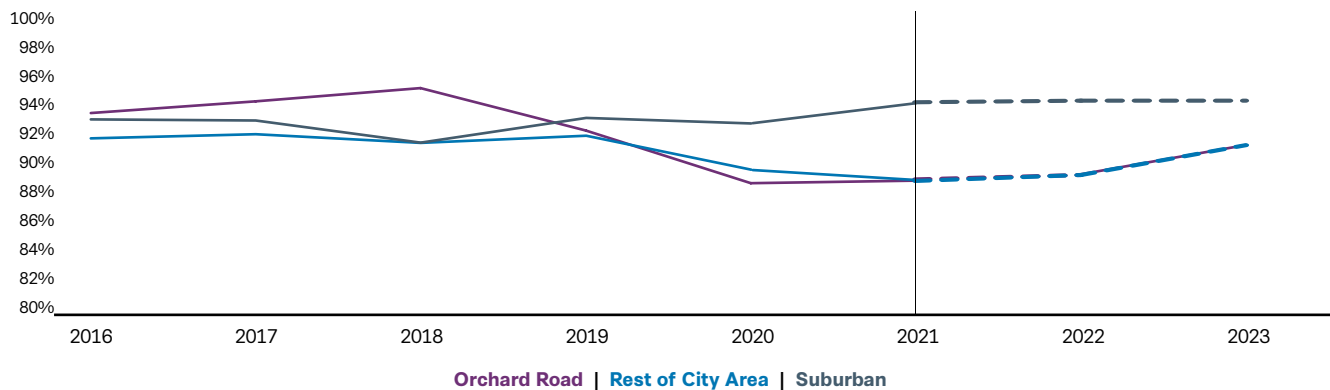
We have observed some tenant turnover across several malls this year due to retailers facing increasing operating costs while demand remains below pre-pandemic levels, particularly in areas reliant on tourists and office workers. However, landlords have been proactive in replacing tenants, and this has supported

retail occupancies. Suburban occupancies have remained stable between Q1 2022 and Q3 2022, while occupancies in Orchard Road and Rest of City Area have improved over the same period.

The Suburban submarket has continued to outperform other parts of Singapore, achieving an average occupancy rate of around 94% as at Q3 2022 compared to around 89% in the central submarkets. This reflects the important role of suburban shopping centres in the retail hierarchy as they provide day-to-day and non-discretionary services that benefit from more resilient demand. In contrast, occupancies in the central areas have remained lower than pre-pandemic levels as tourist traffic has yet to fully recover, and office worker footfall remains below pre-pandemic levels.

Looking ahead to 2023, further recovery is expected in the central submarkets as sales captured from tourists pick up, underpinning more confidence in this submarket. Suburban occupancies, which are already outperforming those in central areas, are expected to remain stable at an average of around 94% through to 2023.

Retail Occupancy Rate
Singapore, 2016 - 2023



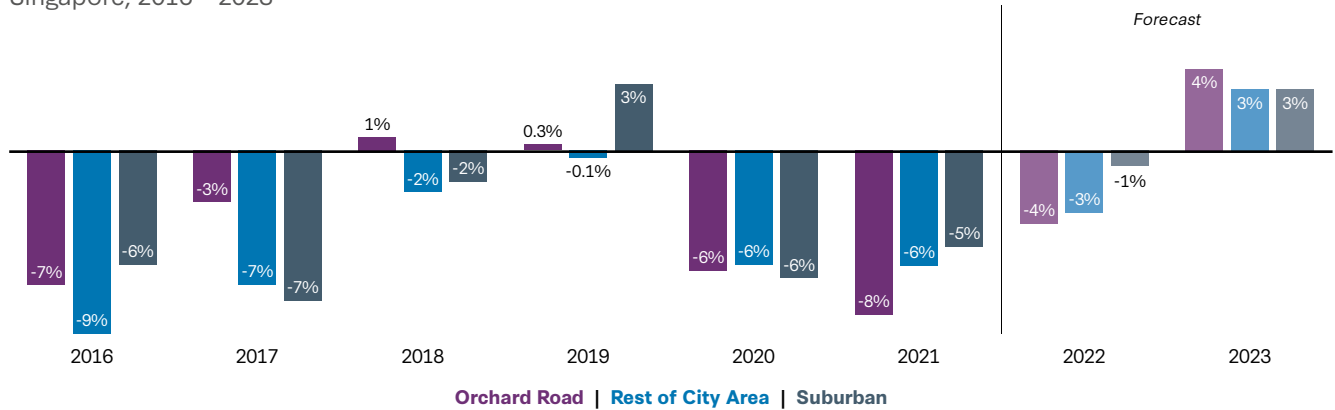
Source: URA, Cistri

Retail rent data from the URA suggests that retail landlords are prioritising maintaining occupancies over increasing rents, especially in the central areas. In the central areas, rents have continued to decline through the first three quarters of 2022. In Q3 2022, the median retail rent in the Orchard Road submarket was around 4% lower than that in Q3 2021. In the Rest of City Area submarket, the Q3 2022 median rent was around 5% lower than that in Q3 2021. Meanwhile, suburban rents have been more stable. In Q3 2022, median rent in the Suburban submarket was only around 0.4% below that in Q3 2021.

Since the beginning of the COVID-19 pandemic, retail rents (as measured by the URA) have fallen further than sales, suggesting that rental affordability for tenants has improved. Given the current rebound in retail sales, we expect the current trend of rental decline to bottom out by the end of 2022 before beginning to rebound in 2023.

A stronger recovery is anticipated for the central submarkets as tourism traffic picks up. In the medium to long-term, as retail sales continue to recover, we anticipate both rents and occupancies to further improve.

Median Retail Rental (Based on Contract Date) Year-on-Year Growth
Singapore, 2016 - 2023



Note: Based on rents for full year up to Q4 in each year
Source: URA, Cistri

11. RETAIL TRENDS IN THE POST-COVID-19 WORLD

In many ways, the retail market has returned to the pre-pandemic normal since pandemic-related movement restrictions were loosened. Nevertheless, the pandemic has not left the retail sector completely unchanged. Rather, the pandemic has accelerated several trends that were already starting to impact retailers before 2020 and are now here to stay in the post-COVID-19 world.

Localisation of Retail Towards Suburban Areas

The pandemic has increased the adoption of work-from-home practices and led to more consumers spending more time in the suburban areas where they live. A study conducted by the Institute of Policy Studies from July 2021 to April 2022 found that 40% to 50% of employees in Singapore have indicated a preference for retaining flexible work arrangements that combine working from home and in the office.

International and local retail brands in Singapore have responded to this trend by expanding their store networks into suburban neighbourhoods. For instance, all three of Daiso’s new store openings in 2022 are located in suburban areas – Jurong Point, NEX and Ang Mo Kio Central. Another example is Uniqlo, which opened new outlets in Clementi and Ang Mo Kio this year and has another two outlets in the pipeline for Bishan and Sengkang.

Amongst local brands, café chain Huggs Coffee is an example of a retailer that has pivoted from being located downtown to penetrating the heartlands. Currently, around half of Huggs’ 21 outlets are in suburban areas. Another example is department store chain OG, which has shut its Orchard Road outlet and planning to open new outlets closer to suburban areas in the long term.

E-Commerce Adoption to Remain Elevated

The pandemic has accelerated the take-up of online shopping and we expect online retail sales to continue to grow from current levels. As discussed in the ‘Retail Sales’ section, the share of retail sales transacted online in Singapore in 2022 to date is more than twice the share seen before the pandemic.

E-commerce platforms have raised consumers’ expectations for the convenience and flexibility of shopping. In response, retailers are continuing to expand their click-and-collect infrastructure to provide shoppers a smoother omnichannel retail experience. As an example, Decathlon is planning to operate most of its upcoming stores as click-and-collect outlets. Even Singapore’s largest e-commerce platforms – Lazada and Shopee – recognise the importance of an omnichannel presence and have launched pop-up physical stores where customers can pick up online orders or view products in-store before ordering them online for home delivery.

The stickiness of online shopping has also prompted physical retailers to enhance their experiential retail offer to draw consumers out of their homes and into physical stores. Sephora is one retailer that has taken this concept on board with its “Store of the Future” at Raffles City, which combines beauty retail with experiences such as skincare lounge and a beauty school. Another example is Adidas’ new Singapore Brand Centre on Orchard Road, which offers a unique shopping environment in a store decorated with artworks by local designers, as well as product customisation services at its in-house MakerLab. Also along Orchard Road, Uniqlo’s global flagship outlet at Orchard Central hosts free workshops and launched a “Custom Corner” that offers embroidery, repair, and custom printing services.

RETAIL PROPERTY MARKET OVERVIEW

Interest in Health & Well-being-Related Categories

Consumers continue to show heightened interest in goods and services that support their well-being, whether in terms of physical health or better work-life balance for improved mental health. Athleisure retail has benefited from this trend. Athleisure brands that have recently expanded in Singapore's prime retail districts include Puma, which took over Forever 21's multi-storey space along Orchard Road, and Lululemon with its new store in Raffles City.

In line with a growing emphasis on healthy living, fresh food is another category that is receiving growing consumer interest. Reflecting this emerging interest, the OG department store at Orchard Point will be making way for a new retail concept specialising in fresh food and groceries.

12. CONCLUSION

Singapore's retail market has enjoyed a strong recovery so far as shoppers have embraced the economic reopening and returned to enjoying out-of-home shopping and dining experiences. The government's decisive approach to economic reopening and a successful vaccination drive has enabled a smooth transition to endemic COVID-19 that has benefited the retail market. This is reflected in SingStat's retail sales data up to August 2022, which suggests that total retail sales could be on track to recover to pre-pandemic levels by 2023.

Of course, the impact of this recovery will not be uniform across market players. Higher-quality, better-managed centres located near densely populated areas would be better placed to benefit from the recovery. Centre quality and management are particularly important in the post-pandemic period where e-commerce has remained sticky and shoppers need more compelling retail offers to draw them out of their homes and into physical retail destinations. Amongst geographical submarkets, the suburban retail submarket has proven to be particularly resilient both in terms of occupancy and rental growth, outperforming the nationwide market on both fronts as shown in the 'Retail Rents & Occupancy' section of this report.

While the existing local market fundamentals appear solid, the prospects of continued market recovery will be contingent on several external factors. First, the resolution of geopolitical tensions in Europe will be key to relieving inflationary pressures and the need for rapid interest rate rises, both of which dampen consumer spending power. Second, the pace of China's reopening and economic recovery will also impact Singapore's economic health in general and its tourism sector, both of which influence retail demand.

Notwithstanding the short- to medium-term headwinds, we are still optimistic about the long-term future of the Singapore retail real estate market given Singapore's sound economic fundamentals supporting demand, and a well-governed planning regime that supports sustainable retail development and space absorption.

DISCLAIMER

This report is dated 7 November 2022 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Cistri Pte Ltd ("Cistri") opinion in this report. Cistri prepared this report on the instructions, and for the benefit only, of Frasers Centrepoint Trust ("Instructing Party") for the purpose of Independent Retail Market Overview ("Purpose") and not for any other purpose or use. To the extent permitted by applicable law, Cistri expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Cistri was required to make judgements which may be affected by unforeseen future events, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or associated with this report are made in good faith and on the basis of information supplied to Cistri at the date of this report, and upon which Cistri relied. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Cistri has no control.

COVID-19 and the potential impact on data and information

- ▶ The data and information that informs and supports our opinions, estimates, surveys, forecasts, projections, conclusion, judgments, assumptions and recommendations contained in this report ("Report Content") are predominantly generated over long periods, and is reflective of the circumstances applying in the past. Significant economic, health and other local and world events can, however, take a period of time for the market to absorb and to be reflected in such data and information. In many instances a change in market thinking and actual market conditions as at the date of this report may not be reflected in the data and information used to support the Report Content.
- ▶ The recent international outbreak of the Novel Coronavirus ("COVID-19"), which the World Health Organisation declared a global health emergency in January 2020 and pandemic on 11 March 2020, is causing a material impact on world economies and increased uncertainty in both local and global market conditions.
- ▶ The effects (both directly and indirectly) of the COVID-19 Outbreak on the global real estate market and business operations is currently unknown and it is difficult to predict the quantum of the impact it will have more broadly on the global economy and how long that impact will last. As at June 2020, the COVID-19 Outbreak is materially impacting global travel, trade and near-term economic growth expectations. Some business sectors, such as the retail, hotel and tourism sectors, are already reporting material impacts on trading performance now and potentially into the future.
- ▶ The data and information that informs and supports the Report Content is current as at the date of this report and (unless otherwise specifically stated in the Report) does not necessarily reflect the impact of the COVID-19 Outbreak on the global economy, the asset(s) and business operations to which the report relates. It is not possible to ascertain with certainty at this time how the market and the global economy more broadly will respond to this unprecedented event. Nevertheless, we have sought to address the impact of the COVID-19 Outbreak in the Report, and in doing so we have had to make estimates, assumptions, conclusions and judgements in the Report Content that are not directly supported by available and reliable data and

information. It is possible that the market conditions applying to the asset(s) and any associated business operations to which the report relates and the business sector to which they belong have been more significantly impacted by the COVID-19 Outbreak within a short space of time and that it will have a longer lasting impact than we have assumed. Clearly, the COVID-19 Outbreak is an important risk factor you must carefully consider when relying on the report and the Report Content.

- ▶ Any Report Content addressing the impact of the COVID-19 Outbreak on the asset(s) and any associated business operations to which the report relates or the global economy more broadly is (unless otherwise specifically stated in the Report) unsupported by specific and reliable data and information and must not be relied on.
- ▶ To the maximum extent permitted by law, Cistri (its officers, employees and agents) expressly disclaim all liability and responsibility, whether direct or indirect, to any person (including the Instructing Party) in respect of any loss suffered or incurred as a result of the COVID-19 Outbreak materially impacting the Report Content, but only to the extent that such impact is not reflected in the data and information used to support the Report Content.

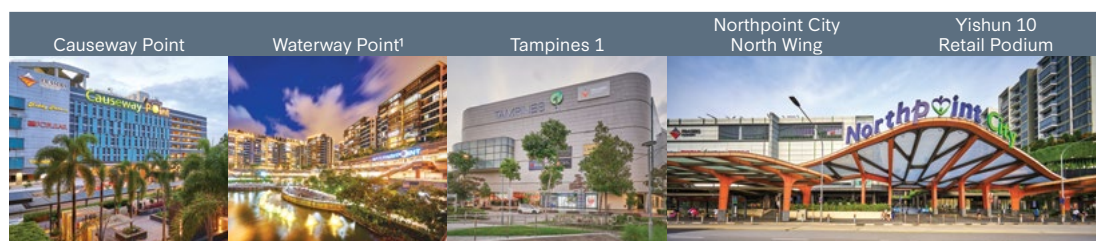
In preparing this report, Cistri may rely on or refer to documents in a language other than English, which Cistri may arrange to be translated. Cistri is not responsible for the accuracy or completeness of such translations and disclaims any liability for any statement or opinion made in this report being inaccurate or incomplete arising from such translations.

Whilst Cistri has made all reasonable inquiries it believes necessary in preparing this report, it is not responsible for determining the completeness or accuracy of information provided to it. Cistri (including its officers and personnel) is not liable for any errors or omissions, including in information provided by the Instructing Party or another person or upon which Cistri relies, provided that such errors or omissions are not made by Cistri recklessly or in bad faith.

This report has been prepared with due care and diligence by Cistri and the statements and opinions given by Cistri in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.

FCT PORTFOLIO OVERVIEW

As at 30 September 2022



	Causeway Point	Waterway Point ¹	Tampines 1	Northpoint City North Wing	Yishun 10 Retail Podium
Gross floor area ("GFA")	629,160 sq ft	542,493 sq ft	380,898 sq ft	376,578 sq ft	10,398 sq ft
Net lettable area ("NLA")	58,451 sq m	50,399 sq m	35,387 sq m	34,985 sq m	966 sq m
Number of leases	419,698 sq ft	389,444 sq ft ³	268,514 sq ft	229,870 sq ft ⁴	10,344 sq ft
Number of tenants	38,991 sq m	36,181 sq m	24,946 sq m	21,356 sq m	961 sq m
Title	226	218	174	179	
Year purchased	216	209	170	174	
Purchased price	99-year leasehold commencing 30 October 1995	99-year leasehold commencing 18 May 2011	99-year leasehold commencing 1 April 1990	99-year leasehold commencing 1 April 1990	
Valuation as at 30 September 2022	2006	40.00%-interest purchased in 2019	2020	Northpoint 1: 2006 Northpoint 2: 2010	2016
As % of total portfolio appraised value ¹¹	S\$606.2 million	S\$530.2 million for 40.00% interest	S\$762.0 million	Northpoint 1: S\$249.3 million Northpoint 2: S\$164.6 million	S\$37.8 million
FY2022 Gross revenue	S\$1,323.0 million	S\$1,312.5 million ¹⁰ (100.00% interest) S\$525.0 million (40.00% interest)	S\$764.0 million	S\$778.0 million	S\$34.0 million
FY2022 NPI	21.9%	8.7%	12.6%	13.4%	
Committed occupancy	S\$89.01 million	S\$77.77 million ¹²	S\$47.62 million	S\$54.85 million	
Key tenants	S\$68.45 million	S\$59.94 million ¹²	S\$34.42 million	S\$40.89 million	
Annual shopper traffic in FY2022	100.0%	99.0%	99.1%	100.0%	
Connection to public transport	Metro, Courts, Food Republic, FairPrice Finest, Cathay Cineplexes, Uniqlo and Cantine by Kopitiam	FairPrice Finest, Cookhouse by Koufu, Shaw Theatres, Best Denki, Uniqlo, Don Don Donki and Toys"R"Us	Cold Storage, Don Don Donki, Muji, Food Tempo and Gain City	Kopitiam, OCBC Bank, United Overseas Bank, Maybank, Guardian, McDonald's, Popular Bookstore, Sri Murugan Supermarket, Arnold's Fried Chicken and Komala's @ Yishun 10	
	21.4 million	19.3 million	15.9 million	47.6 million ¹³	
	Woodlands MRT Station (North South Line and Thomson-East Coast Line) and Woodlands Bus Interchange	Punggol MRT Station (North-East Line and the future Cross Island Line) and LRT station and Punggol Temporary Bus Interchange	Tampines MRT Station (East-West Line and Downtown Line) and Tampines Bus Interchange	Yishun MRT Station (North-South Line) and Yishun Bus Interchange	

1 Frasers Centrepoint Trust owns 40.00% interest in Sapphire Star Trust ("SST"), a private trust that owns the interest in Waterway Point.

2 GFA includes area of both Tiong Bahru Plaza and Central Plaza.

3 The NLA includes the area of approximately 17,954 sq ft (1,668 sq m) currently used as Community/ Sports Facilities Scheme ("CSFS") space.

4 The NLA includes the area of approximately 31,753 sq ft (2,950 sq m) currently used as CSFS space.

5 The NLA includes the area of approximately 28,355 sq ft (2,634 sq m) currently used as CSFS space.

6 The NLA includes the area of approximately 8,547 sq ft (794 sq m) currently used as CSFS space.

7 The NLA includes the area of approximately 3,391 sq ft (315 sq m) currently used as CSFS space.

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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Tiong Bahru Plaza	Central Plaza (Office property)	Century Square	Changi City Point	Hougang Mall	White Sands
					
519,197 sq ft ²		327,226 sq ft	306,378 sq ft	232,662 sq ft	227,244 sq ft
48,235 sq m ²		30,400 sq m	28,463 sq m	21,615 sq m	21,112 sq m
214,769 sq ft	172,121 sq ft ⁵	211,282 sq ft ⁶	208,453 sq ft ⁷	165,680 sq ft ⁸	150,374 sq ft ⁹
19,953 sq m	15,991 sq m	19,629 sq m	19,366 sq m	15,392 sq m	13,970 sq m
150	27	138	139	128	134
143	27	135	128	123	126
99-year leasehold commencing 1 September 1991	99-year leasehold commencing 1 September 1991	99-year leasehold commencing 1 September 1992	60-year leasehold commencing 30 April 2009	99-year leasehold commencing 1 May 1994	99-year leasehold commencing 1 May 1993
2020	2020	2020	2014	2020	2020
S\$654.0 million	S\$215.0 million	S\$574.0 million	S\$305.0 million	S\$432.0 million	S\$428.0 million
S\$655.0 million	S\$216.0 million	S\$559.0 million	S\$325.0 million	S\$433.0 million	S\$429.0 million
10.8%	3.6%	9.3%	5.4%	7.2%	7.1%
S\$41.36 million	S\$9.41 million	S\$31.46 million	S\$23.94 million	S\$30.51 million	S\$28.77 million
S\$31.01 million	S\$5.82 million	S\$21.85 million	S\$14.57 million	S\$21.14 million	S\$20.25 million
99.0%	88.9%	86.8%	93.7%	98.4%	96.4%
FairPrice Finest, Kopitiam, Golden Village and Uniqlo	National Council of Social Service, Nippon Steel Engineering, Kyocera Asia Pacific and Interplex Precision Technology	The Food Market, PRIME Food & Grocer, Haidilao Hotpot, Gymmbox and Kiddy Palace	Challenger, Uniqlo, Nike Unite, FairPrice Finest and Daiso	FairPrice, Harvey Norman and Popular Bookstore	FairPrice, Cookhouse by Koufu, McDonald's, Popular Bookstore and OCBC Bank
13.4 million	Not applicable	10.2 million	7.5 million	9.4 million	8.4 million
Tiong Bahru MRT Station (East-West Line)	Tiong Bahru MRT Station (East-West Line)	Tampines MRT Station (East-West Line and Downtown Line) and Tampines Bus Interchange	Expo MRT Station (East-West Line and Downtown Line)	Hougang MRT Station (North-East Line and the future Cross Island Line) and Hougang Central Bus Interchange	Pasir Ris MRT Station (East-West Line and the future Cross Island Line) and Pasir Ris Bus Interchange

8 The NLA includes the area of approximately 15,767 sq ft (1,465 sq m) currently used as CSFS space.

9 The NLA includes the area of approximately 21,744 sq ft (2,020 sq m) currently used as CSFS space.

10 Valuation is based on the agreed property value in the proposed acquisition of an additional 10.00% interest in Waterway Point as announced on 12 September 2022.

11 Based on FCT's 40.00% share in SST.

12 Based on SST's 100% gross revenue and NPI for FY2022.

13 Combined shopper traffic for Northpoint City North Wing and South Wing.

PROPERTY PROFILES



CAUSEWAY POINT

Description:

Shopping mall comprising 7 storeys and 1 basement level

Address:

1 Woodlands Square,
Causeway Point,
Singapore 738099

Gross Floor Area:

58,451 square metres
(629,160 square feet)

Net Lettable Area:

38,991 square metres
(419,698 square feet)

Car Park Lots:

735

Title:

99-year leasehold
commencing
30 October 1995

Year Acquired by FCT:

2006

Valuation:

S\$1,323.0 million
as at 30 September 2022

Annual Shopper Traffic:

21.4 million
(October 2021 – September
2022)

Key Tenants:

Metro, Courts, Food Republic,
FairPrice Finest, Cathay
Cineplexes, Uniqlo and
Cantine by Kopitiam

Causeway Point is the largest mall in Woodlands, one of Singapore's most populous residential estates. It is located next to Woodlands regional bus interchange and Woodlands MRT station, which serves as an interchange station for the existing North-South line and the new Thomson-East Coast line.

The mall has more than 200 stores and food outlets spread over seven retail levels (including basement level) and offers shoppers a one-stop shopping and dining experience.

Causeway Point is an award-winning mall for its user-friendliness, connectivity and safety aspects in its design and features. The mall is also awarded the Platinum Award in the BCA's Green Mark certification scheme for its environmentally friendly features.

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (S\$ million)	FY2022	FY2021	Increase/ (Decrease)
Gross Revenue	89.01	82.58	7.8%
Property Expenses	20.56	21.67	(5.2%)
Net Property Income	68.45	60.91	12.4%
Committed Occupancy	100.0%	98.6%	1.4%-points
Shopper Traffic (million)	21.4	18.8	13.8%

TOP 10 TENANTS

As at 30 September 2022, Causeway Point has a total of 226 (FY2021: 219) leases, excluding vacancy. The total number of tenants as at 30 September 2022 is 216 (FY2021: 202) and the key tenants include Metro, Courts, Food Republic, FairPrice Finest, Cathay Cineplexes, Uniqlo and Cantine by Kopitiam, among others. The top 10 tenants contributed collectively, 35.7% (FY2021: 37.2%) of the mall's total GRI.

Top 10 Tenants as at 30 September 2022	% of Mall's GRI
Metro (Private) Limited ²	8.0%
Courts (Singapore) Pte Ltd	6.6%
BreadTalk Group ³	4.7%
NTUC FairPrice ⁴	4.0%
Cathay Cineplexes Pte Ltd	3.0%
Uniqlo (Singapore) Pte Ltd	2.2%
Soo Kee Group ⁵	2.0%
Hanbaobao Pte Ltd ⁶	1.8%
Dairy Farm Group ⁷	1.8%
Kopitiam ⁸	1.6%
Total	35.7%

TRADE CATEGORY ANALYSIS

Food & Beverage contributed 31.9% (FY2021: 32.4%) of the mall's GRI, followed by Beauty & Healthcare at 12.0% (FY2021: 11.9%) and Fashion & Accessories at 11.7% (FY2021: 12.0%). These three trades accounted for 55.6% of the mall's GRI. The breakdown of the trade category by NLA and GRI is presented below.

Trade Category (in descending order of GRI)	By NLA	By GRI ⁹
1 Food & Beverage	25.2%	31.9%
2 Beauty & Healthcare	8.3%	12.0%
3 Fashion & Accessories	11.2%	11.7%
4 Department Store	14.3%	7.8%
5 Electrical & Electronics	8.9%	7.2%
6 Information & Technology	4.1%	5.6%
7 Sundry & Services	3.6%	5.5%
8 Leisure & Entertainment	9.4%	4.1%
9 Supermarket & Grocers	5.8%	3.7%
10 Jewellery & Watches	1.1%	3.3%
11 Homeware & Furnishing	2.2%	2.7%
12 Sports Apparel & Equipment	1.8%	1.9%
13 Books, Music, Arts & Craft, Hobbies	3.0%	1.8%
14 Education	1.1%	0.8%
15 Vacant	0.0%	0.0%
Total	100.0%	100.0%

LEASE EXPIRY PROFILE¹⁰

As at 30 September 2022	FY2023	FY2024	FY2025	FY2026	FY2027 and beyond	Total
Number of expiring leases	76	72	68	8	2	226
NLA of expiring leases (square feet)	106,945	149,553	88,443	37,782	36,975	419,698
Expiries as % of mall's total leased area	25.5%	35.6%	21.1%	9.0%	8.8%	100.0%
Expiries as % of mall's total GRI	30.0%	32.2%	24.4%	6.2%	7.2%	100.0%

1 Valuation done by Savills Valuation And Professional Services (S) Pte Ltd as at 30 September 2022.

2 Includes leases of Metro Department Store and Clinique Service Centre.

3 Includes Food Republic, BreadTalk and Toast Box.

4 Includes FairPrice Finest and Unity Pharmacy.

5 Includes Love Luxury by MoneyMax, SK Gold and SK Jewellery.

6 Operator of McDonald's.

7 Includes Guardian Pharmacy and 7-Eleven.

8 Operator of Cantine by Kopitiam.

9 Excludes gross turnover rent.

10 Based on committed leases as at 30 September 2022; vacant floor area is excluded.

PROPERTY PROFILES



WATERWAY POINT

Description:

Shopping mall comprising 4 storeys and 2 basement levels

Address:

83 Punggol Central,
Waterway Point,
Singapore 828761

Gross Floor Area:

50,399 square metres
(542,493 square feet)

Net Lettable Area¹:

36,181 square metres
(389,444 square feet)

Car Park Lots:

622

Title:

99-year leasehold
commencing 18 May 2011

Year Acquired by FCT:

FCT owns 40.00% stake in Sapphire Star Trust ("SST") that owns Waterway Point, the dates of acquisition are as follow:

- 33⅓% acquired on 11 July 2019
- 6⅔% acquired on 18 September 2019

Valuation²:

S\$1,312.5 million

Annual Shopper Traffic:

19.3 million
(October 2021 - September 2022)

Key Tenants:

FairPrice Finest, Cookhouse by Koufu, Shaw Theatres, Best Denki, Uniqlo, Don Don Donki and Toys"R"Us

Waterway Point is a 4-storey suburban family and lifestyle shopping mall located at 83 Punggol Central, Singapore 828761, the heart of Singapore's first waterfront eco-town, Punggol. The mall enjoys direct connectivity to public transportation system including the Punggol MRT and LRT stations and a bus interchange. It is also served by major expressways including Tampines Expressway (TPE) and Seletar Expressway (SLE) which provide vehicular accessibility to other parts of Singapore.

The mall offers a diverse range of shopping, dining and entertainment experiences, catering to their necessity and convenience shopping as well as their leisure needs. Notable retailers and restaurants at the mall include Uniqlo, Daiso Japan, Din Tai Fung, Best Denki and a 24-hour NTUC FairPrice Finest supermarket. The mall also has a cineplex operated by Shaw Theatres that features 11 screens, including an IMAX theatre.

Waterway Point is awarded the BCA Universal Design (UD) Gold^{Plus} and the BCA Green Mark Gold^{Plus} certifications.

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (S\$ million)	FY2022	FY2021	Increase/ (Decrease)
Gross Revenue ³	77.77	70.65	10.1%
Property Expenses ³	17.83	16.74	6.5%
Net Property Income ³	59.94	53.91	11.2%
Committed Occupancy	99.0%	98.4%	0.6%-points
Shopper Traffic (million)	19.3	15.2	27.0%

TOP 10 TENANTS

As at 30 September 2022, Waterway Point has a total of 218 (FY2021: 213) leases, excluding vacancy. The total number of tenants as at 30 September 2022 is 209 (FY2021: 192) and the key tenants include FairPrice Finest, Cookhouse by Koufu, Shaw Theatres, Best Denki, Uniqlo, Don Don Donki and Toys“R”Us, among others. The top 10 tenants contributed collectively, 25.4% (FY2021: 26.7%) of the mall’s total GRI.

Top 10 Tenants as at 30 September 2022	% of Mall’s GRI
NTUC FairPrice ⁴	6.8%
Koufu Group ⁵	4.3%
Shaw Theatres Pte Ltd	3.3%
BreadTalk Group ⁶	1.9%
Best Denki (Singapore) Pte Ltd	1.8%
Uniqlo (Singapore) Pte Ltd	1.6%
United Overseas Bank Limited	1.6%
R E & S Enterprises Pte Ltd ⁷	1.4%
Maybank	1.4%
Pan Pacific Retail Management (Singapore) Pte Ltd ⁸	1.3%
Total	25.4%

TRADE CATEGORY ANALYSIS

Food & Beverage contributed 38.9% (FY2021: 38.6%) of the mall’s GRI, followed by Beauty & Healthcare at 12.1% (FY2021: 11.6%). These two trades accounted for 51.0% of the mall’s GRI. The breakdown of the trade category by NLA and GRI is presented below.

Trade Category (in descending order of GRI)	By NLA	By GRI ⁹
1 Food & Beverage	30.4%	38.9%
2 Beauty & Healthcare	7.6%	12.1%
3 Sundry & Services	7.5%	10.7%
4 Fashion & Accessories	9.9%	9.2%
5 Supermarket & Grocers	12.7%	8.7%
6 Leisure & Entertainment	9.6%	3.8%
7 Books, Music, Arts & Craft, Hobbies	6.0%	3.3%
8 Education	3.4%	2.8%
9 Information & Technology	1.9%	2.6%
10 Homeware & Furnishing	3.9%	2.5%
11 Electrical & Electronics	3.7%	2.3%
12 Jewellery & Watches	0.8%	1.6%
13 Sports Apparel & Equipment	1.6%	1.5%
14 Vacant	1.0%	0.0%
Total	100.0%	100.0%

LEASE EXPIRY PROFILE¹⁰

As at 30 September 2022	FY2023	FY2024	FY2025	FY2026	FY2027 and beyond	Total
Number of expiring leases	51	65	84	15	3	218
NLA of expiring leases (square feet)	58,356	105,471	83,353	71,746	48,918	367,844
Expiries as % of mall’s total leased area	15.9%	28.7%	22.7%	19.5%	13.2%	100.0%
Expiries as % of mall’s total GRI	19.8%	31.4%	28.5%	14.8%	5.5%	100.0%

1 The NLA includes the area of approximately 17,954 square feet (1,668 square metres) currently used as CSFS space.

2 Valuation is based on the agreed property value in the proposed acquisition of an additional 10.0% interest in Waterway Point as announced on 12 September 2022.

3 SST’s gross revenue and NPI for FY2022 on 100% basis.

4 Includes FairPrice Finest and Unity Pharmacy.

5 Operator of Cookhouse by Koufu.

6 Includes BreadTalk, Toast Box and Din Tai Fung.

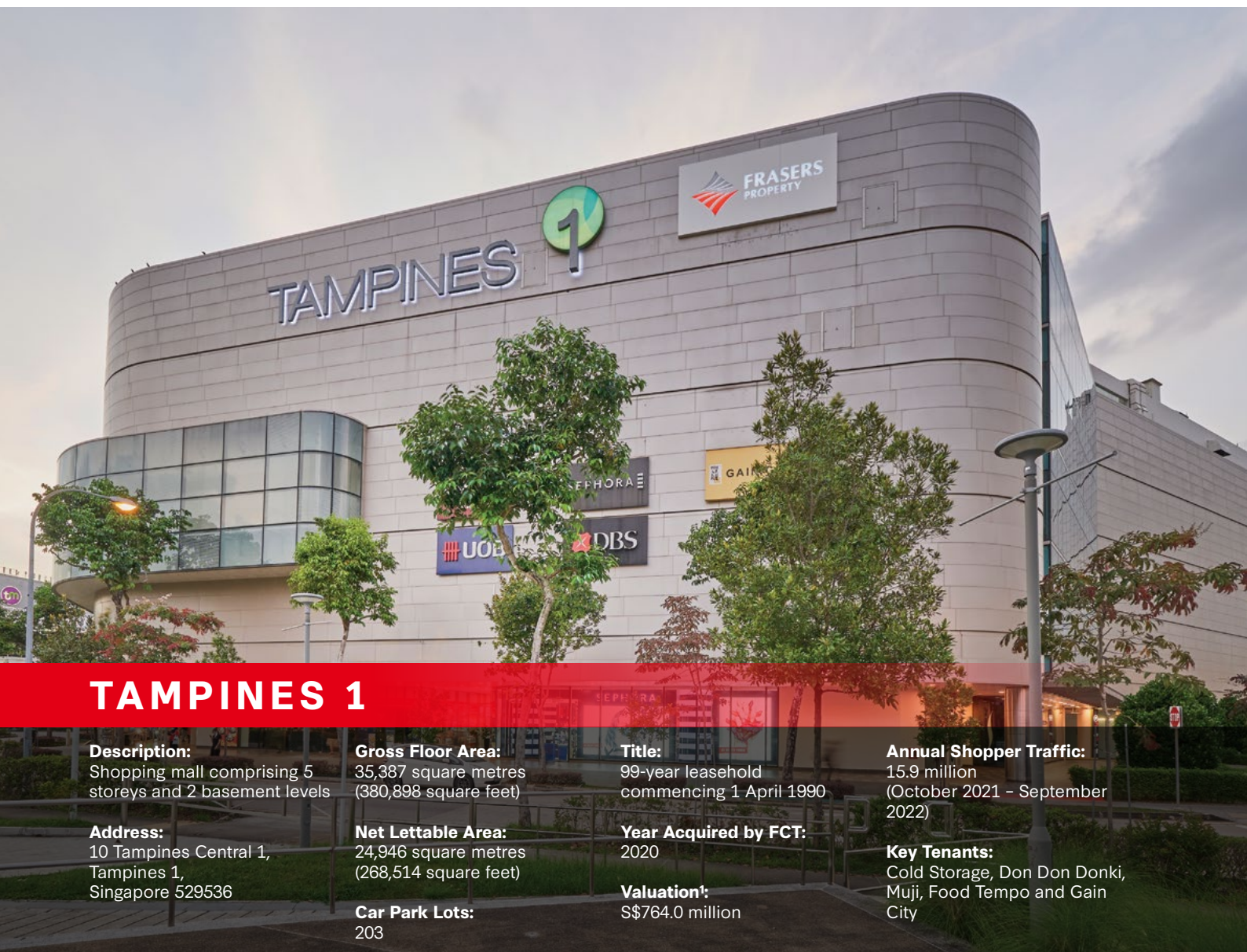
7 Operator of Ichiban Boshi & Kuriya Japanese Market.

8 Operator of Don Don Donki.

9 Excludes gross turnover rent.

10 Based on committed leases as at 30 September 2022; vacant floor area and CSFS leases are excluded.

PROPERTY PROFILES



TAMPINES 1

Description:

Shopping mall comprising 5 storeys and 2 basement levels

Address:

10 Tampines Central 1,
Tampines 1,
Singapore 529536

Gross Floor Area:

35,387 square metres
(380,898 square feet)

Net Lettable Area:

24,946 square metres
(268,514 square feet)

Car Park Lots:

203

Title:

99-year leasehold
commencing 1 April 1990

Year Acquired by FCT:

2020

Valuation:

S\$764.0 million

Annual Shopper Traffic:

15.9 million
(October 2021 - September
2022)

Key Tenants:

Cold Storage, Don Don Donki,
Muji, Food Tempo and Gain
City

Tampines 1 is a 5-storey retail mall with 2 basement levels located next to the Tampines MRT interchange and the Tampines Bus Interchange at the heart of Tampines, one of the most populous residential estates and the Eastern regional centre of Singapore. Tampines 1 offers shoppers and diners wide selections of F&B, lifestyle, beauty and fashion brands including household names such as Cold Storage and Daiso. Tampines 1

draws its shoppers and diners from the populous residential catchment, commuter traffic and working population in the Tampines, Simei, Bedok and Pasir Ris regions.

Tampines 1 is awarded the BCA Green Mark Gold^{Plus} certification.

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (S\$ million)	FY2022	FY2021	Increase/ (Decrease)
Gross Revenue	47.62	41.46	14.9%
Property Expenses	13.20	11.66	13.2%
Net Property Income	34.42	29.80	15.5%
Committed Occupancy	99.1%	97.1%	2.0%-points
Shopper Traffic (million)	15.9	14.4	10.4%

TOP 10 TENANTS

As at 30 September 2022, Tampines 1 has a total of 174 (FY2021: 169) leases, excluding vacancy. The total number of tenants as at 30 September 2022 is 170 (FY2021: 158) and the key tenants include Cold Storage, Don Don Donki, Muji, Food Tempo and Gain City, among others. The top 10 tenants contributed collectively 21.7% (FY2021: 21.2%) of the mall's total GRI.

Top 10 Tenants as at 30 September 2022	% of Mall's GRI
Dairy Farm Group ²	3.7%
Pan Pacific Retail Management (Singapore) Pte Ltd ³	2.6%
Beauty One International ⁴	2.1%
Eadeco (Singapore) Pte Ltd ⁵	2.0%
Muji (Singapore) Pte Ltd	2.0%
Kopitiam	1.9%
RMG Group ⁶	1.9%
Bank of China Limited	1.9%
Gain City	1.8%
United Overseas Bank Limited	1.8%
Total	21.7%

TRADE CATEGORY ANALYSIS

Food & Beverage contributed 33.7% of the mall's GRI (FY2021: 33.4%), followed by Beauty & Healthcare at 21.5% (FY2021: 22.7%). These two trades accounted for 55.2% of the mall's GRI. The breakdown of the trade category by NLA and GRI is presented below.

Trade Category (in descending order of GRI)	By NLA	By GRI ⁷
1 Food & Beverage	26.5%	33.7%
2 Beauty & Healthcare	18.3%	21.5%
3 Fashion & Accessories	14.9%	12.6%
4 Sundry & Services	6.9%	8.5%
5 Supermarket & Grocers	11.2%	7.5%
6 Homeware & Furnishing	8.9%	6.4%
7 Books, Music, Arts & Craft, Hobbies	2.3%	2.9%
8 Information & Technology	2.5%	1.8%
9 Electrical & Electronics	2.6%	1.8%
10 Sports Apparel & Equipment	1.6%	1.8%
11 Jewellery & Watches	0.4%	1.0%
12 Leisure & Entertainment	3.0%	0.5%
13 Vacant	0.9%	0.0%
Total	100.0%	100.0%

LEASE EXPIRY PROFILE⁸

As at 30 September 2022	FY2023	FY2024	FY2025	FY2026	FY2027 and beyond	Total
Number of expiring leases	76	60	32	5	1	174
NLA of expiring leases (square feet)	93,054	82,332	61,573	16,450	12,810	266,219
Expiries as % of mall's total leased area	35.0%	30.9%	23.1%	6.2%	4.8%	100.0%
Expiries as % of mall's total GRI	32.7%	37.3%	22.7%	4.6%	2.7%	100.0%

1 Valuation done by Jones Lang LaSalle Property Consultants Pte Ltd as at 30 September 2022.

2 Operator of Cold Storage supermarket.

3 Operator of Don Don Donki.

4 Includes Shakura Pigmentation Beauty, London Weight Management and New York Skin Solutions.

5 Includes Hooga and AKEMIUCHI.

6 Operator of Raffles Medical Clinic and Raffles Dental/ Women's & Children's Centre.

7 Excludes gross turnover rent.

8 Based on committed leases as at 30 September 2022; vacant floor area is excluded.

PROPERTY PROFILES



NORTHPOINT CITY NORTH WING AND YISHUN 10 RETAIL PODIUM

NORTHPOINT CITY NORTH WING

Description:

Shopping mall comprising 6 storeys and 2 basement levels

Address:

930 Yishun Avenue 2, Northpoint City, Singapore 769098

Gross Floor Area:

34,985 square metres (376,578 square feet)

Net Lettable Area¹:

21,356 square metres (229,870 square feet)

Car Park Lots:

256

Title:

99-year leasehold commencing 1 April 1990

Year Acquired by FCT:

2006 (Northpoint 1), 2010 (Northpoint 2)

Valuation²:

S\$778.0 million

Annual Shopper Traffic:

47.6 million³ (October 2021 – September 2022)

Key Tenants:

Kopitiam, OCBC Bank, United Overseas Bank, Maybank, Guardian, McDonald's and Popular Bookstore

YISHUN 10 RETAIL PODIUM

Description:

10 retail units on the first storey in a cinema complex with basement carpark

Address:

51 Yishun Central 1, Yishun 10, Singapore 768794

Gross Floor Area:

966 square metres (10,398 square feet)

Net Lettable Area¹:

961 square metres (10,344 square feet)

Title:

99-year leasehold commencing 1 April 1990

Year Acquired by FCT:

2016

Valuation²:

S\$34.0 million

Key Tenants:

Sri Murugan Supermarket, Arnold's Fried Chicken and Komala's @ Yishun 10

Northpoint City North Wing is seamlessly integrated with the Northpoint City South Wing (owned by FCT's sponsor, Frasers Property Limited and TCC Prosperity Limited) to form Northpoint City, with over 400 F&B and retailers spread over more than 500,000 square feet of space.

Northpoint City North Wing offers six retail levels of retail and services (including two basement levels). Key tenants at Northpoint City North Wing include Kopitiam, OCBC Bank, United Overseas Bank, Maybank,

Guardian, McDonald's and Popular Bookstore. The mall enjoys high shopper traffic flow from the surrounding residential estate, schools and the commuters from Yishun bus interchange which is connected to the mall. Northpoint City North Wing has also been awarded the BCA Green Mark Gold certification.

FCT owns the ground floor retail of Yishun 10, a strata-titled retail development located next to Northpoint City North Wing.

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (S\$ million)	FY2022	FY2021	Increase/ (Decrease)
Gross Revenue	54.85	50.84	7.9%
Property Expenses	13.96	13.10	6.6%
Net Property Income	40.89	37.74	8.3%
Committed Occupancy	100.0%	100.0%	0.0%-point
Shopper Traffic (million)	47.6	43.0	10.7%

TOP 10 TENANTS (NORTHPOINT CITY NORTH WING AND YISHUN 10 RETAIL PODIUM)

As at 30 September 2022, Northpoint City North Wing and Yishun 10 Retail Podium have a total of 179 (FY2021: 180) leases. The total number of tenants as at 30 September 2022 is 174 (FY2021: 178) and the key tenants include Kopitiam, OCBC Bank, United Overseas Bank, MayBank, Guardian, McDonald's and Popular Bookstore, among others. The top 10 tenants contributed collectively 26.4% (FY2021: 28.9%) of the total GRI.

Top 10 Tenants as at 30 September 2022	% of Mall's GRI
Kopitiam ⁴	6.6%
Oversea-Chinese Banking Corporation Limited	3.2%
United Overseas Bank Limited	2.7%
Minor Group ⁵	2.4%
Maybank	2.2%
Dairy Farm Group ⁶	2.1%
Soo Kee Group ⁷	1.9%
Cotton On Singapore Pte Ltd ⁸	1.9%
Hanbaobao Pte Ltd ⁹	1.8%
Popular Book Company (Pte.) Limited	1.6%
Total	26.4%

TRADE CATEGORY ANALYSIS

Food & Beverage contributed 41.7% (FY2021: 41.4%) of the mall's GRI, followed by Beauty & Healthcare at 13.0% (FY2021: 12.7%) and Sundry & Services at 13.0% (FY2021: 13.1%). These three trades accounted for 67.7% of the mall's GRI. The breakdown of the trade category by NLA and GRI is presented below.

Trade Category (in descending order of GRI)	By NLA	By GRI ¹⁰
1 Food & Beverage	39.9%	41.7%
2 Beauty & Healthcare	11.1%	13.0%
3 Sundry & Services	8.5%	13.0%
4 Fashion & Accessories	9.1%	11.0%
5 Supermarket & Grocers	11.6%	6.4%
6 Jewellery & Watches	1.6%	3.4%
7 Books, Music, Arts & Craft, Hobbies	6.2%	3.0%
8 Homeware & Furnishing	2.7%	2.2%
9 Sports Apparel & Equipment	2.4%	1.9%
10 Information & Technology	2.5%	1.9%
11 Education	2.1%	1.5%
12 Leisure & Entertainment	2.3%	1.0%
13 Vacant	0.0%	0.0%
Total	100.0%	100.0%

LEASE EXPIRY PROFILE¹¹

As at 30 September 2022	FY2023	FY2024	FY2025	FY2026	FY2027 and beyond	Total
Number of expiring leases	57	68	44	5	5	179
NLA of expiring leases (square feet)	50,453	76,891	44,330	15,247	21,540	208,461
Expiries as % of mall's total leased area	24.2%	36.9%	21.3%	7.3%	10.3%	100.0%
Expiries as % of mall's total GRI	30.3%	36.0%	25.1%	2.9%	5.7%	100.0%

1 The NLA includes the area of approximately 31,753 square feet (2,950 square metres) currently used as CSFS space.

2 Valuation done by Savills Valuation and Professional Services (S) Pte Ltd as at 30 September 2022.

3 Refers to the total shopper traffic for both Northpoint City North Wing (owned by FCT) and South Wing (partly owned by Frasers Property Limited).

4 Operator of Kopitiam food court.

5 Includes Sanook Kitchen and Xin Wang HK Café.

6 Includes Guardian Pharmacy and 7-Eleven.

7 Includes SK Gold and Moneymax.

8 Includes Cotton On and Rubi Shoes.

9 Operator of McDonald's.

10 Excludes gross turnover rent.

11 Based on committed leases as at 30 September 2022; vacant floor area and CSFS leases are excluded, for both Northpoint City North Wing and Yishun 10 Retail Podium.

PROPERTY PROFILES



TIONG BAHRU PLAZA

Description:

Shopping mall comprising 4 storeys and 3 basement levels

Address:

302 Tiong Bahru Road,
Tiong Bahru Plaza,
Singapore 168732

Gross Floor Area¹:

48,235 square metres
(519,197 square feet)

Net Lettable Area:

19,953 square metres
(214,769 square feet)

Car Park Lots:

338 carpark lots are shared
between Tiong Bahru Plaza
and Central Plaza

Title:

99-year leasehold
commencing 1 September
1991

Year Acquired by FCT:

2020

Valuation²:

S\$655.0 million

Annual Shopper Traffic:

13.4 million
(October 2021 - September
2022)

Key Tenants:

FairPrice Finest, Kopitiam,
Golden Village and Uniqlo

Tiong Bahru Plaza is located in the charming Tiong Bahru estate with rich local heritage. The mall is near the city area and is easily accessible through public transport as it is directly connected to the Tiong Bahru MRT station on the East-West line and a public bus station which is served by many public bus routes.

The mall offers a wide variety of retail, grocery, entertainment and F&B options for shoppers and diners. It draws its shoppers from the immediate residential catchment residing in the Tiong Bahru and

Bukit Merah estates, as well as the working and student population in the vicinity and the adjacent office, Central Plaza. Key retailers and F&B establishments include FairPrice Finest, Kopitiam, Golden Village and Uniqlo.

Tiong Bahru Plaza has undergone several asset enhancement and refurbishment works and the last major refurbishment was completed in December 2016. The mall is also awarded the BCA Green Mark Platinum certification for its environmentally friendly features.

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (S\$ million)	FY2022	FY2021	Increase/ (Decrease)
Gross Revenue	41.36	36.27	14.0%
Property Expenses	10.35	9.19	12.6%
Net Property Income	31.01	27.08	14.5%
Committed Occupancy	99.0%	98.3%	0.7%-points
Shopper Traffic (million)	13.4	11.6	15.5%

TOP 10 TENANTS

As at 30 September 2022, Tiong Bahru Plaza has a total of 150 (FY2021: 150) leases, excluding vacancy. The total number of tenants as at 30 September 2022 is 143 (FY2021: 136) and the key tenants include FairPrice Finest, Kopitiam, Golden Village and Uniqlo, among others. The top 10 tenants contributed collectively 29.0% (FY2021: 28.8%) of the total GRI.

Top 10 Tenants as at 30 September 2022	% of Mall's GRI
NTUC FairPrice	5.0%
Kopitiam ³	4.8%
Beauty One International ⁴	3.5%
Golden Village Multiplex Pte Ltd	3.1%
United Overseas Bank Limited	2.4%
Hanbaobao Pte Ltd ⁵	2.3%
DBS Bank Ltd	2.1%
Jean Yip Salon Pte Ltd ⁶	2.0%
Oversea-Chinese Banking Corporation Limited	2.0%
Watson's Personal Care Stores Pte Ltd	1.8%
Total	29.0%

TRADE CATEGORY ANALYSIS

Food & Beverage contributed 38.8% (FY2021: 39.0%) of the mall's GRI, followed by Beauty & Healthcare at 20.7% (FY2021: 20.6%) and Sundry & Services at 12.3% (FY2021: 10.8%). These three trades accounted for 71.8% of the mall's GRI. The breakdown of the trade category by NLA and GRI is presented below.

Trade Category (in descending order of GRI)	By NLA	By GRI ⁷
1 Food & Beverage	29.6%	38.8%
2 Beauty & Healthcare	16.9%	20.7%
3 Sundry & Services	9.9%	12.3%
4 Fashion & Accessories	10.3%	8.5%
5 Supermarket & Grocers	7.4%	4.9%
6 Leisure & Entertainment	10.8%	4.2%
7 Information & Technology	3.6%	2.9%
8 Jewellery & Watches	1.0%	2.2%
9 Education	3.6%	2.2%
10 Homeware & Furnishing	3.3%	1.5%
11 Books, Music, Arts & Craft, Hobbies	2.3%	1.4%
12 Sports Apparel & Equipment	0.3%	0.4%
13 Vacant	1.0%	0.0%
Total	100.0%	100.0%

LEASE EXPIRY PROFILE⁸

As at 30 September 2022	FY2023	FY2024	FY2025	FY2026	FY2027 and beyond	Total
Number of expiring leases	37	45	56	9	3	150
NLA of expiring leases (square feet)	74,557	71,861	44,868	15,106	6,169	212,561
Expiries as % of mall's total leased area	35.1%	33.8%	21.1%	7.1%	2.9%	100.0%
Expiries as % of mall's total GRI	28.9%	29.5%	31.8%	6.9%	2.9%	100.0%

1 Gross Floor Area (GFA) includes area of both Tiong Bahru Plaza and Central Plaza.

2 Valuation done by Jones Lang LaSalle Property Consultants Pte Ltd as at 30 September 2022.

3 Operator of Kopitiam food court.

4 Includes Yun Nam Hair Care, Victoria Facelift, New York Skin Solutions, London Weight Management and Dorra Slimming.

5 Operator of McDonald's.

6 Includes Jean Yip salon and Cheryl W Wellness & Weight Management.

7 Excludes gross turnover rent.

8 Based on committed leases as at 30 September 2022; vacant floor area is excluded.

PROPERTY PROFILES



CENTRAL PLAZA

Description:
20-storey office building

Address:
298 Tiong Bahru Road,
Central Plaza,
Singapore 168730

Gross Floor Area¹:
48,235 square metres
(519,197 square feet)

Net Lettable Area²:
15,991 square metres
(172,121 square feet)

Car Park Lots:
338 carpark lots are shared
between Tiong Bahru Plaza
and Central Plaza

Title:
99-year leasehold
commencing 1 September
1991

Year Acquired by FCT:
2020

Valuation³:
S\$216.0 million

Annual Shopper Traffic:
Not applicable

Key Tenants:
National Council of Social
Service, Nippon Steel
Engineering, Kyocera
Asia Pacific and Interplex
Precision Technology

Central Plaza is a 20-storey office building with a total net lettable space of approximately 172,000 square feet. Central Plaza is the office component of the mixed development comprising the shopping mall Tiong Bahru Plaza and Central Plaza. Central Plaza is directly connected to Tiong Bahru Plaza and both share a common car park with 338 parking lots. It offers excellent location advantage with close proximity to

the Central Business District that is complemented with connection to public transport system and the amenities of an adjacent shopping mall.

Central Plaza is awarded the BCA Green Mark Platinum certification for its environmentally friendly features.

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (S\$ million)	FY2022	FY2021	Increase/ (Decrease)
Gross Revenue	9.41	10.90	(13.6%)
Property Expenses	3.59	3.35	7.3%
Net Property Income	5.82	7.55	(22.9%)
Committed Occupancy	88.9%	91.8%	(2.9%-points)

TOP 10 TENANTS

As at 30 September 2022, Central Plaza has a total of 27 (FY2021: 21) leases, excluding vacancy. The total number of office tenants as at 30 September 2022 is 27 (FY2021: 21) and the key tenants include National Council of Social Service, Nippon Steel Engineering, Kyocera Asia Pacific and Interplex Precision Technology, among others. The top 10 tenants contributed collectively 71.0% (FY2021: 83.2%) of the total GRI.

Top 10 Tenants as at 30 September 2022	% of Mall's GRI
National Council of Social Service	14.8%
Nippon Steel Engineering Co., Ltd.	10.1%
Kyocera Asia Pacific Pte. Ltd.	9.3%
Interplex Precision Technology (Singapore) Pte. Ltd.	8.5%
Molnlycke Health Care Asia-Pacific Pte Ltd	6.4%
BGC Group Pte. Ltd.	6.1%
Prive Jewel Pte. Ltd.	4.6%
MC Academy @ Central Plaza Pte. Ltd.	4.3%
Agency For Integrated Care Pte. Ltd.	3.5%
Blujay Solutions Pte. Ltd.	3.4%
Total	71.0%

LEASE EXPIRY PROFILE⁴

As at 30 September 2022	FY2023	FY2024	FY2025	FY2026	FY2027 and beyond	Total
Number of expiring leases	7	10	6	2	2	27
NLA of expiring leases (square feet)	29,319	36,698	32,454	6,275	23,100	127,846
Expiries as % of mall's total leased area	22.9%	28.7%	25.4%	4.9%	18.1%	100.0%
Expiries as % of mall's total GRI	27.8%	33.5%	31.1%	5.8%	1.8%	100.0%

1 Gross Floor Area (GFA) includes area of both Tiong Bahru Plaza and Central Plaza.

2 The NLA includes the area of approximately 28,355 square feet (2,634 square metres) currently used as Community/ Sports Facilities Scheme (CSFS) space.

3 Valuation done by Jones Lang LaSalle Property Consultants Pte Ltd as at 30 September 2022.

4 Based on committed leases as at 30 September 2022; vacant floor area and CSFS leases are excluded.

PROPERTY PROFILES



CENTURY SQUARE

Description:

Shopping mall comprising 5 storeys and 3 basement levels

Address:

2 Tampines Central 5,
Century Square,
Singapore 529509

Gross Floor Area:

30,400 square metres
(327,226 square feet)

Net Lettable Area¹:

19,629 square metres
(211,282 square feet)

Car Park Lots:

298

Title:

99-year leasehold
commencing 1 September
1992

Year Acquired by FCT:

2020

Valuation²:

S\$559.0 million

Annual Shopper Traffic:

10.2 million
(October 2021 – September
2022)

Key Tenants:

The Food Market, PRIME
Food & Grocer, Haidilao
Hotpot, Gymmboxx and Kiddy
Palace

Century Square is a 5-storey retail mall with 3 basement levels located in the heart of Tampines Central and is in close proximity to the Tampines MRT interchange and the Tampines Bus Interchange. The mall draws its shopper traffic from the populous residential catchment, commuter traffic and working population in the Tampines, Simei, Bedok and Pasir Ris regions.

The mall completed an extensive asset enhancement and refurbishment works in May 2018. Shoppers can enjoy a wide array of family-friendly services and activity

spaces such as larger nursing rooms, family car park lots, roof deck with communal spaces, 24-hour gym and National Library Board's first-of-its-kind virtual library in a mall at Level 4. The key tenants at the mall include The Food Market, PRIME Food & Grocer, Haidilao Hotpot, Gymmboxx and Kiddy Palace.

Century Square is awarded the BCA Green Mark Platinum certification for its environmentally friendly features.

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (S\$ million)	FY2022	FY2021	Increase/ (Decrease)
Gross Revenue	31.46	30.95	1.6%
Property Expenses	9.61	6.59	45.8%
Net Property Income	21.85	24.36	(10.3%)
Committed Occupancy	86.8%	91.8%	(5.0%-points)
Shopper Traffic (million)	10.2	10.2	0.0%

TOP 10 TENANTS

As at 30 September 2022, Century Square has a total of 138 (FY2021: 136) leases, excluding vacancy. The total number of tenants as at 30 September 2022 is 135 (FY2021: 124) and the key tenants include The Food Market, PRIME Food & Grocer, Haidilao Hotpot, Gymmboxx and Kiddy Palace, among others. The top 10 tenants contributed collectively 27.6% (FY2021: 32.2%) of the mall's total GRI.

Top 10 Tenants as at 30 September 2022	% of Mall's GRI
BreadTalk Group ³	6.8%
Mahota Group ⁴	4.4%
Singapore Hai Di Lao Dining Pte. Ltd.	3.1%
Foot Locker Singapore Pte. Ltd.	2.6%
Gymmboxx Pte. Ltd.	2.3%
Jean Yip Group ⁵	1.8%
Kiddy Palace Pte Ltd	1.7%
Lao Huo Tang Group	1.7%
The Learninglab Education Centre Pte Ltd	1.6%
Bata Shoe (Singapore) Private Limited	1.6%
Total	27.6%

TRADE CATEGORY ANALYSIS

Food & Beverage contributed 41.1% (FY2021: 36.6%) of the mall's GRI, followed by Beauty & Healthcare at 21.6% (FY2021: 16.7%). These two trades accounted for 62.7% of the mall's GRI. The breakdown of the trade category by NLA and GRI is presented below.

Trade Category (in descending order of GRI)	By NLA	By GRI ⁶
1 Food & Beverage	30.0%	41.1%
2 Beauty & Healthcare	17.4%	21.6%
3 Fashion & Accessories	9.9%	13.0%
4 Supermarket & Grocers	10.5%	7.0%
5 Sports Apparel & Equipment	4.2%	4.0%
6 Homeware & Furnishing	2.4%	3.2%
7 Education	4.7%	3.1%
8 Leisure & Entertainment	3.4%	1.5%
9 Books, Music, Arts & Craft, Hobbies	2.0%	1.4%
10 Sundry & Services	1.0%	1.3%
11 Jewellery & Watches	0.5%	1.2%
12 Information & Technology	0.5%	1.2%
13 Electrical & Electronics	0.3%	0.4%
14 Vacant	13.2%	0.0%
Total	100.0%	100.0%

LEASE EXPIRY PROFILE⁷

As at 30 September 2022	FY2023	FY2024	FY2025	FY2026	FY2027 and beyond	Total
Number of expiring leases	39	63	31	5	0	138
NLA of expiring leases (square feet)	57,037	75,220	31,222	12,490	0	175,969
Expiries as % of mall's total leased area	32.4%	42.8%	17.7%	7.1%	0.0%	100.0%
Expiries as % of mall's total GRI	26.3%	49.0%	20.3%	4.4%	0.0%	100.0%

1 The NLA includes the area of approximately 8,547 square feet (794 square metres) currently used as CSFS space.

2 Valuation done by Jones Lang LaSalle Property Consultants Pte Ltd as at 30 September 2022.

3 Operator of The Food Market.

4 Operator of PRIME Food & Grocer and Shi Tang by Mahota Kitchen.

5 Operator of 6 Elements Hair Spa and Cheryl W Wellness & Weight Management.

6 Excludes gross turnover rent.

7 Based on committed leases as at 30 September 2022; vacant floor area and CSFS leases are excluded.

PROPERTY PROFILES



CHANGI CITY POINT

Description:

Shopping mall comprising 3 storeys and 1 basement level

Address:

5 Changi Business Park
Central 1, Changi City Point,
Singapore 486038

Gross Floor Area:

28,463 square metres
(306,378 square feet)

Net Lettable Area¹:

19,366 square metres
(208,453 square feet)

Car Park Lots²:

627

Title:

60-year leasehold
commencing 30 April 2009

Year Acquired by FCT:

2014

Valuation³:

S\$325.0 million

Annual Shopper Traffic:

7.5 million
(October 2021 - September
2022)

Key Tenants:

Challenger, Uniqlo, Nike Unite,
FairPrice Finest and Daiso

Changi City Point is located in Changi Business Park, directly connected to the Singapore Expo MRT station and near one of Singapore's largest convention and exhibition venues, Singapore Expo. The mall offers a diverse shopping and dining experience especially for the working population in Changi Business Park, residents in nearby precincts such as Tampines, Bedok and Simei and the visitors to Singapore Expo. Changi City Point features fashion and sports retailers including Uniqlo, Cotton On, Nike Unite, Timberland, Adidas Outlet, ASICS Factory Outlet, New Balance, PUMA Outlet, Liv Activ and many other outlets stores.

Shoppers can do their grocery shopping at the FairPrice Finest supermarket. Restaurants at the mall include McDonald's, Jollibee, Ichiban Sushi and Han's. Families can also enjoy the landscaped rooftop garden that features a wet and dry children's playground.

Changi City Point is awarded the BCA Green Mark Gold^{Plus} certification.

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (S\$ million)	FY2022	FY2021	Increase/ (Decrease)
Gross Revenue	23.94	22.39	6.9%
Property Expenses	9.37	8.96	4.5%
Net Property Income	14.57	13.43	8.4%
Committed Occupancy	93.7%	94.7%	(1.0%-points)
Shopper Traffic (million)	7.5	6.4	17.2%

TOP 10 TENANTS

As at 30 September 2022, Changi City Point has a total of 139 (FY2021: 134) leases, excluding vacancy. The total number of tenants as at 30 September 2022 was 128 (FY2021: 123) and the key tenants include Challenger, Uniqlo, FairPrice Finest and Daiso, among others. The top 10 tenants contributed collectively 22.6% (FY2021: 28.3%) of the mall's total GRI.

Top 10 Tenants as at 30 September 2022	% of Mall's GRI
Manna Pot Catering ⁴	3.1%
Cotton On Singapore Pte. Ltd.	2.4%
Japan Foods Holding ⁵	2.4%
Challenger Technologies Limited	2.3%
RE & S Group ⁶	2.2%
Daiso ⁷	2.2%
Wing Tai Group ⁸	2.1%
Golden Beeworks Pte Ltd ⁹	2.1%
Uniqlo (Singapore) Pte Ltd	2.0%
EN Group ¹⁰	1.8%
Total	22.6%

TRADE CATEGORY ANALYSIS

Food & Beverage contributed 50.3% (FY2021: 54.1%) of the mall's GRI, followed by Fashion & Accessories at 22.4% (FY2021: 20.5%). These two trades accounted for 72.7% of the mall's GRI. The breakdown of the trade category by NLA and GRI is presented below.

Trade Category (in descending order of GRI)	By NLA	By GRI ¹¹
1 Food & Beverage	35.6%	50.3%
2 Fashion & Accessories	20.2%	22.4%
3 Sports Apparel & Equipment	14.6%	11.7%
4 Beauty & Healthcare	5.3%	5.0%
5 Information & Technology	3.3%	3.3%
6 Supermarket & Grocers	6.9%	2.6%
7 Sundry & Services	2.0%	2.2%
8 Homeware & Furnishing	5.0%	2.0%
9 Leisure & Entertainment	0.7%	0.3%
10 Jewellery & Watches	0.1%	0.2%
11 Vacant	6.3%	0.0%
Total	100.0%	100.0%

LEASE EXPIRY PROFILE¹²

As at 30 September 2022	FY2023	FY2024	FY2025	FY2026	FY2027 and beyond	Total
Number of expiring leases	53	42	35	8	1	139
NLA of expiring leases (square feet)	65,160	48,203	56,913	15,188	6,728	192,192
Expiries as % of mall's total leased area	33.9%	25.1%	29.6%	7.9%	3.5%	100.0%
Expiries as % of mall's total GRI	32.8%	28.4%	28.6%	7.0%	3.2%	100.0%

1 The NLA includes the area of approximately 3,391 square feet (315 square metres) currently used as Community/ Sports Facilities Scheme (CSFS) space.

2 The car park lots are shared between Changi City Point, Capri by Fraser and ONE@Changi City.

3 Valuation done by Savills Valuation and Professional Services (S) Pte Ltd as at 30 September 2022.

4 Operator of The White Tiffin and Manna Bistro & Grill.

5 Operator of Menzo Butao and Yakiniku Shokudo.

6 Operator of Ichiban Sushi.

7 Includes Daiso and Threeppy.

8 Includes Adidas, Cath Kidston and G2000 outlets.

9 Operator of Jollibee.

10 Operator of Aburi-EN and Tamago-EN.

11 Excludes gross turnover rent.

12 Based on committed leases as at 30 September 2022; vacant floor area and CSFS leases are excluded.

PROPERTY PROFILES



HOUGANG MALL

Description:

Shopping mall comprising 5 storeys and 2 basement levels

Address:

90 Hougang Avenue 10,
Hougang Mall,
Singapore 538766

Gross Floor Area:

21,615 square metres
(232,662 square feet)

Net Lettable Area¹:

15,392 square metres
(165,680 square feet)

Car Park Lots:

152

Title:

99-year leasehold
commencing 1 May 1994

Year Acquired by FCT:

2020

Valuation²:

S\$433.0 million

Annual Shopper Traffic:

9.4 million
(October 2021 – September 2022)

Key Tenants:

FairPrice, Harvey Norman and Popular Bookstore

Hougang Mall is a 5-storey retail mall with 2 basement levels located near Hougang MRT station and Hougang Central Bus Interchange. The mall is popular with the residents and the communities of Hougang, Kovan and even Sengkang and Buangkok which are residential estates further afield.

The mall offers a wide selection of daily necessities and essential services such as supermarket, food court, home furnishing retailers and clinics. Notable brands and services in the mall include FairPrice, Harvey Norman and Popular Bookstore.

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (S\$ million)	FY2022	FY2021	Increase/ (Decrease)
Gross Revenue	30.51	26.64	14.5%
Property Expenses	9.37	8.38	11.7%
Net Property Income	21.14	18.26	15.8%
Committed Occupancy	98.4%	97.8%	0.6%-points
Shopper Traffic (million)	9.4	8.9	5.6%

TOP 10 TENANTS

As at 30 September 2022, Hougang Mall has a total of 128 (FY2021: 126) leases, excluding vacancy. The total number of tenants as at 30 September 2022 is 123 (FY2021: 118) and the key tenants include FairPrice, Harvey Norman and Popular Bookstore, among others. The top 10 tenants contributed collectively 32.6% (FY2021: 35.0%) of the mall's total GRI.

Top 10 Tenants as at 30 September 2022	% of Mall's GRI
NTUC FairPrice ³	10.2%
Yum! ⁴	4.1%
Pertama Merchandising Pte Ltd ⁵	3.5%
Hanbaobao Pte Ltd ⁶	3.3%
Oversea-Chinese Banking Corporation Ltd	2.6%
Soo Kee Group ⁷	2.1%
United Overseas Bank Limited	2.0%
Popular Group	1.9%
Hockhua ⁸	1.5%
Minoshe Group ⁹	1.4%
Total	32.6%

TRADE CATEGORY ANALYSIS

Food & Beverage contributed 37.7% of the mall's GRI (FY2021: 36.4%), followed by Beauty and Healthcare at 13.7% (FY2021: 13.6%). These two trades accounted for 51.4% of the mall's GRI. The breakdown of the trade category by NLA and GRI is presented below.

Trade Category (in descending order of GRI)	By NLA	By GRI ¹⁰
1 Food & Beverage	28.9%	37.7%
2 Beauty & Healthcare	11.4%	13.7%
3 Fashion & Accessories	9.0%	11.6%
4 Sundry & Services	8.4%	9.6%
5 Supermarket & Grocers	14.1%	8.7%
6 Education	6.8%	3.5%
7 Jewellery & Watches	1.3%	3.3%
8 Electrical & Electronics	5.5%	3.2%
9 Books, Music, Arts & Craft, Hobbies	4.9%	3.2%
10 Homeware & Furnishing	3.4%	2.9%
11 Information & Technology	2.7%	1.8%
12 Leisure & Entertainment	2.0%	0.8%
13 Vacant	1.6%	0.0%
Total	100.0%	100.0%

LEASE EXPIRY PROFILE¹¹

As at 30 September 2022	FY2023	FY2024	FY2025	FY2026	FY2027 and beyond	Total
Number of expiring leases	35	51	32	9	1	128
NLA of expiring leases (square feet)	33,214	77,297	17,375	8,088	11,517	147,491
Expiries as % of mall's total leased area	22.5%	52.4%	11.8%	5.5%	7.8%	100.0%
Expiries as % of mall's total GRI	21.8%	50.8%	16.5%	5.3%	5.6%	100.0%

1 The NLA includes the area of approximately 15,767 square feet (1,465 square metres) currently used as CSFS space.

2 Valuation done by Jones Lang LaSalle Property Consultants Pte Ltd as at 30 September 2022.

3 Includes FairPrice and Unity Pharmacy.

4 Includes KFC and Pizza Hut.

5 Operator of Harvey Norman.

6 Operator of Mcdonald's.

7 Includes SK Jewellery and Money Max.

8 Includes Hockhua Herbal Tea and Hockhua Tonic.

9 Includes Sorella and Young Hearts.

10 Excludes gross turnover rent.

11 Based on committed leases as at 30 September 2022; vacant floor area and CSFS leases are excluded.

PROPERTY PROFILES



WHITE SANDS

Description:

Shopping mall comprising 5 storeys and 3 basement levels

Address:

1 Pasir Ris Central Street 3,
White Sands,
Singapore 518457

Gross Floor Area:

21,112 square metres
(227,244 square feet)

Net Lettable Area¹:

13,970 square metres
(150,374 square feet)

Car Park Lots:

187

Title:

99-year leasehold
commencing 1 May 1993

Year Acquired by FCT:

2020

Valuation²:

S\$429.0 million

Annual Shopper Traffic:

8.4 million
(October 2021 – September
2022)

Key Tenants:

FairPrice, Cookhouse by
Koufu, McDonald's, Popular
Bookstore and OCBC Bank

White Sands is located in Pasir Ris, a residential estate in the Eastern region of Singapore. Located within a growing residential catchment and next to Pasir Ris MRT Station and Pasir Ris Bus Interchange, White Sands fulfills the daily needs of its catchment residents. It is a convenient destination for their necessity shopping, essential services, lifestyle and entertainment needs. The mall is also a favourite stopover for National Servicemen en route their journey to and from the

Pulau Tekong military training camp. The key tenants at the mall include FairPrice, Cookhouse by Koufu, McDonald's, Popular Bookstore and OCBC Bank.

White Sands underwent a major asset enhancement and refurbishment works which was completed in the first quarter of 2016. The mall is also awarded the BCA Green Mark Platinum certification.

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (S\$ million)	FY2022	FY2021	Increase/ (Decrease)
Gross Revenue	28.77	25.45	13.1%
Property Expenses	8.52	7.57	12.6%
Net Property Income	20.25	17.88	13.3%
Committed Occupancy	96.4%	95.4%	1.0%-points
Shopper Traffic (million)	8.4	7.5	12.0%

TOP 10 TENANTS

As at 30 September 2022, White Sands has a total of 134 (FY2021: 132) leases, excluding vacancy. The total number of tenants as at 30 September 2022 is 126 (FY2021: 118) and the key tenants include FairPrice, Cookhouse by Koufu, McDonald's, Popular Bookstore and OCBC Bank, among others. The top 10 tenants contributed collectively 32.7% (FY2021: 32.5%) of the mall's total GRI.

Top 10 Tenants as at 30 September 2022	% of Mall's GRI
NTUC FairPrice ³	8.9%
Koufu Group ⁴	4.0%
Beauty One International ⁵	4.0%
Hanbaobao Pte Ltd ⁶	3.2%
Minor Group ⁷	2.8%
Oversea-Chinese Banking Corporation Ltd	2.4%
Watson's Personal Care Stores Pte Ltd	2.1%
DBS Bank Ltd	2.0%
Yum! ⁸	1.8%
Dairy Farm Group ⁹	1.5%
Total	32.7%

TRADE CATEGORY ANALYSIS

Food & Beverage contributed 40.5% (FY2021: 38.7%) of the mall's GRI, followed by Beauty & Healthcare at 19.0% (FY2021: 20.7%). These two trades accounted for 59.5% of the mall's GRI. The breakdown of the trade category by NLA and GRI is presented below.

Trade Category (in descending order of GRI)	By NLA	By GRI ¹⁰
1 Food & Beverage	32.5%	40.5%
2 Beauty & Healthcare	15.5%	19.0%
3 Sundry & Services	9.4%	10.9%
4 Fashion & Accessories	9.4%	10.4%
5 Supermarket & Grocers	13.5%	7.9%
6 Education	5.3%	3.6%
7 Homeware & Furnishing	2.7%	2.4%
8 Books, Music, Arts & Craft, Hobbies	3.0%	1.7%
9 Leisure & Entertainment	2.7%	1.2%
10 Information & Technology	1.3%	1.1%
11 Sports Apparel & Equipment	0.9%	0.9%
12 Jewellery & Watches	0.2%	0.4%
13 Vacant	3.6%	0.0%
Total	100.0%	100.0%

LEASE EXPIRY PROFILE¹¹

As at 30 September 2022	FY2023	FY2024	FY2025	FY2026	FY2027 and beyond	Total
Number of expiring leases	39	35	39	18	3	134
NLA of expiring leases (square feet)	43,096	31,049	27,659	11,336	10,852	123,992
Expiries as % of mall's total leased area	34.8%	25.0%	22.3%	9.1%	8.8%	100.0%
Expiries as % of mall's total GRI	29.1%	29.9%	24.0%	10.9%	6.1%	100.0%

- The NLA includes the area of approximately 21,744 square feet (2,020 square metres) currently used as Community/ Sports Facilities Scheme (CSFS) space.
- Valuation done by Jones Lang LaSalle Property Consultants Pte Ltd as at 30 September 2022.
- Includes FairPrice and Unity Pharmacy.
- Operator of Cookhouse by Koufu.
- Includes New York Skin Solutions, Dorra Slimming and Victoria Facelift.
- Operator of McDonald's.
- Includes Xin Wang Hong Kong Cafe and Poulet.
- Operator of KFC outlet.
- Operator of Guardian Pharmacy.
- Excludes gross turnover rent.
- Based on committed leases as at 30 September 2022; vacant floor area and CSFS leases are excluded.

PROPERTY DIRECTORY

CAUSEWAY POINT

Address:

1 Woodlands Square,
Singapore 738099

Telephone:

(65) 6894 2237

Mall website:

<https://www.causewaypoint.com.sg>

CENTURY SQUARE

Address:

2 Tampines Central 5,
Singapore 529509

Telephone:

(65) 6789 6261

Mall website:

<https://www.centurysquare.com.sg>

CHANGI CITY POINT

Address:

5 Changi Business Park Central 1,
Singapore 486038

Telephone:

(65) 6511 1088

Mall website:

<https://www.changicitypoint.com.sg>

HOUGANG MALL

Address:

90 Hougang Avenue 10,
Singapore 538766

Telephone:

(65) 6488 9617

Mall website:

<https://www.hougangmall.com.sg>

NORTHPOINT CITY NORTH WING

Address:

930 Yishun Avenue 2,
Singapore 769098

YISHUN 10

RETAIL PODIUM

Address:

51 Yishun Central 1,
Singapore 768794

Telephone:

(65) 6754 2300

Mall website:

<https://www.northpointcity.com.sg>

TAMPINES 1

Address:

10 Tampines Central 1,
Singapore 529536

Telephone:

(65) 6572 5522

Mall website:

<https://www.tampines1.com.sg>

TIONG BAHRU PLAZA

Address:

302 Tiong Bahru Road,
Singapore 168732

Telephone:

(65) 6276 4686

Mall website:

<https://www.tiongbahruplaza.com.sg>

CENTRAL PLAZA

Address:

298 Tiong Bahru Road,
Singapore 168730

WATERWAY POINT

Address:

83 Punggol Central,
Singapore 828761

Telephone:

(65) 6812 7300

Mall website:

<https://www.waterwaypoint.com.sg>

WHITE SANDS

Address:

1 Pasir Ris Central Street 3,
Singapore 518457

Telephone:

(65) 6585 0606

Mall website:

<https://www.whitesands.com.sg>

INVESTMENT IN HEKTAR REIT

As at 30 September 2022, FCT holds 30.53% of the units in Hektar Real Estate Investment Trust (“H-REIT”). H-REIT, an associate of FCT, is a retail-focused REIT in Malaysia listed on the Main Market of Bursa Malaysia Securities Berhad.

H-REIT’s property portfolio consists of six shopping centres in the Northern, Central and Southern Regions of Peninsular Malaysia. These six shopping centres are Subang Parade (Selangor), Mahkota Parade (Melaka), Wetex Parade (Johor), Central Square (Kedah), Kulim Central (Kedah) and Segamat Central (Johor).

The properties in H-REIT portfolio have a total NLA of approximately 2.0 million square feet and a combined value of approximately RM1,164.5 million (or approximately S\$361 million assuming a currency exchange rate of approximately S\$1:MYR 3.229 as at 30 September 2022).

HEKTAR PROPERTY PROFILE¹

	Subang Parade	Mahkota Parade	Wetex Parade	Central Square	Kulim Central	Segamat Central
State	Selangor	Melaka	Johor	Kedah	Kedah	Johor
Title	Freehold	Leasehold (expires 2101)	Freehold	Freehold	Freehold	Leasehold (expires 2116)
NLA (Retail), square feet as at 31 Dec 2021	523,487	521,142	175,014	310,564	299,781	211,910
Tenancies as at 31 Dec 2021 (NLA lots only)	89	90	60	45	67	33
Occupancy as at 31 Dec 2021	82.5%	87.1%	89.9%	85.9%	94.0%	67.3%
Visitor traffic FY2021 (million)	4.0	2.8	1.9	1.9	1.9	0.7
Acquisition price (RM million)	280.0	232.0	117.5	83.0	98.0	104.0
Valuation (RM million) as at 31 Dec 2021	423.0	323.5	142.0	90.0	129.0	57.0
Gross revenue (RM million)	30.4	28.1	12.7	8.5	13.3	3.5
Net property income (RM million)	17.2	11.4	6.7	3.7	8.4	(0.5)

HEKTAR REIT’S TOP 10 TENANTS[#]

The top ten tenants in the portfolio contributed approximately 37.7% of total monthly rental income, providing a diversified revenue base. Aside from the top tenant, Parkson, which contributed approximately 11.7% of monthly rental income, no other tenant contributed more than 10%.

Tenant	Trade Category	NLA (sq ft)	% of total NLA	% of monthly rental income*
Parkson	Department Store/Supermarket	252,515	12.4%	11.7%
The Store	Department Store/Supermarket	273,198	13.4%	8.8%
GSC	Leisure & Entertainment/Sports & Fitness	88,670	4.3%	2.5%
Mr D.I.Y	Houseware & Furnishing	74,301	3.6%	2.4%
Seleria Food Court	Food & Beverage/Food Court	42,105	2.1%	2.4%
Watson’s	Health & Beauty	11,965	0.6%	2.3%
Guardian	Health & Beauty	12,164	0.6%	2.1%
Giant Superstore	Department Store/Supermarket	72,140	3.5%	2.0%
MM Cineplexes	Leisure & Entertainment/Sports & Fitness	75,928	3.7%	1.8%
KFC	Food & Beverage/Food Court	15,792	0.8%	1.7%
Top 10 Tenants (by monthly rental income)		918,778	45.0%	37.7%
Other Tenants		1,123,120	55.0%	62.3%
Total		2,041,898	100.0%	100.0%

1 Source: H-REIT Annual Report 2021 and its website at <http://www.hektarreit.com/>

INVESTMENT IN HEKTAR REIT

PORTFOLIO TENANCY MIX¹

As at 31 December 2021

The largest rental contributors to the portfolio are tenants from the Department Store/Supermarket and the Food & Beverage/Food Court segments. Both segments contributed 45% of the portfolio's total rental income. In terms of NLA occupancy, Department Store/Supermarket tenants continue to dominate the portfolio by taking up 40% of all available NLA.

Segment	As % of overall portfolio NLA	As % of portfolio rental income (based on monthly rental income in December 2021)
Department Store/Supermarket	40%	24%
Food & Beverage/Food Court	12%	21%
Fashion & Footwear	11%	20%
Health & Beauty	4%	12%
Leisure & Entertainment/Sports & Fitness	18%	8%
Electronics & IT	4%	7%
Homewares & Furnishing	8%	4%
Gifts/Books/Toys/Specialty	2%	3%
Education/Services	1%	1%

Note: Numbers may not add up to 100% due to rounding

PORTFOLIO LEASE EXPIRY PROFILE¹

As at 31 December 2021

A total of 291 tenancies will expire in 2022 representing approximately 34.2% of NLA and 55.1% of monthly rental income as at 31 December 2021.

For year ending 31 December	No. of tenancies expiring	NLA of tenancies expiring (sq ft)	NLA of tenancies expiring as % of total NLA	As % of monthly rental income*
FY2022	291	698,353	34.2%	55.1%
FY2023	50	596,002	29.2%	25.5%
FY2024	43	440,421	21.6%	19.4%

* Based on monthly rental income for December 2021.

1 Source: H-REIT Annual Report 2021 and its website at <http://www.hektarreit.com/>

RISK MANAGEMENT

Effective risk management is a fundamental part of Frasers Centrepoint Trust and its subsidiaries' ("FCT Group") business strategy. Key risks, control measures and management actions are continually being identified, reviewed and monitored by management of the Manager ("Management") as part of the Manager's enterprise-wide risk management ("ERM") framework. Recognising and managing risks are central to the business and for protecting Unitholders' interests.

GOVERNANCE AND OVERSIGHT

The Board of Directors of the Manager ("Board") is responsible for the governance of risks and ensuring that the Manager maintains a sound system of risk management and internal controls. The Manager has established a sound system of risk management and internal controls comprising procedures and processes to safeguard FCT Group's assets as well as FCT's and its Unitholders' interests. The Audit, Risk and Compliance Committee ("ARCC") reviews and reports to the Board on the adequacy and effectiveness of such controls, including financial, compliance, operational and information technology controls, and risk management procedures and systems, taking into consideration the recommendations of both internal and external auditors.

RISK MANAGEMENT FRAMEWORK

ERM reporting is facilitated through a Corporate Risk Scorecard system which enables the reporting of risks and risk status using a common platform in a consistent and cohesive manner.

The Manager seeks to benchmark its ERM framework against industry best practices and standards. In assessing areas for improvement and how the ERM processes and practices can be strengthened, reference has been made to the best practices in risk management including those set out in the Code of Corporate Governance 2018 and the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council in May 2012.

Risks are reported at the operational level using a Risk Scorecard which captures risks, risk ratings, mitigating measures and timeline for action items. Where applicable, Key Risk Indicators ("KRIs") are established to monitor risks. For risks that are material, the mitigating measures and KRIs are reported in the Key Risk Dashboard for review by the ARCC on a regular basis.

Risk tolerance statements, which set out the nature and extent of significant risks which the Manager is willing to take in achieving its strategic objectives, are reviewed annually. The tolerance limits are monitored and reported to the ARCC on a half yearly basis.

Formal risk reviews take place quarterly and the Risk Scorecard is updated regularly. On a yearly basis, ERM validation is held with the Management. Key risks have been identified and the corresponding mitigating measures taken are adequate. FCT Group's validated risks are presented to the ARCC to provide assurance that the risk management system in place was adequate and effective to address risks which the Manager considers relevant and material to FCT Group's operations.

Apart from the ERM process, key business risks are thoroughly assessed by Management and each significant transaction is comprehensively analysed so that Management understands the risks involved before it is embarked upon.

FCT Group's ERM framework promotes a risk management culture. The Manager works closely with Frasers Property Limited's ("FPL") Risk Management Team to conduct workshops where necessary to reinforce and enhance risk management knowledge and management principles.

KEY RISKS

The Manager identifies key risks, assesses their likelihood and materiality to FCT Group's business and documents corresponding mitigating controls in a risk register. The risk register is reviewed and updated regularly.

OPERATIONAL RISK

The Manager has established and strictly adheres to a set of standard operating procedures designed to identify, monitor, report and manage the operational risks associated with the day-to-day management and maintenance of FCT malls. These procedures and guidelines are regularly reviewed and benchmarked against industry best practices to ensure relevance and effectiveness. Insurances are also in place to mitigate losses resulting from unforeseen events. Business Continuity Plans are regularly tested for their effectiveness. The Manager proactively monitors developments relating to the impact of the ongoing COVID-19 pandemic, responds through established crisis management and business continuity plans and complies with disease prevention and containment regulations to help minimise business disruptions and ensure the safety of our employees, tenants and customers.

RISK MANAGEMENT

HUMAN CAPITAL RISK

The Manager has in place a career planning and development system for its staff and implemented effective reward schemes to attract and retain appropriate talent for the business. Regular training and development opportunities are also provided to upgrade the skills and knowledge of the staff. An organisational culture survey was also deployed to measure employee engagement and sentiments with our aim to shape a more positive, purpose-led culture aligned with our business strategy.

LIQUIDITY RISK

In ensuring a prudent financial structure for FCT Group, the Manager adheres closely to the covenants in the loan agreements and Appendix 6 (Investment: Property Funds) of the Code on Collective Investment Schemes ("CIS") issued by the Monetary Authority of Singapore ("MAS"). In addition, the Manager proactively manages FCT Group's cashflow position and liquidity requirements.

In view of the challenges posed by the COVID-19 pandemic and global inflationary pressures, the Management regularly conducted stress testing to assess and track the possible impact of the macroeconomic environment on the FCT Group's liquidity and cashflow. Capital and liquidity management remain priorities for FCT Group.

The Manager actively monitors its debt maturity profile and operating cashflows. FCT Group has undrawn revolving credit facilities totaling S\$616.9 million as of 30 September 2022 to ensure adequacy of liquidity reserves to finance FCT Group's operations, capital expenditures, asset enhancement initiatives ("AEIs") and any other unforeseen short-term obligations. FCT Group's

liquidity is supported by its long-term banking relationships and track record of strong access to the debt capital market.

Please refer to page 40 under Capital Resources section on the various sources of funds availability and their utilisation. The Manager continues to comply with its policy of spreading out the debts maturing in a single year.

INVESTMENT RISK

As FCT Group grows its investment portfolio via the acquisition of new properties and other forms of permitted investments, all investment opportunities are subject to a disciplined and rigorous appraisal process. All investment proposals are evaluated based on a comprehensive set of investment criteria including alignment with FCT's investment mandate, asset quality, expected returns, sustainability of asset performance, asset sustainability attributes, environmental impact metrics, and future growth potential, having due regard to market conditions and outlook.

INTEREST RATE RISK

Interest rate risk is proactively managed by the Manager with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Manager closely monitors the interest rate environment with support from FPL Group Treasury to mitigate the difficulties in raising debt at reasonable cost in view of the ongoing interest rate hike. In accordance with the Manager's hedging policy, at least 50% of FCT Group's outstanding borrowings are at fixed interest rates. As at 30 September 2022, 70.5% of the total borrowings are on fixed interest rates.

CREDIT RISK

The Manager monitors the debt levels on an ongoing basis and remains vigilant in its debt collection procedures. Credit evaluations are performed before lease agreements are entered into with tenants or before lease terms with existing tenants are extended. Credit risk is also mitigated by collecting rental deposits via cash or banker's guarantee from the tenants.

COMPLIANCE RISK

FCT is subject to relevant laws and regulations including the Listing Manual of the Singapore Exchange Securities Trading Limited, CIS and the tax rulings issued by the Inland Revenue Authority of Singapore. Any changes to these regulations may affect FCT Group's operations and results. The Manager has in place policies and procedures to facilitate compliance with applicable laws and regulations. Management keeps abreast of latest developments in relevant laws and regulations through training, attending talks and briefings.

TECHNOLOGY RISK

Digital disruption and the future of work that are enabled by digital technology offer new opportunities and challenges. The FPL Group, of which the Manager is part of, continues to build digital capabilities and invest in new technologies to ensure that the FCT Group's business is future-ready including embracing of cloud technology in order to provide a higher level of business agility, scalability, as well as cost competitiveness. Group-wide policies, standards and procedures and security technology solutions have been put in place to ensure the confidentiality, availability, and integrity of Information Technology ("IT") systems, as well as to

ensure that cybersecurity threats are managed. Disaster recovery plans and incident management procedures have been developed and are tested regularly. Measures and considerations have also been taken to enable effective privileged access monitoring, patch management, data security, data protection and safeguard against prolonged service unavailability of critical IT systems.

Periodic IT security trainings are conducted for new and existing employees to raise IT security awareness on the evolving threats landscape. External professional service providers are engaged to conduct independent vulnerability assessment and penetration tests to further strengthen the IT systems.

For this financial year, the Manager engaged external experts to assist FCT in addressing recent changes to the Technology Risk Management regulations issued by the MAS. The approach outlines the boundary of regulations for the Manager and defines the roles and responsibilities for the Board and ARCC. At the management level, a Chief Information Officer and Chief Information Security Officer were appointed to manage technology risks of FCT and takes all decisions in accordance with the risk-appetite approved by the Board. The Manager monitors the compliance to various technology regulations on an ongoing basis, using the toolkits and quarterly compliance checklists created for periodic reporting.

EXTERNAL RISK

FCT is exposed to a challenging business climate and rapidly changing retail market trends, including global inflationary pressures, manpower shortage faced by tenants, limited pool of prospective tenants, e-commerce consumer shopping behaviour and the leasing principles set out in the "Code of Conduct for Leasing of Retail Premises in Singapore".

The Manager actively monitors the macroeconomic trends, policies, regulatory changes and retail market trends, as well as continuously seeks to strengthen FCT's competitiveness through active lease management and asset enhancement works.

FRAUD AND CORRUPTION RISK

The Manager does not condone any acts of fraud, corruption or bribery by employees in the course of our business activities. The Manager adheres to the various policies and guidelines established by the Group, including a Code of Business Conduct and an Anti-Bribery Policy, to guide employees on business practices, standards and conduct expected during their employment.

The Manager has put in place a Whistle-Blowing Policy ("Whistle-Blowing Policy"). The Whistle-Blowing Policy provides an independent feedback channel through which matters of concern about possible improprieties in matters of financial reporting,

suspected fraud and corruption or other matters may be raised by employees and any other persons in confidence and in good faith, without fear of reprisal. The ARCC reviews and ensures that independent investigations and appropriate follow-up actions are carried out. More details can be found in the Corporate Governance section of this Annual Report on pages 125 to 160.

ENVIRONMENT AND CLIMATE CHANGE RISK

Climate change and potentially catastrophic weather events exposes FCT Group to environmental and sustainability risks. The growing emphasis of government regulations on sustainability, environmental laws and green finance laws creates a challenge to meet regulatory requirements amidst rising cost from capital expenditure.

In order to meet the stringent green building and green loans requirements for sustainability financing, the Manager constantly monitors green finance trends and compliance requirements of green building. Training and workplace bulletins are in place to update employees' sustainability knowledge and align operational objectives to the strategic direction of the FCT Group. Please refer to pages 84 to 124 under the Sustainability Report section on the FCT Group's effort to comply with the Environmental Risk Management Guidelines.

SUSTAINABILITY REPORT

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GLOSSARY

For ease of reading, this glossary provides definitions of abbreviations that are frequently used throughout this report.

ACES	: Asia Corporate Excellence & Sustainability Awards
AEI	: Asset Enhancement Initiative
ARCC	: Audit, Risk and Compliance Committee
ARF	: AsiaRetail Fund Limited
BCA	: Building and Construction Authority, Singapore
CCTV	: Closed-Circuit Television
DDC	: Distributed District Cooling
ERM	: Enterprise Risk Management
ESG	: Environmental, Social and Governance
F&B	: Food and Beverage
FCT	: Frasers Centrepoint Trust
FPR	: Frasers Property Retail
FRx	: Frasers Experience
GBP	: Green Bond Principles
GFA	: Gross Floor Area
GLP	: Green Loan Principles
GHG	: Greenhouse Gas
GRESB	: Global Real Estate Sustainability Benchmark
GRI	: Global Reporting Initiative
IA	: Internal Audit
ICMA	: International Capital Market Association
IoT	: Internet of Things
ISAE 3000	: International Standard on Assurance Engagements 3000
ISO 14001	: International Organisation for Standardisation (Environmental Management Systems)
ISO 45001	: International Organisation for Standardisation (Occupational Health and Safety Management Systems)
ISO 50001	: International Organisation for Standardisation (Energy Management Systems)
KPI	: Key Performance Indicator
L&D	: Learning and Development
MAS	: Monetary Authority of Singapore
NGOs	: Non-Governmental Organisations
OH&S	: Occupational Health and Safety
ORBA	: Orchard Road Business Association
PV	: Photo-Voltaic
PUB	: Public Utilities Board, Singapore
REIT	: Real Estate Investment Trust
REITAS	: REIT Association of Singapore
SBTI	: Science Based Targets initiative
SBG	: Sustainability Bond Guidelines
SDG	: Sustainable Development Goal
SIAS	: Securities Investors Association (Singapore)
SRA	: Singapore Retailers Association
SSC	: Sustainability Steering Committee
SSWG	: National Safety and Security Watch Group
SWC	: Sustainability Working Committee
TAFEP	: Tripartite Alliance for Fair and Progressive Employment Practices
TCFD	: Task Force on Climate-related Financial Disclosures
UN	: United Nations
UNGC	: United Nations Global Compact
UNWEP	: United Nations Women Empowerment Principles
UV	: Ultraviolet
WEB	: Water Efficient Building

BOARD STATEMENT

Year 2022 has been a year of global volatilities due to a rise in interest and energy costs, geopolitical tensions that affected international supply chains and increased frequency of extreme weather conditions, among other factors. These factors add headwinds to our journey towards net-zero carbon and underscore the need to hasten our sustainability efforts. While the COVID-19 pandemic has significantly impacted our stakeholders' businesses and interests, it also created opportunities for us to adopt new business processes and pivot to digitalisation which improved business efficiency and efficacy. We anticipate that going forward, the deepening impacts of the climate crisis and rising cost of living will profoundly impact consumers and businesses alike.

FCT has established the necessary environmental, social and governance framework to address these challenges. Together with our Sponsor Frasers Property Limited, we are committed to delivering on our shared Purpose of "Inspiring experiences, creating places for good." through deep integration within our business with the three pillars of the Frasers Property Group's Sustainability Framework – Acting Progressively, Consuming Responsibly and Focusing on People.

In FY2022, we introduced Technology Risk Management and Environmental Risk Management within our governance framework to align to the regulatory requirement by the Monetary Authority of Singapore. We have also aligned this year's sustainability disclosures with the TCFD recommendations and expanded the scope of sustainability-related information provided within this report. For the second consecutive year, we achieved a 5-Star rating in the 2022 GRESB Real Estate Assessment. We believe this is a meaningful benchmark that enables our stakeholders to compare FCT's performance with its global real estate peers in same sector. FCT has also received an "A" rating from the MSCI ESG Ratings in May 2022, up from its previous "BBB" rating, for improvement in its management of financially relevant ESG risks and opportunities.

We have made tangible progress towards our Group's strategic sustainability goals to be net-zero carbon by 2050. Our property portfolio is presently 93% Green Mark-certified by gross floor area ("GFA"). This will contribute towards the Group's goal of green-certifying 80% of owned and asset-managed properties by 2024. We have been leveraging on green financing to drive responsible investment, with the proportion of green loans in our total loans now at 32%, an increase from 18% a year ago. We will continue to work towards our goal of financing the majority of our new assets with green and sustainable financing by 2024. Together with two other business entities within the Frasers Property Group, FCT signed the commitment letter to be part of the Science Based Targets initiative ("SBTi") in March

this year, joining global efforts to set emission reduction targets in line with climate science and contributing to the Paris Agreement goals of limiting global warming to below 2°C above pre-industrial levels and pursuing efforts to limit temperature increase to 1.5°C.

Beyond furthering our climate ambitions, we constantly strive to contribute to our national sustainability agenda. FCT has taken the Green Nation pledge, which commits to supporting the Singapore Green Plan 2030. This includes contributing to the Energy Reset pillar of the national movement by installing a network of electric vehicle charging points across our malls. We have also signed a landmark supply agreement for Century Square and Tampines 1 to serve as key injection nodes as part of Singapore's first brownfield DDC network in Tampines. This year, FCT participated for the first time in Singapore's Climate Action Week, raising awareness on climate change through a new sustainability corner and educational webinars. Enabling sustainable lifestyle choices – such as by providing avenues to recycle e-waste and donate excess food in our malls – remains an ongoing priority.

As we advance on our sustainability journey, we continue to keep our team at the heart of all we do. We uphold stringent workplace health and safety standards across our business, including having all properties certified with ISO 45001 occupational health and safety management systems. Recognising that the COVID-19 pandemic has affected mental well-being, we held our first Mental Wellness campaign in FY2022 to promote healthier habits and lifestyles among our employees. We will continue finding ways to promote holistic well-being among our team and the communities that we serve.

With the support of the FCT management team and our Sponsor, the Board continues to carry out its responsibilities in the assessment of material ESG risks and opportunities and to provide the strategic direction and oversight to achieve our sustainability goals. We invite you to read more about our sustainability journey in this eighth Sustainability Report, which conforms to the GRI Universal Standards 2021 and the Environmental Risk Management Guidelines published by the Monetary Authority of Singapore. We have voluntarily sought external assurance for the sustainability-related disclosures within the report for greater transparency. We look forward to working with you to achieve a more inclusive and resilient future for our stakeholders.

Board of Directors

Frasers Centrepoint Asset Management Ltd.
as Manager of Frasers Centrepoint Trust

SUSTAINABILITY REPORT

THE YEAR AT A GLANCE

ACTING
PROGRESSIVELY

Introduced **Technology Risk Management** and **Environmental Risk Management** within our governance framework to align to the regulatory requirement by the Monetary Authority of Singapore

Achieved **5-Star rating** for second consecutive year at the GRESB Real Estate Assessment 2022

Attained **"A" rating in ESG** rating by MSCI ESG Ratings

Raised the proportion of green loans to **32%** as at 30 September 2022 from **18%** as at 30 September 2021

93% of portfolio by gross floor area certified BCA Green Mark Gold or higher, including **48%** certified Green Mark Platinum

CONSUMING
RESPONSIBLY

Developed roadmap to achieve **net-zero carbon emissions** by 2050; and preparing to submit targets to the Science Based Targets initiative for validation in FY2023

Signed supply agreement to affirm commitment to Singapore's first brownfield **Distributed District Cooling network**

Supported Climate Action Week 2022 and made our Green Nation pledge

Reduced Scope 2 energy and greenhouse gas emissions intensities by **15.3%** and **15.6%** respectively from FY2019 baseline

Reduced water intensity by **22.3%**, compared to FY2019 baseline

Collected **1,978 tonnes** of waste for recycling

FOCUSING
ON PEOPLE

Women made up **33%** and **40%** of the Board of Directors and senior management, respectively

Each employee completed **37 learning hours** on the average

All Board members and senior leaders trained on assessing and managing climate risks and opportunities

All employees trained on sustainability via an e-learning module

Safety-first approach with all properties **certified with ISO 45001** occupational health and safety management systems and **7 retail properties** with BizSafe STAR

Collected **7.8 tonnes** of food for donation to Food Bank Singapore



HARNESSING COLLECTIVE ACTION TO SUPPORT THE SINGAPORE GREEN PLAN 2030

| Tampines 1,
Singapore

SUSTAINABILITY REPORT

FCT is committed to supporting the **Singapore Green Plan 2030**, a whole-of-nation movement to advance Singapore's national agenda on sustainable development. The Green Plan is a key component of the **Forward Singapore Steward Pillar**, which focuses on environmental and fiscal sustainability and partnerships for a green, liveable and climate-resilient Singapore.



Here's how we contribute to the five Green Plan pillars:

<p>SUSTAINABLE LIVING To make reducing carbon emissions, keeping the environment clean, and saving resources and energy a way of life in Singapore</p> <p>FCT participated in Climate Action Week 2022:</p> <ul style="list-style-type: none"> • Century Square building facade lighting up in green to raise awareness • Sustainability corner at Northpoint City • Webinars with stakeholders to discuss climate change challenges • E-waste collection, recycling bins, electricity and water efficiency features installed across properties to encourage sustainable lifestyle 	<p>RESILIENT FUTURE Building up national resilience, including mitigating the Urban Heat Island effect</p> <p>Century Square and Tampines 1 are designated injection nodes of chilled water to Tampines Central District Distributed Cooling, Singapore's first brownfield district cooling solution.</p> <p>Expected Results¹</p> <table border="0"> <tr> <td>17% combined energy consumption reduction</td> <td>18% carbon emissions decrease</td> <td>\$S\$4.3 million annualised monetary benefits</td> </tr> </table>	17% combined energy consumption reduction	18% carbon emissions decrease	\$S\$4.3 million annualised monetary benefits
17% combined energy consumption reduction	18% carbon emissions decrease	\$S\$4.3 million annualised monetary benefits		
<p>ENERGY RESET Cleaner energy and green buildings to lower the nation's carbon footprint</p> <p>ALL FCT malls to have electric vehicle charging stations by end 2022</p> <p>ISO 14001 Environmental Management Systems across all properties</p> <p>93% of FCT's property portfolio is Green Mark-certified by GFA, supporting the Singapore Green Building Masterplan's goal of greening 80% of buildings by GFA by 2030.</p>	<p>GREEN ECONOMY Transforming industries to encourage decarbonisation and harnessing sustainability as a competitive advantage</p> <p>Group goal of financing majority of new assets with green and sustainable financing by 2024.</p> <p>32% proportion of green loans</p>	<p>CITY IN NATURE Creating a green and liveable home for Singaporeans by restoring nature into the urban environment.</p> <p>Rooftop gardens and green features to connect shoppers and tenants to nature.</p> 		

FCT'S GREEN NATION PLEDGE

We signed up as Champion in the Green Nation Pledge, an initiative supported by the Ministry of Sustainability and the Environment. FCT commits to tracking our carbon footprint, setting a net-zero target year, publishing a sustainability report and kickstarting initiatives that help other organisations progress in their sustainability journeys.

#ForwardSG #SGGreenPlan #GreenNationPledgeSG

1 Taking The Heat Off Cooling: A Greener Way to Cool (SP Group and Temasek, 19 August 2021).

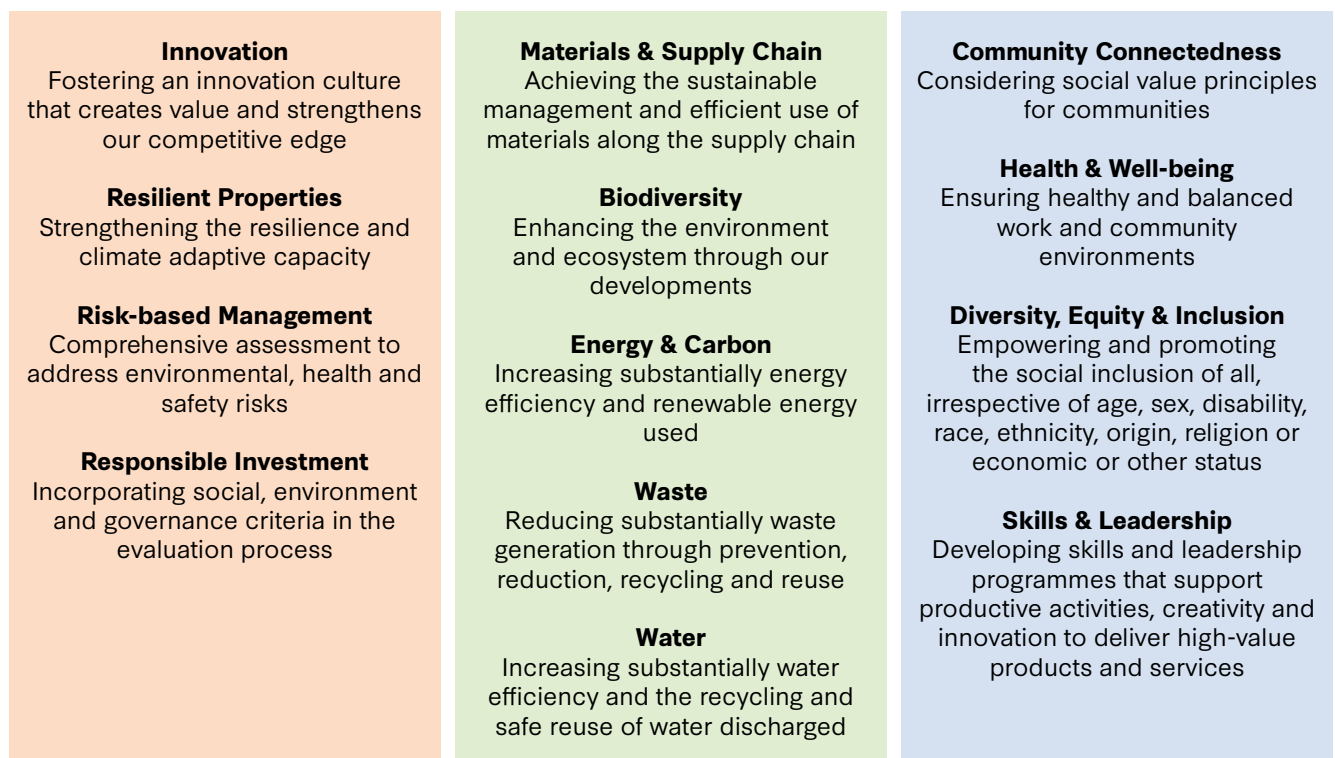
EMBEDDING SUSTAINABILITY WITHIN OUR CORE

As one of the largest suburban retail mall owners in Singapore, we recognise our responsibility to be good stewards of the environment and of the communities that we serve. Our sustainability approach is guided by the three pillars of our Sponsor’s Sustainability Framework - Acting Progressively, Consuming Responsibly and Focusing on People. The focus areas under these pillars span a diverse range of environmental, social and governance topics, which FCT has adapted to suit our business and operations.

PILLARS



FOCUS AREAS



From the framework, FCT has in turn identified and concentrated our resources on focus areas where we can make the most positive impact.

We have also developed roadmaps with tangible action plans aligning to our Sponsor’s long-term goals:

- ▶ To be net-zero carbon corporation by 2050
- ▶ To be climate resilient and establish adaptation and mitigation plans by 2024
- ▶ To green-certify 80% of its owned and asset-managed properties by 2024
- ▶ To finance a majority of its new sustainable asset portfolios with green/sustainable financing by 2024

SUSTAINABILITY REPORT

MANAGING SUSTAINABILITY

We are committed to embedding sustainability within our business by establishing robust governance structures and prioritising sustainability within strategic planning at Board and management levels.

SUSTAINABILITY GOVERNANCE

To ensure we are delivering on our sustainability ambitions, we closely align with our Sponsor on a unified governance approach across the Frasers Property Group. Our sustainability agenda is driven by the Group Sustainability Steering Committee ("SSC"), comprising senior management personnel who meet six times a year to drive the sustainability strategy, review sustainability performance against key material metrics and approve action plans and policies to integrate sustainability practices within the Group. A dedicated Carbon and Climate Advisory Group was also established to drive progress towards the Group's goal of achieving net-zero carbon emissions by 2050. The SSC is supported by the Frasers Property Group Sustainability Team and Project Management Office, whom we collaborate with to develop sustainability action plans and to track progress.

The management team of FCT also works closely with the Sustainability Steering Committee of Frasers Property Retail ("FPR SSC"), our property manager, to make key decisions relating to the sustainability framework and goals of FCT's portfolio. The FPR SSC comprises key management personnel including Mr Richard Ng, the CEO of FCT's Manager and Mr Low Chee Wah, the CEO of FPR. The FPR SSC provides stewardship and direction for the Sustainability Working Committee ("SWC"), which comprises management and executive personnel that implement the action plans and monitor performance against key performance indicators for retail malls under FCT. Our Board of Directors provides the strategic direction and oversees the identification, monitoring and the management of environmental, social and governance material factors required for achieving FCT's sustainability objectives.

ENGAGING STAKEHOLDERS TO JOIN OUR SUSTAINABILITY JOURNEY

We continuously strive to deliver long-term outcomes for our diverse group of stakeholders. This involves establishing various channels to seek, evaluate and respond to their feedback in order to enhance the quality of the experiences we create for them, and to build the trust necessary to living out our sustainability objectives. We believe that collective effort is the key to achieve them.



Key Stakeholders	Key Topics of Concern	Mode and Frequency of Engagement
Tenants	<ul style="list-style-type: none"> • Maintaining high shopper traffic • Competitive rental rates • Collaboration in marketing and promotional events • Green leases • Environmental awareness 	<p>Throughout the year:</p> <ul style="list-style-type: none"> • Face to face dialogue • Partnership in promotional events • Regular tenant feedback meetings <p>Once every three years:</p> <ul style="list-style-type: none"> • Tenant satisfaction survey
Shoppers	<ul style="list-style-type: none"> • Meeting our shoppers' needs • Quality of services and facilities • Providing comfortable shopping environment and family-friendly amenities • Considerations for safety, accessibility and easy navigation within the mall • Good connectivity to public transport 	<ul style="list-style-type: none"> • Shopper surveys (No fixed period) • Focus group study (No fixed period) • Ongoing feedback via online and various social media such as Facebook, Instagram and LinkedIn and FCT/Frasers Property Group websites • Regular events to engage shoppers and their families • Ongoing Frasers Rewards shopper loyalty programme • Feedback forms made available throughout the year on our website or via customer service staff, customer service counters and concierge counters
Employees	<ul style="list-style-type: none"> • Compensation and benefits • Career progression • Continuous education and skills upgrading • Employee well-being 	<ul style="list-style-type: none"> • Annual performance appraisals • Communal sports and activities throughout the year • Orientation and training programmes upon joining • Regular department meetings • Family Day Events (suspended during COVID-19) • Annual employee satisfaction survey and organisation culture survey
Property Manager	Key Performance Indicators ("KPIs") for the property manager	<ul style="list-style-type: none"> • Monthly meetings and ad-hoc meetings as required • Regular exchanges on internal communication channels
Investors and FCT's Unitholders	<ul style="list-style-type: none"> • Business and operations performance • Business strategy and outlook • Sustainability concerns 	<p>Throughout the year:</p> <ul style="list-style-type: none"> • Investor meetings, quarterly post-results luncheons and non-deal roadshows, mall tours and Annual General Meetings • Website, annual reports, SGXNet announcements, presentation slides, quarterly financial results briefings and conference calls
Local Community	<ul style="list-style-type: none"> • Helping the groups in need in the community • Foster strong community ties and promote family values 	<ul style="list-style-type: none"> • Ad-hoc engagement with agencies such as National Council of Social Service, Care Corner Singapore and Health Promotion Board on community activities/events to be held at the malls • Ongoing provision of venue space where relevant, to support community and charitable events that promote community bonding and well-being
Regulators and Industry Associations	<ul style="list-style-type: none"> • Compliance with relevant rules and regulations • Engagement with investors and Unitholders • Government policies on REITs or real estate sector • Issues concerning both short and long-term interests of the retail industry in Singapore 	<ul style="list-style-type: none"> • Regular participation in events organised by industry associations including REIT Association of Singapore ("REITAS"), Orchard Road Business Association ("ORBA"), Securities Investors Association (Singapore) ("SIAS") and Singapore Retailers Association ("SRA") throughout the year • Regular participation in briefings and consultation with regulators such as the SGX and MAS throughout the year

SUSTAINABILITY REPORT




INDUSTRY ALIGNMENT

FCT recognises that collective action is crucial to accelerating progress towards our long-term sustainability goals. We collaborate with our stakeholders to promote awareness and share our experience on sustainability matters. We actively participate in the following industry bodies and professional associations:

- ▶ Securities Investors Association (Singapore) (“SIAS”)
- ▶ REIT Association of Singapore (“REITAS”)
- ▶ Orchard Road Business Association (“ORBA”)
- ▶ Singapore Retailers Association (“SRA”)




We also endorse and support local and international movements to advance shared outcomes. As part of Frasers Property Group, we participate in the following sustainability initiatives:

- ▶ United Nations Global Compact (“UNGC”) Principles
- ▶ United Nations Sustainable Development Goals (“SDGs”)
- ▶ GRESB Real Estate Assessment
- ▶ United Nations Women Empowerment Principles (“UNWEP”)
- ▶ The Singapore Green Plan 2030, through the Green Nation Pledge

Sustainability Pillars	Focus Areas	What it Means to FCT
 <p>ACTING PROGRESSIVELY</p>	Risk-based Management	<p>Ensuring our business continuously assesses the environment, health and safety and social risks to ensure we are in compliance with relevant laws and regulations.</p> <p>Adopting a zero-tolerance approach towards corruption and fraud and maintaining high standards of integrity, accountability, and corporate governance.</p> <p>Ensuring compliance with the Code of Advertising Practice and applicable guidelines and principles for responsible communications and marketing.</p>
	Responsible Investment	Achieving sustainable improvement in economic performance through investing with long-term views and financial and sustainability considerations to deliver regular and stable distributions to our Unitholders, and to achieve growth in FCT’s net asset value per Unit.
	Resilient Properties	Understanding and responding to climate-related risks and opportunities to enhance the resilience of our properties and future-proof our business.
	Innovation	Being an agile and adaptable business that will allow us to remain relevant and competitive in the retail industry and lead to a viable business in the long-term.
 <p>CONSUMING RESPONSIBLY</p>	Energy & Carbon	Proactively reducing energy consumption of our properties and contributing towards achieving carbon neutrality.
	Water	Conserving water whenever possible to reduce unnecessary usage and wastage.
 <p>FOCUSING ON PEOPLE</p>	Diversity, Equity & Inclusion	Creating a diverse and inclusive environment where employees can be their best selves.
	Skills & Leadership	Investing in employee learning and helping them to develop their career with us. Continuously seeking to attract and retain our human capital and talents as we continue to grow in our business. Maintaining open-door communication with our employees to foster trust and confidence in our communications.
	Health & Well-being	Creating an environment within our properties where our stakeholders, including shoppers, contractors and tenants, feel safe and comfortable to carry out their intended activities.
	Community Connectedness	Fostering healthy interactions with local communities to build strong sense of belonging and connections, and contributing back to the community by helping the less fortunate.

MATERIALITY ASSESSMENT

Our material topics are regularly reviewed to ensure alignment to our business, global trends and stakeholder concerns. This year, our Sponsor conducted a global market review of sustainability trends and a survey with internal and external stakeholders to understand views on material ESG topics. The findings affirmed that FCT's material topics remain relevant and aligned to stakeholder expectations and the United Nations Sustainable Development Goals. The table below expands on the significance of each material topic to our business and where we have caused or contributed to impacts through our business activities.

Material Topics & GRI Indicators	Boundaries	Relevant UN SDGs
Compliance with laws and regulations (GRI 2)	FCT, Suppliers/Contractors and Shoppers/Tenants	
Anti-corruption (GRI 205)	FCT, Suppliers/Contractors and Shoppers/Tenants	
Marketing and Labelling (GRI 417)	FCT	
Economic Performance (GRI 201)	FCT	   
Economic Performance (GRI 201)	FCT, Shoppers/Tenants	
Economic Performance (GRI 201)	FCT, Shoppers/Tenants	
Energy (GRI 302) Emissions (GRI 305)	FCT, Suppliers/Contractors and Shoppers/Tenants	
Water (GRI 303)	FCT, Shoppers/Tenants	  
Employment (GRI 401)	FCT	
Training and Education (GRI 404)		
Labour/Management Relations (GRI 402)	FCT	
Occupational Health and Safety (GRI 403)	FCT, Suppliers/Contractors, Shoppers/Tenants and NGOs/Local Communities	    
Local Communities (GRI 413)	FCT, NGOs/Local Communities	

SUSTAINABILITY REPORT

ACTING PROGRESSIVELY

OUR PRIORITIES

FCT strives to uphold the highest standards of integrity and accountability to our stakeholders, through establishing a strong framework of policies and procedures. Environmental, social and governance considerations are embedded into the way we carry out our business, allowing us to anticipate risks and opportunities that lie ahead and become a more resilient organisation. We invest in innovation and digitalisation to drive greater efficiencies and agility in the face of a fast-changing environment.

OUR APPROACH

- ▶ To establish policies and processes that strengthen resilience
- ▶ To practise responsible investment by incorporating ESG risks and opportunities into investment decisions and pursuing green building certifications
- ▶ To encourage a culture of innovation and digitalisation

OUR PROGRESS

Focus Area	Our Goals	Our Progress in FY2022	Status ¹
Risk-Based Management	To establish holistic overarching internal policies to govern and guide management of the focus areas	<ul style="list-style-type: none"> • All our properties are third-party audited with ISO 14001, ISO 45001 and ISO 50001 certifications. • 96% of suppliers and vendors have acknowledged our Responsible Sourcing Policy • Introduced Technology Risk Management and Environmental Risk Management in our governance framework, aligning to the regulatory requirements by the Monetary Authority of Singapore 	On track
Responsible Investment	To certify 80% of owned and asset-managed properties with third-party and relevant green building schemes by 2024	<ul style="list-style-type: none"> • 93% of portfolio by gross floor area certified BCA Green Mark Gold or higher, including 48% certified Green Mark Platinum • Achieved 5-Star rating for second consecutive year at GRESB Real Estate Assessment 2022 • Attained "A" rating in ESG rating by MSCI ESG Ratings 	Achieved
	To finance majority of our new sustainable asset portfolios with green and sustainable financing by 2024	<ul style="list-style-type: none"> • Raised the proportion of green loans to 32% as at 30 September 2022 from 18% as at 30 September 2021 	On track
Resilient Properties	To carry out climate risk assessments and implement asset-level adaptation and mitigation plans aligned to the Task Force on Climate-Related Financial Disclosures framework by 2024	<ul style="list-style-type: none"> • All Board members and senior leaders trained on assessing and managing climate risks and opportunities • Increased the Board's oversight over the FCT sustainability strategy by expanding the remit of the Audit, Risk and Compliance Committee ("ARCC") • Signed commitment letter to be part of the Science Based Targets initiative ("SBTi") 	On track
Innovation	To cultivate a customer-centric and collaborative mindset	<ul style="list-style-type: none"> • Frasers eStore recognised as the Best Loyalty Programme – Lifestyle (Silver) and Best COVID-19 Response in a Loyalty Campaign (Bronze) at Marketing Interactive Magazine's regional Loyalty & Engagement Awards 2022 • More than 8,000 product listings on Frasers eStore platform 	On track

¹ On track: Target is either achieved or is on track to be achieved on time.
 In progress: Target is delayed but progress is still being made and could still be achievable on time.
 Not on track: Target is delayed to the point that it is unlikely that it will be achieved on time.

RISK-BASED MANAGEMENT

What this means to us

To deliver sustainable outcomes for our stakeholders, we have established robust policies and processes to help us to anticipate and mitigate environmental, social and governance-related risks that may impact our business. We are committed to operating at the highest level of integrity and transparency across our portfolio and strive to uphold fair and ethical business conduct with zero tolerance for corruption and fraud.

How we manage Risk-Based Management

The Board, through the Audit, Risk and Compliance Committee (ARCC), reviews the adequacy and effectiveness of the Manager's risk management framework to ensure that robust risk management and mitigating controls are in place. The Manager has adopted an enterprise risk management ("ERM") framework to enhance its risk management capabilities. Key risks, control measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Financial and operational key risk indicators are in place to track key risk exposures. The matters discussed by the Board and Board Committees include business, financial performance and strategy related matters; Sustainability, Environmental, Social & Governance; and Technology Risk Management. FPL's internal audit department ("FPL Group IA") supports the internal audit function of the Manager, and is responsible for conducting objective and independent assessments on the adequacy and effectiveness of the Manager's system of internal controls, risk management and governance practices. Please refer to our Corporate Governance Report on page 125 of the Annual Report for more details.

The Manager works closely with the Sponsor's Group Risk and Group Sustainability teams on risk and ESG-related matters in its risk management process and business operations. This year, we have also introduced Technology Risk Management and Environmental Risk Management in our governance framework, which is a regulatory requirement by the Monetary Authority of Singapore. FCT is also a signatory to the annual Corporate Governance Statement of Support initiated by SIAS.

To ensure the reliability of our data disclosure and processes in the publication of this year's sustainability report, we have sought independent external assurance of the report. Our assurance is carried out by Ere-S Pte Ltd with the engagement conducted under a limited level of assurance according to the International Standard on Assurance Engagements 3000 ("ISAE 3000") guidelines. Please refer to pages 115 to 117 for assurance findings and observations. All our properties also undergo third-party audits in order to be certified under the ISO 14001, ISO 45001 and ISO 50001 standards.

How we create value and our progress in FY2022

Maintaining a robust set of policies to strengthen resilience

We continue to ensure effective governance and risk-based management by implementing policies that drive sustainable outcomes. The following key policies are periodically reviewed and updated to ensure relevancy to our business:

- ▶ Anti-Bribery Policy
- ▶ Board Diversity Policy
- ▶ Code of Business Conduct
- ▶ Competition Act Compliance Manual
- ▶ Complaints/Feedback Handling Policy
- ▶ Corporate Social Responsibility Policy
- ▶ Diversity and Inclusion Policy
- ▶ Documents Management and Retention Policy
- ▶ Investment Manual and Guidelines - Acquisitions and Disposals
- ▶ Investor Relations Policy
- ▶ Personal Data Breach Incident Management Policy
- ▶ Personal Data Protection Policy
- ▶ Policy for Continuing Education of Capital Markets Services Representatives
- ▶ Policy on Dealings in Units of Frasers Centrepoint Trust and Reporting Procedure
- ▶ Policy on Outsourcing
- ▶ Policy for Prevention of Money Laundering and Countering the Financing of Terrorism
- ▶ Procurement Policy
- ▶ Responsible Sourcing Policy
- ▶ Whistle-Blowing Policy
- ▶ Workplace Health and Safety Policy

Upholding strict compliance practices

FCT has a zero-tolerance approach to bribery and corruption, and we remain committed to ensuring appropriate measures are in place to prevent non-compliance incidents and breaches. Our Sponsor's Code of Business Conduct sets out our stance on ethics and compliance to ESG aspects, covering key aspects such as avoiding conflicts of interest, interactions with external stakeholders, protecting company's assets, anti-sexual harassment, equal employment opportunities, data privacy and upholding laws in countries where we operate. The Code of Business Conduct is made available where applicable to other stakeholders.

We also have independent feedback channels in place to enable employees or third parties to report any possible improprieties, misconduct or wrongdoing relating to FCT and its staff, in matters of financial reporting, suspected fraud and corruption or any other matters. Matters of concern can be reported by mail, electronic mail or by calling a hotline, details of which are provided in the Whistle-Blowing Policy made available on the Sponsor's website. Any report submitted through these channels would be received

SUSTAINABILITY REPORT

by the Sponsor's Head of Group Internal Audit, which has been designated as an independent function to investigate all whistle-blowing reports. All reports made in good faith will be treated fairly, confidentially and protected from reprisal.

During the year, we did not record any significant breaches of laws and regulations in relation to the environment, bribery and corruption, or industry codes around marketing communications. Further, all our employees have attended training sessions on anti-corruption. We will continue to work closely with stakeholders to pre-empt and mitigate any risks throughout our value chain.

Engaging with our suppliers

We engage our supply chain as part of our sustainability journey. We share with them our sustainability goals and ambitions as well as best practices to be sustainable. Our Responsible Sourcing Policy sets out our expectations of contractors and suppliers in four key sustainable procurement areas:

- ▶ Environmental management;
- ▶ Human rights and labour management;
- ▶ Health, safety and well-being; and
- ▶ Business ethics and integrity.

We carried out a mapping exercise to identify suppliers with highest spend and environmental or social risks, and have achieved 96% acknowledgement by suppliers on our Responsible Sourcing Policy as at 30 September 2022. We look forward to deepening our engagement with suppliers across each of the four sustainable procurement areas.

Aligning with the Monetary Authority of Singapore ("MAS") Guidelines on Environmental Risk Management for Asset Managers

Pursuant to MAS guidelines aimed at enhancing the resilience of funds, asset managers have been tasked to implement the guidelines across six key areas of environmental risk management. We have aligned our processes and practices to meet the requirements and will continue to strive for further alignment.

Key Areas of MAS Guidelines on Environmental Risk Management	Status
Governance and strategy The Board and senior management to oversee integration of environmental risk considerations into asset managers' strategies, business plans and product offerings.	We have enhanced the Board's oversight over the FCT sustainability strategy by expanding the remit of the ARCC. Furthermore, FCAM's CEO serves on the Sustainability Steering Committee of our property manager, Frasers Property Retail. The committee makes key decisions in relation to our sustainability framework and goals.
Research and portfolio construction Asset managers should evaluate the potential impact of environmental risk on the return potential of our investments.	We consider operational indicators (such as greenhouse gas emissions, energy, waste and water) and sustainability benchmarks that may affect tenant demand as well as operational efficiencies and costs. Please refer to the Energy and Carbon section on page 105 of this Report for further details.
Portfolio risk management Asset managers should put in place appropriate processes and systems to systematically assess, manage and monitor the impact of any risk.	We have put in place processes to manage environmental risk. Please refer to the How we manage Risk-Based Management section on page 95 of this Report for further details.
Scenario analysis Asset managers should develop capabilities to assess the environmental risk impact on their portfolios and their alignment with climate goals set under a range of scenario pathways.	We have completed climate risk assessments, including scenario analysis from temperature rises (below 2°C scenario: RCP 2.6 and below 4°C scenario: RCP 8.5) and established a roadmap for achieving net-zero carbon by 2050.
Stewardship Asset managers should engage investee companies to improve risk profile and support their efforts to transition towards more sustainable policies and practices.	We have implemented asset enhancement initiatives with measures to improve energy and water efficiency and waste management.
Disclosures Clear and meaningful disclosures referencing well-regarded international reporting frameworks.	This Report discloses our approach to environmental risk management and the potential impacts from environmental risk. We strive to enhance disclosures to further align to the TCFD recommendations.

RESPONSIBLE INVESTMENT

What this means to us

Responsible investment involves integrating sustainability considerations into how we invest and enhance our portfolio. We invest resources in greening our portfolio, and adopt green and sustainable financing as part of our responsible investment drive. We also ensure we benchmark with recognisable international standards such as the GRESB Real Estate assessment.

How we manage Responsible Investment

Greening our portfolio

To improve the ESG performance of our portfolio, we strive to certify our assets with recognised green building standards in Singapore, such as the Building and Construction Authority's ("BCA") Green Mark and the Singapore Environment Council's Eco Office Certification.

Adopting green and sustainable financing

Our green and sustainable financing approach is guided by FCT's Sustainable Finance Framework, which is designed to provide an overarching criteria and guidelines for the REIT. The Sustainable Finance Framework is publicly accessible on FCT's website and has been externally assured to be in accordance with the relevant international principles and guidelines listed below:

- ▶ Green Bond Principles ("GBP") 2021 and Sustainability Bond Guidelines ("SBG") 2021 by the International Capital Market Association ("ICMA"); and
- ▶ Green Loan Principles ("GLP") 2021 by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association.

Benchmarking performance with the GRESB Real Estate Assessment

The GRESB Real Estate Assessment benchmarks real estate funds and companies worldwide based on information relating to their ESG performance and sustainability best practices, based on consistent methodology across geography, investment vehicles and property types and is aligned with international reporting frameworks. FCT has been a participant of the annual GRESB Real Estate Assessment since 2019.

How we create value and our progress in FY2022

Greening our portfolio

With a goal to green-certify 80% of owned and asset-managed properties by 2024, FCT's property portfolio is presently 93% Green Mark-certified by gross floor area ("GFA"). Causeway Point, Tiong Bahru Plaza, Central Plaza, Century Square and White Sands are certified to Green Mark Platinum standards. Tampines 1, Changi City Point and Waterway Point have been certified to Green Mark Gold^{Plus} standards, while Northpoint City North Wing has been certified Green Mark Gold. All our Centre Management Offices also took part in the Singapore Environment Council's Eco Office Certification. Five centres attained the highest Elite ranking and three attained Champion ranking.

We also continuously identify opportunities for improvement of efficiencies across all our properties. These include asset enhancement initiatives ("AEI") to upgrade properties for optimum performance including the installation of environmentally efficient infrastructure and facilities.

Adopting green and sustainable financing

FCT has steadily grown its proportion of green loans from 18% in FY2021 to 32% in FY2022 through refinancing of maturing loans with green loans, including the 40% proportionate share of loan of our joint venture Sapphire Star Trust, which holds Waterway Point. We will continue to work towards our goal of financing the majority of new assets with green and sustainable financing by 2024.

Benchmarking performance with the GRESB Real Estate Assessment

We achieved a 5-Star rating in the 2022 GRESB Real Estate Assessment for the second consecutive year - which represents the highest rating and top quintile of all entities assessed by GRESB.

FCT's score of 92 ranked second within the Retail/Asia category and is above the global average of 74. We believe the Assessment is a meaningful benchmark that enables our stakeholders to regularly measure our performance with other global real estate peers in same sector and will continue to strive to maintain our strong performance while advancing on our sustainability agenda.



SUSTAINABILITY REPORT

RESILIENT PROPERTIES

What this means to us

We recognise that climate-related risks would translate as a financial risk to our assets and operations. We are focusing on enhancing the resilience of our properties to withstand these widespread changes. In anticipation of the impact from climate change, we will focus on enhancing the resilience of our properties and embed climate-related consideration in our financial risk management processes to help us better measure and manage climate risks and opportunities.

How we manage Resilient Properties

We aligned our sustainability goals with Frasers Property Group's goals, which include attaining net-zero carbon status by 2050, to be climate-resilient and

establishing adaptation and mitigation plans by 2024, and to finance the majority of our new sustainable asset portfolios with green and sustainable financing by 2024.

We are aligning our disclosures more closely with the TCFD recommendations this year to promote more informed long-term investment, credit and insurance underwriting decisions and meet growing investor demand. Through Frasers Property Group, collectively we have declared our support for the TCFD recommendations.

How we create value and our progress in FY2022

The table below outlines our approach and progress towards managing climate-related risks and opportunities.

TCFD core element	Our approach	Our progress in FY2022
Governance		
Describe the organisation's governance around climate-related risks and opportunities.	<p>The Board of Directors of FCAM (the "Board") provides oversight on broader sustainability trends, risks and opportunities to connect sustainability with corporate purpose and strategy.</p> <p>The Board is supported by the Sponsor's Sustainability Steering Committee and Sustainability Project Management Office.</p>	<p>We have expanded the Board's oversight over the FCT sustainability strategy by redefining the remit of the Audit, Risk and Compliance Committee.</p>
Describe management's role in assessing and managing climate-related risks and opportunities.	<p>Senior management manages climate risk, identifies potential opportunities through accountability linked to remuneration and provides quarterly updates to the Board on climate-related risk to support decision making.</p>	<p>We established sustainability metrics, including climate-related objectives, within 'Key Responsibility Areas' and linked them to executive remuneration via the balanced-scorecard methodology.</p> <p>All Board members and senior leaders underwent training on assessing and managing climate risks and opportunities, which included a deep dive into TCFD recommendations and steps to be taken to better align with them and incorporate robust risk management processes into our strategy.</p>
Strategy		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<p>We carry out climate risk assessments that involve identifying potential risks to our assets and estimating financial impacts to the business using scenario analysis.</p>	<p>As part of our climate risk assessments, we have prioritised key physical and transitional climate-related risks to FCT, and their financial impact to our business. We have also identified several climate-related opportunities we can leverage on. For further details on our assessed material risks and opportunities, please refer to Table A on page 101.</p>

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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TCFD core element	Our approach	Our progress in FY2022
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Our climate risk assessments include an analysis of both the financial impacts to our major operating revenue and costs items in the absence of any mitigation actions and the potential value of damages to our assets in the face of extreme weather events.	<p>FCT developed an action plan to address and mitigate key physical and transition risks and prioritised strategies to achieve net-zero carbon by 2050. Our action plan includes (but is not limited to):</p> <ul style="list-style-type: none"> • Phasing down refrigerants with high Global Warming Potential • Partnering low carbon vendors and service providers to increase procurement of low carbon products and services • Enhancing waste management and increasing waste diversion • Reducing downstream emissions from leased assets
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Our Sponsor has initiated a group-wide readiness assessment of our practices as they relate to managing climate-related risk.	<p>The readiness assessment done on FCT informed a roadmap to align more closely with TCFD recommendations. Examples of actions within the roadmap include:</p> <ul style="list-style-type: none"> • Better integrating climate change risks and opportunities into strategic decision making • Providing annual training for business leaders • Undertaking climate risk assessments on an asset level, including an assessment against different and longer-term time horizons, both low-emissions and high-emissions scenarios, and an assessment of financial impacts and materiality of climate-related risks and opportunities • Strengthening processes to identify, assess, and manage climate-related risks and improving the quality of climate-related financial disclosures <p>This roadmap, which was approved by the Board, enables us to address and mitigate physical and transition risks that are key to our business.</p>
Risk Management		
Describe the organisation's processes for identifying and assessing climate-related risks.	Our Sponsor has started a global process of identifying climate-related risks and opportunities for our businesses at the asset level, including identifying climate 'value-at-risk' for our activities and their locations.	<p>FCT completed a climate risk and climate 'value-at-risk' portfolio-level assessment of our portfolio properties in Singapore. This provided us with a deep understanding of the carbon emissions from our own operations as well as from our broader value chain - in particular, our tenants' and suppliers' energy use. As part of this work, we created an action plan to address and mitigate key physical and transition risks and prioritised asset-specific strategies to achieve net-zero carbon by 2050.</p>

SUSTAINABILITY REPORT

TCFD core element	Our approach	Our progress in FY2022
Describe the organisation's processes for managing climate-related risks.	We identify key risks, assesses their likelihood and materiality to our business and document corresponding mitigating controls in a risk register. The risk register is reviewed and updated regularly.	Cognisant of the serious impact that climate-related risks have on our properties and operations, environmental and climate change risks have been included in the FCT Risk Register for monitoring.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	We have implemented an Environmental, Health & Safety Policy and an Environmental, Health & Safety Management System aligned to the ISO 14001 and ISO 45001 standards.	We are on track towards integrating our climate related risk identification activities within our Enterprise Risk Management processes and associated risk register practices.
Metrics and Targets		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	To ensure that we are on track to meet our target of net-zero carbon emissions by 2050, we measure and report our energy consumption and greenhouse gas emissions across Scopes 1, 2 and 3. Please refer to the Energy and Carbon section on page 105 of this Report for detailed information on our metrics and targets.	<p>We measure and disclose our performance using metrics including:</p> <ul style="list-style-type: none"> • Absolute Scope 2 and 3 energy consumption (GWh) • Scope 2 energy intensity (kWh/m²) • Absolute Scope 2 and 3 greenhouse gas emissions ('000 tonnes of CO₂e) • Scope 2 greenhouse gas intensity (kgCO₂e/m²) <p>We have also restructured this Sustainability Report to better align with recommended TCFD disclosures.</p>
	Across asset classes and regions, we certify our properties using third-party green building standards, and we continue to take steps to meeting our goal of achieving green certification for 80% of our asset portfolio by FY2024.	Our property portfolio is presently 93% Green Mark-certified by gross floor area ("GFA"). We will continue to work towards improving this metric.
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Please refer to the Energy and Carbon section for further information on metrics related to greenhouse gas emissions.	<p>We are continuously increasing our carbon and climate-related data coverage under Scopes 1, 2, and 3. Examples of new data disclosed in this Sustainability Report include:</p> <ul style="list-style-type: none"> • Absolute Scope 3 energy consumption (GWh) based on electricity consumed by tenants • Absolute Scope 3 greenhouse gas emissions ('000 tonnes of CO₂e) based on electricity consumed by tenants
Describe the targets used by the organisation to manage climate-related risks and performance against targets.	We introduced goals to encourage impactful climate action, such as attaining net-zero carbon across our business and value chain by 2030, being climate-resilient and establishing adaptation and mitigation plans by 2024, and financing the majority of our new sustainable asset portfolios with green and sustainable financing by 2024.	Our properties saw an improvement in energy performance in FY2022 against an FY2019 baseline. For further details on energy efficiency measures implemented in FY2022, please refer to the Energy and Carbon section.

Table A: FCT’s climate risks and opportunities

Risks	Opportunities
<p>Physical (acute events)</p> <ul style="list-style-type: none"> • Floods (flash floods and general/river floods) • Rising mean temperatures (Heatwaves) <p>Physical (chronic events)</p> <ul style="list-style-type: none"> • Rising sea levels • Water scarcity (Drought) <p>Transitional</p> <ul style="list-style-type: none"> • Carbon pricing • Increased demand for cooling 	<p>The financial impact of climate-related risks to our business include:</p> <ul style="list-style-type: none"> • Costs of higher cooling spending due to higher cooling demand • Waste-related carbon costs • Construction materials-related carbon costs • Scopes 1 and 2 carbon costs <ul style="list-style-type: none"> • Partnering with leading electricity retailers and renewable energy solution providers to increase renewable energy procurement • Providing training and engagement programmes to centre managers and tenants to facilitate energy and water efficiency, responsible procurement, etc • Partnering with our tenants to develop green leases with an additional focus on energy efficient and smart equipment, which help reduce tenants’ power consumption and provide greater visibility of energy use during the lease term

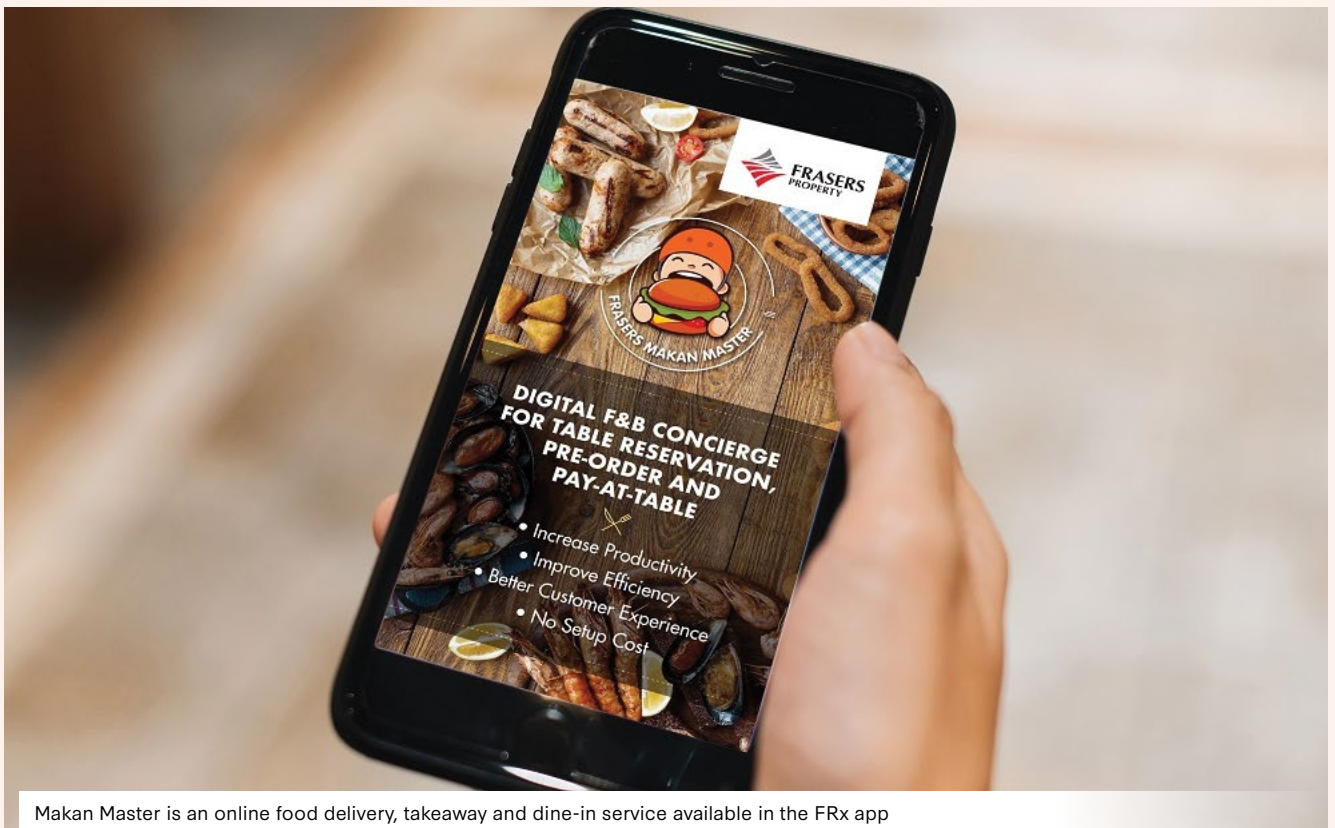
Our key next steps

We strive to improve the quality of our climate-related financial disclosures each year, as we continue to deepen our understanding on how climate change would affect our people and business. As short-term priorities, we will focus on implementing recommendations from our Sponsor’s group-wide readiness assessment of our management of climate-related risk. These include developing metrics to track performance against climate-related risks and opportunities, and considering climate related risks and opportunities in investment decisions.

INNOVATION

What this means to us

When the COVID-19 pandemic significantly impacted the retail landscape, we responded in an agile manner by adopting new business processes and pivot to digitalisation, which has improved business efficiency and efficacy. We continue to foster a strong culture of innovation and align to Frasers Property's Purpose of “Inspiring experiences, creating places for good.” and to distinguish ourselves as an employer of choice.



Makan Master is an online food delivery, takeaway and dine-in service available in the FRx app

SUSTAINABILITY REPORT

How we manage Innovation

As part of Frasers Property Group, we are aligned with the Sponsor's digital vision and strategy. We work closely with our Sponsor's dedicated strategic innovation specialists tasked with driving a design thinking mindset within the organisation and equipping employees with the appropriate tools and experience to enable customer-centric innovation.

Together with Frasers Property Retail, FCT engages retailers, customers and food and beverage ("F&B") operators through our dedicated omnichannel retail platforms Frasers eStore and Makan Master as part of a dedicated Frasers Experience ecosystem for shoppers and merchants. Dedicated teams from Platform Growth and Operations, Digital Products, and Platform Marketing monitor the implementation and growth of the platforms to ensure relevance to evolving stakeholder needs.

How we create value and our progress in FY2022

Adapting to consumer's evolving needs through Omnichannel Retail

We continue to invest and enhance in Frasers digital retail platform Frasers eStore and the F&B platform Makan Master on Frasers Experience ("FRx"), Fraser's shoppers' loyalty programme. The Frasers eStore and Makan Master complement our network of physical retail properties to provide a strong omnichannel retail proposition for our shoppers and retailers.

Omnichannel retail adapts to shoppers' evolving shopping needs and preferences. It provides shoppers with enhanced convenience and accessibility and more order fulfilment choices. For retailers and F&B operators at our malls, omnichannel retailing help them to expand customer outreach and grow their sales productivity of their physical retail space; add click-and-collect and delivery of goods as options to order fulfilment to enhance convenience to their customer; and provide them with data and analytics to make better business decisions such as product mix and locations for future expansion. The combination of these benefits helps the retailers and F&B operators to drive higher sales, business efficiency, brand loyalty and overall shopper satisfaction.

Since the launch of Frasers eStore in 2021 and Makan Master in 2019, sales on both platforms have seen multifold growth. The Frasers eStore has helped tenants to double their annual sales and saw a three times increase in customer spending year on year. It currently features over 8,000 product listings, and was recognised at Marketing Interactive Magazine's regional Loyalty & Engagement Awards 2022 as the Best Loyalty Programme - Lifestyle (Silver) and Best COVID-19 Response in a Loyalty Campaign (Bronze).

Harnessing technology for operational efficiency

As our business and operations face headwinds from rising cost and manpower shortage going forward, harnessing technology to improve operational efficiency, and reduce reliance on manpower will strengthen our resilience. In this regard, we work with our partners to explore innovative ways in harnessing technology to achieve these objectives.

In April 2020, Frasers Property Retail was the first mall operator in Singapore to roll out UV-disinfecting mobile robots in our malls, as part of the measures to fight the COVID-19 pandemic and to keep our stakeholders safe. Since then, we continued to work on several ongoing initiatives such as deployment of Internet-of-Things ("IoT")-enabled sensors to provide real-time updates of state of cleanliness and amenities in the restrooms of our malls. This allows intervention on a need-to basis in place of time-based cleaning which improves

manpower deployment efficiency and effectiveness. Another aspect is the deployment of smart closed-circuit television ("CCTV") to reduce reliance on manpower as we scale our operations to enhance or increase security coverage. We are also working with our security service vendor on consolidating command centres at our malls to improve efficiency and reduce manpower reliance.

This year, we launched a new Property Management Reporting system, and migrated the manual preparation of property management reports to a digital platform to reduce time taken and improve analysis quality. We also completed the integration process of our acquired ARF portfolio of shopping malls onto a unified platform for financial data management and reporting.



Each UV Bot is equipped with a camera, built-in sensors, software and an ultraviolet-C light module that emits powerful UV-C rays to eradicate viruses

SUSTAINABILITY REPORT

CONSUMING RESPONSIBLY

OUR PRIORITIES

As a leading developer-sponsored retail real estate investment trust (“REIT”) and one of the largest suburban retail mall owners in Singapore, we have a big part to play in mitigating the impact of our operations on the environment. We strive to streamline our resource consumption by reducing waste generation, conserving energy and water, enhancing energy efficiencies and using renewable energy wherever possible. We strive to nurture partnerships for collective action with our tenants, employees and stakeholders to ensure we meet our sustainability goals, which include achieving net-zero carbon emissions by 2050.

OUR APPROACH

- ▶ Establish policies, targets and commitments that drive positive outcomes for the environment
- ▶ Adopt practices that help our employees and customers to manage and use resources efficiently
- ▶ Drive action through partnerships with our stakeholders

OUR PROGRESS

Focus Areas	Our Goals	Our Progress in FY2022	Status ²
Energy & Carbon	<ul style="list-style-type: none"> • To achieve net-zero carbon emissions by 2050 • To develop a net-zero carbon roadmap and establish progressive carbon targets • To monitor and reduce our energy usage intensity progressively by 2035 • To reduce our Scope 1, 2 and 3 greenhouse gas emissions progressively by 2035, aligned to Science Based Targets 	<ul style="list-style-type: none"> • Supported Climate Action Week 2022 and made Green Nation pledge • Developed roadmap to achieve net-zero carbon emissions by 2050; and preparing to validate carbon emissions targets with the Science Based Targets initiative • Signed supply agreement for Tampines 1 and Century Square to form two of the three key injection nodes in Singapore's first brownfield Distributed District Cooling network • Reduced Scope 2 energy and GHG emissions intensities by 15.3% and 15.6% respectively, compared to FY2019 baseline 	On track
Water	To reduce water usage intensity by 20% from 2015 by 2030 and establish interim targets by FY2021	<ul style="list-style-type: none"> • Reduced water intensity by 22.3% compared to FY2019 baseline 	On track
Waste	<ul style="list-style-type: none"> • To implement food waste recycling in all FCT's retail malls by 2024 • To partner tenants and develop a general waste and recycling programme under the green lease initiative 	<ul style="list-style-type: none"> • Recycled 1,978 tonnes of general waste • Rate of recycling increased to 12.0% in FY2022 • Collected 9.7 tonnes of electronic waste for recycling 	In progress

2 On track: Target is either achieved or is on track to be achieved on time.
 In progress: Target is delayed but progress is still being made and could still be achievable on time.
 Not on track: Target is delayed to the point that it is unlikely that it will be achieved on time.

ENERGY AND CARBON

What this means to us

We have a big part to play in mitigating the impact of our operations on the environment. Eventually, climate change and environmental impacts would also affect our operations. We work with our Sponsor to take active steps towards decarbonising our business and achieving net-zero carbon emissions by 2050. We have also taken tangible steps to support the Singapore Green Plan and contribute towards achieving the nation's sustainability targets by 2030.

How we manage Energy and Carbon

Our roadmap towards achieving net-zero carbon emissions by 2050 details the carbon reduction strategies we aim to implement in our properties to reduce Scope 1, 2 and 3 greenhouse gas ("GHG") emissions, coupled with specific targets and interim timelines. These include improving energy efficiencies, increasing renewable energy mix, addressing tenant

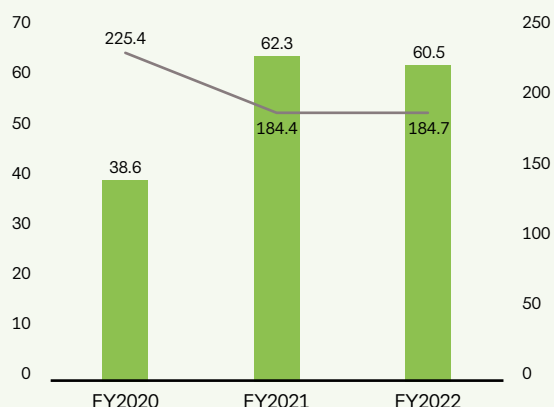
energy consumption, and practising sustainable procurement as well as waste and water management.

How we create value and our progress in FY2022

In FY2022, initiatives to make FCT's portfolio more energy efficient included deploying EV charging stations across our properties and advancing our commitment to participate in Singapore's first brownfield district cooling system at Tampines. In April 2022, a supply agreement was signed, designating two of our retail malls, Century Square and Tampines 1, as injection nodes of chilled water to the network. The network is expected to achieve a combined 17% reduction in energy consumption, an 18% decrease in carbon emissions and S\$4.3 million in annualised monetary benefits from energy savings, maintenance costs and potential earnings for the buildings³. These initiatives have enabled us to make progress towards our net-zero carbon goal. As at 30 September 2022, we have reduced the energy intensity and GHG emissions intensity of our portfolio by 15.3% and 15.6% respectively, against FY2019 baseline.

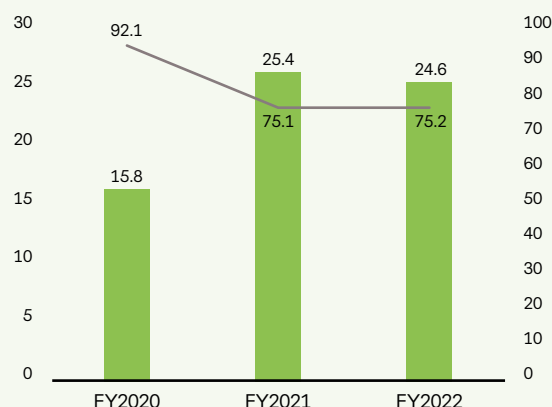
Our performance Scope 2⁴

Scope 2 Energy consumption (GWh) and intensity (kWh/m²)



In FY2022, our total Scope 2 energy consumption was 60.5 GWh, a decrease of 2.9% from FY2021 due to more conscious use of electricity by our building operations and the exclusion of two properties (Anchorpoint Shopping Centre and YewTee Point) divested within FY2021. Accordingly, our greenhouse gas ("GHG") emissions decreased by 2.9% to 24,622 tCO₂e, factoring in the use of renewable energy over the past year. Our building energy and GHG emissions intensities remained relatively unchanged at 184.7 kWh/m² and 75.2 kgCO₂e/m² respectively.

Scope 2 GHG emissions ('000 tonnes) and intensity (kgCO₂e/m²)



To reduce our reliance on fossil-fuel based energy, we have been generating renewable energy on-site via solar panels installed in Tiong Bahru Plaza and Changi City Point, with the aim of expanding our renewable energy capacity over time. In total, we generated 133,346 kWh of renewable energy from these two properties, equivalent to 54.4 tCO₂e of avoided emissions during the year.

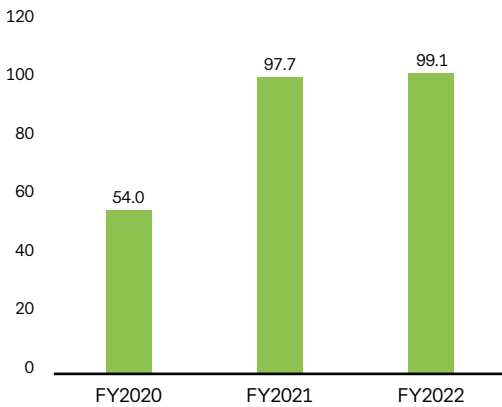
³ Taking The Heat Off Cooling: A Greener Way to Cool (SP Group and Temasek, August 2021).

⁴ Energy consumption and GHG emissions are based on purchased electricity consumed at common areas. GHG emissions are calculated using the location-based method. Energy data for the reported periods are restated to factor in historical electricity consumption from the acquired ARF portfolio in FY2021. Scope 2 GHG data for the reported periods are restated to factor in historical emissions from the acquired ARF portfolio, avoided emissions from use of renewable energy, and updates in historical emissions factors. Energy and GHG emissions intensities exclude properties divested at any point during the reporting period.

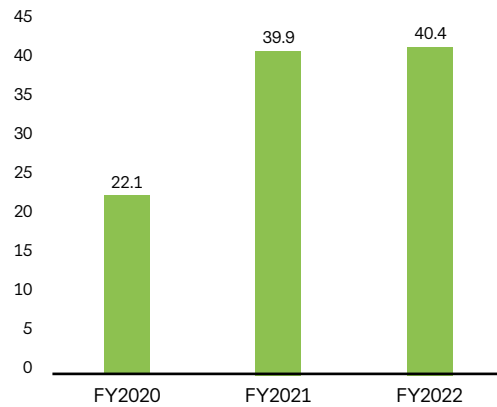
SUSTAINABILITY REPORT

Scope 3⁵

Scope 3 Energy consumption (GWh)



Scope 3 GHG emissions ('000 tonnes)



We worked closely with our tenants to raise awareness in making our malls more energy efficient. In FY2022, our tenant electricity consumption remained stable at 99.1 GWh with a slight increase of 1.4% from FY2021. As a result, our Scope 3 GHG emissions from tenant electricity consumption increased to 40,420 tCO₂e.

Our performance

During the year, the total water consumed across our properties was 833.7 megaliters, with water intensity of 2.5 m³/m², a decrease of 3.2% from last year. Our water intensity saw a slight decrease of 0.7% in FY2022.

WATER

What this means to us

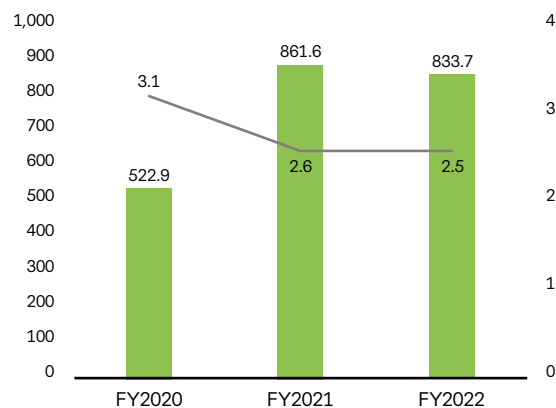
The world’s demand for water is growing, underscoring the need for more prudent water management practices. According to World Resources Institute’s research published in 2013, Singapore is identified as a country under extremely high water stress. Cognisant that water is a key resource in many aspects of our operations – from cleaning our spaces to providing cooling and sanitation to our tenants and customers, we strive to carefully manage and reduce our water use.

In order to reduce portable water consumption, our buildings have procured NEWater – reclaimed water treated for safe consumption through advanced membrane technology. In FY2022, we consumed a total of 322,605 m³ of NEWater.

How we manage water

To improve water management, we have implemented initiatives such as using recycled water for non-potable purposes and investing in water saving fittings as part of our commitment to enhance water resilience.

Water consumption (megaliters) and intensity (m³/m²)⁶



How we create value and our progress in FY2022

We target to reduce water use intensity by 20% from 2015 to 2030. All our properties are awarded PUB’s Water Efficient Building (“WEB”) Certification, a testament of our efforts towards water conservation.

5 Scope 3 Energy consumption and GHG emissions disclosed are based on electricity consumption by tenants at downstream leased areas. GHG emissions for electricity consumption are calculated using the location-based method.
 6 Water consumed from PUB, municipal water supply. Water consumption at landlord areas is computed. Water data for the reported periods are restated to factor in historical consumption from the acquired ARF portfolio and replacement of previous estimates with actual data. Water intensity excludes properties divested at any point during the reporting period.

WASTE

What this means to us

The retail industry produces substantial amounts of waste and plays a critical role in advancing the circular economy. FCT is committed to reducing waste and increasing our recycling rates. We engage tenants and shoppers to encourage active waste management across our properties.

How we manage waste

We have prioritised the key areas where we can make the most impact. These include building on our waste and recycling programme in partnership with our tenants under the green lease initiative. We also aim to introduce food waste recycling in all of FCT's retail malls by 2024.

How we create value and our progress in FY2022

To improve recycling and waste management processes in our malls, we ensure that our shoppers have access to various recycling avenues. This year, we

continued to partner ALBA E-waste Smart Recycling to encourage our shoppers and tenants to recycle electronic waste ("e-waste"). We collected 9.7 tonnes of e-waste in our malls which will be processed under a national regulated e-waste management system.

We also strive to raise awareness among our shoppers and tenants on eco-friendly lifestyle options. This year, as part of Lunar New Year festivities, our property manager Frasers Property Retail designed and distributed red packets made from waste sugarcane pulp as a less resource-intensive alternative to traditional paper. The material has the ability to compost in a span of 30 to 90 days without generating any toxic matter.

Causeway Point also served as the venue sponsor for a recycling challenge, organised by the North West Community Development Council and Ngee Ann Polytechnic's School of Film & Media Studies, aimed at promote recycling and green living habits among residents near the mall.

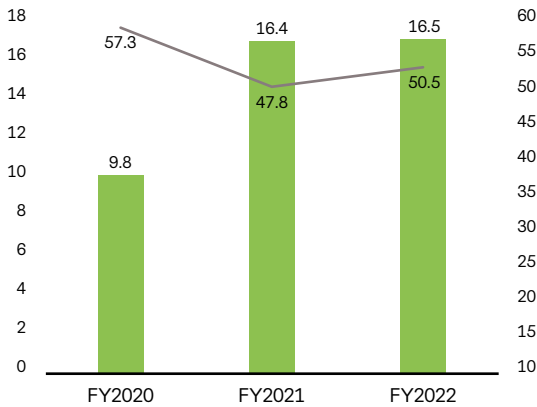


Exploring design possibilities with red packets made from bagasse

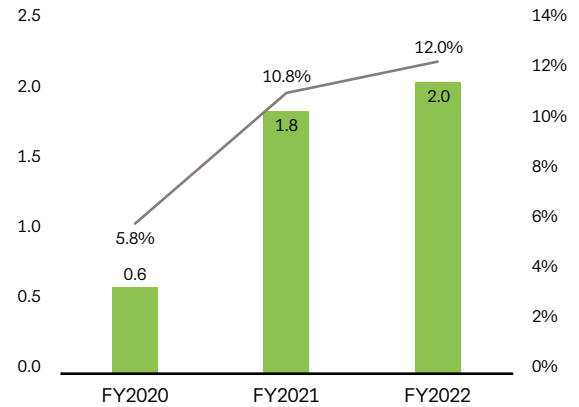
SUSTAINABILITY REPORT

Our performance

Waste generated ('000 tonnes) and intensity (kg/m²)⁷



Waste sent for recycling ('000 tonnes) and recycling rate (%)



We track waste generated and waste sent for recycling across our properties. In FY2022, the total waste generated from our properties was 16,545 tonnes, an increase of 1.1% from FY2021. Our waste intensity increased by 5.7% to 50.5 kg/m², which reflects the increase in activity in our properties. We sent a total of 1,978 tonnes, or 12.0%, of our waste for recycling while the remaining was diverted to Singapore’s waste-to-energy plants. We have observed a 10.9% increase in recycling rate attributable to our efforts in engaging tenants and shoppers to participate more actively in the recycling process.

⁷ Waste generated is based on total building area. Waste intensity excludes properties divested at any point during the reporting period.

FOCUSING ON PEOPLE

Our people are at the heart of our shared Group Purpose of "Inspiring experiences, creating places for good.", and we continue to invest in their safety and holistic well-being. We strive to create a diverse and inclusive environment where employees and communities can thrive. We also empower our staff with continuous learning and development opportunities for their growth.

OUR APPROACH

- ▶ To develop policies that drive human capital development and positive impacts in communities
- ▶ To adopt fair employment practices and invest in equipping employees with relevant skills
- ▶ To invest in activities and programmes to support community development

OUR PROGRESS

Focus Area	Our Goals	Our Progress in FY2022	Status ⁸
Diversity, Equity & Inclusion	<ul style="list-style-type: none"> • To embed diversity, equity and inclusion in our culture through employee engagement • To provide training and education that raises employee awareness of diversity and inclusion and associated benefits • To enhance processes and policies to encourage greater flexibility and diversity 	<ul style="list-style-type: none"> • Women made up 33% and 40% of the Board of Directors and senior management respectively 	In progress
Skills & Leadership	<ul style="list-style-type: none"> • To achieve 30 average training hours per employee each year • To train all employees on sustainability and extend such training to the supply chain and other stakeholders • To ensure continuous learning to build a resilient organisation 	<ul style="list-style-type: none"> • 37 average training hours per employee • All employees trained in sustainability via an e-learning module 	Achieved
Health & Well-being	<ul style="list-style-type: none"> • To transform our workplace by building a wellness culture that positively engages employees • To create awareness of health management, support mental wellness and foster a connected workforce • To create a safe working environment and achieve zero injuries 	<ul style="list-style-type: none"> • All properties have implemented ISO 45001 occupational health and safety ("OH&S") management system • Seven malls certified BizSAFE STAR by the Workplace Safety and Health Council • Northpoint City awarded the biennial National Safety and Security Watch Group ("SSWG") Award 	On track
Community Connectedness	<ul style="list-style-type: none"> • To seek meaningful long-term relationships that respect local cultures and create lasting benefits • To identify measurements to quantify positive contributions • To conduct tenant engagement programmes at least once a year for each property by FY2021 	<ul style="list-style-type: none"> • Collected 7.8 tonnes of foodstuff from members of the public for donation to Food Bank Singapore • Developed a tenant engagement plan to be implemented at FCT's properties 	On track

⁸ On track: Target is either achieved or is on track to be achieved on time.
 In progress: Target is delayed but progress is still being made and could still be achievable on time.
 Not on track: Target is delayed to the point that it is unlikely that it will be achieved on time.

SUSTAINABILITY REPORT

DIVERSITY, EQUITY AND INCLUSION

What this means to us

FCT believes in the value of a diverse and inclusive culture that taps on the unique experiences and perspectives of the individuals in our workforce. This diversity brings us closer to the communities that we serve, and the resulting wealth of knowledge, skills and experience helps us create value by improving our employees’ well-being and productivity and encouraging talent retention.

How we manage Diversity, Equity and Inclusion

We are aligned with our Sponsor’s Diversity and Inclusion Policy as well as its Group Diversity, Equity and Inclusion Framework which lays a foundation for us to support a diverse and inclusive workforce. Together with our Sponsor, we are a signatory to the Tripartite Alliance for Fair & Progressive Employer Practices (“TAFEP”) in Singapore and are committed towards adopting fair and progressive HR practices. In addition, as a member of Singapore National Employer Federation, we are kept informed of the latest statutory guidelines to ensure we are aligned with national practices. We continue to practice an open appraisal system for all employees of the REIT Manager and reward based on merit.

How we create value and our progress in FY2022

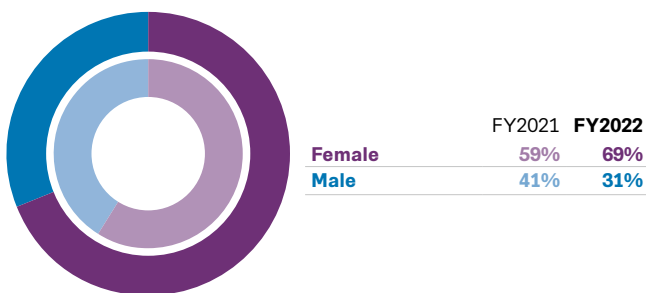
We foster diversity and inclusion in our culture through regular employee engagement. Our employees participate in a biennial Culture Survey led by our Sponsor to understand the business’s cultural traits and lay a foundation for transforming it in a positive and impactful way. In FY2022, 65% of our employees participated in an interim Pulse survey to track progress from actions arising from the survey insights. Senior and middle management representatives of the REIT Manager and our property manager, Frasers Property Retail, also participated in a two-day Leader Conference to align on focus areas and priorities and discuss strategies to augment the effectiveness of our business and cultivate a more resilient and purpose-driven culture at FCT.

Our Employee Profile

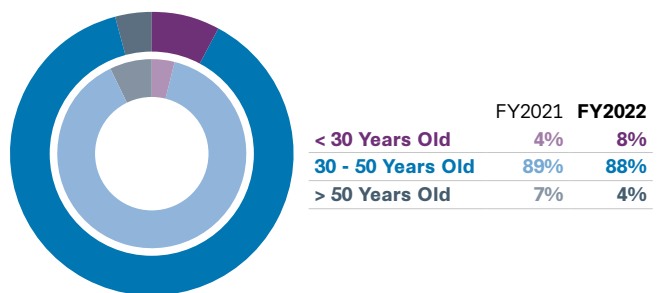
We believe that a diverse team with wide range of skillsets and experiences brings to the table creative and innovative insights as well as improving productivity. As at 30 September 2022, the REIT Manager has one contract and 26 permanent employees, all of whom are based in Singapore. 88% of our permanent employees are aged between 30 and 50, while 8% are below 30 and 4% are above 50 years old. Women make up 69% of our permanent staff headcount, and they represent 33% and 40% respectively of our Board of Directors and senior management roles. During the year, we hired five new employees, representing a hiring rate⁹ of 19%, and had two voluntary employee turnovers, making up a turnover rate¹⁰ of 8%.

Employee Breakdown by Gender and Age Group

By Gender



By Age Group

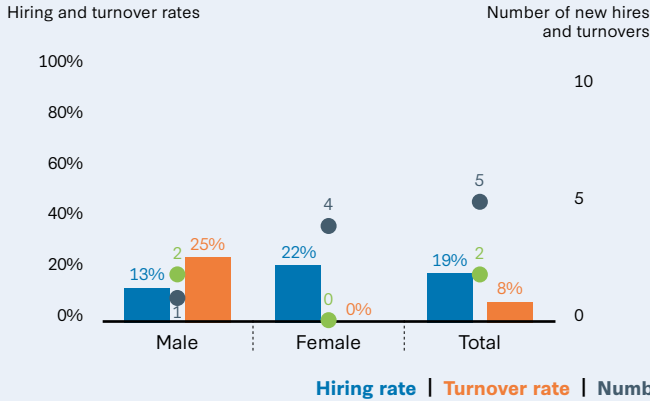


9 The hiring rate refers to the number of new hires in the financial year divided by the total number of permanent employees as at 30 September 2022.

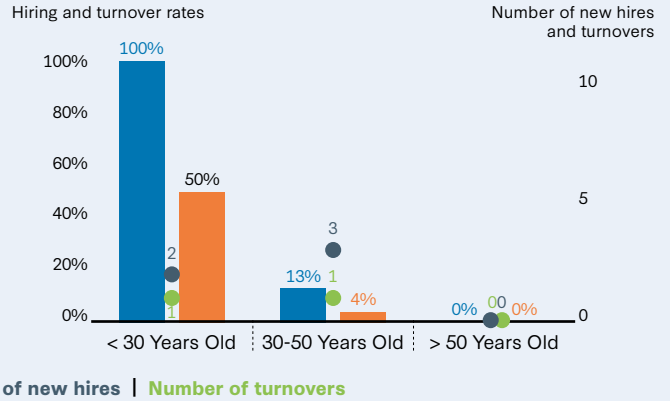
10 The turnover rate refers to the number of employees who voluntarily left the company during the financial year divided by the total number of permanent employees as at 30 September 2022.

Hiring and Turnover by Gender and Age Group

By Gender



By Age Group



SKILLS AND LEADERSHIP

What this means to us

Cognisant that an empowered workforce is core to the business and helps us attract and retain top talent, we put learning and development at the centre of our human capital and talent management strategy. This will enable us to forge a resilient corporate culture, build organisational agility, stay competitive and hone leaders with growth and change-ready mindsets.

How we manage skills and leadership

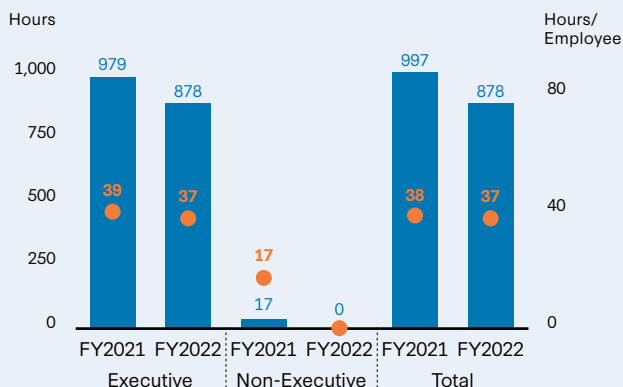
FCT’s Learning and Development (“L&D”) initiatives are driven by our Sponsor’s Learning Academy. Through a learning and development strategy known as our Learning Plan, the Learning Academy team identifies and curates comprehensive training programmes to meet the needs of diverse employees within the organisation. The Learning Plan is refreshed annually to better align with external trends and our business strategy. The Plan comprises seven learning themes: People & Culture, Sustainability, Innovation, Technology & Digitalisation, Customer-centricity, Functional Excellence and Mandatory & Compliance.

How we create value and our progress in FY2022

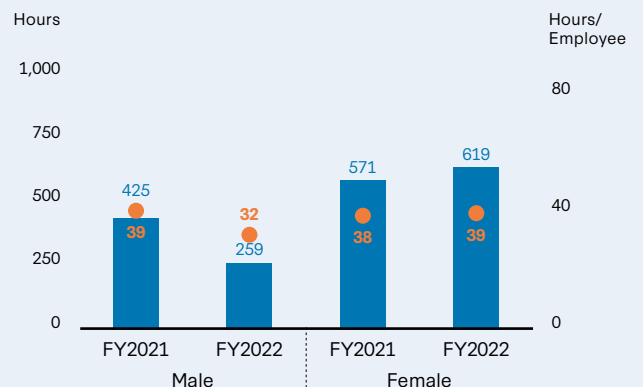
We work in tandem with our Sponsor’s Learning Academy during a learning needs dialogue session to discuss our employee requirements and craft solutions that meet our business learning priorities and outcomes. In alignment with our Sponsor’s Learning Plan, our employees completed a total of 878 hours of learning in FY2022, with each employee receiving an average of 37 hours of learning (Male: 32; Female: 39) during the year. This was in line with our Sponsor’s target for each employee to receive an average of 30 hours of learning. Further, all our employees have been trained on sustainability via an e-learning module as at 30 September 2022.

This year, 15 employees also participated in our Sponsor’s third Learning Festival which was held across two weeks with the theme “Gain, Grow, Build”. Employees had access to 21 virtual and in-person sessions presented across three tracks – Gain Insights, Grow Resilience and Build Community – involving 50 internal and external experts. The Festival featured a mix of in-person and virtual learning sessions, as well as elements of gamification to encourage greater engagement and participation.

Learning Hours by Employment Type



Learning Hours by Gender



SUSTAINABILITY REPORT

HEALTH AND WELL-BEING

What this means to us

Nurturing the holistic health and wellness of stakeholders is a priority for us, and FCT is committed to creating a safe environment for our employees, tenants, customers and other stakeholders. We are taking steps to enhance the physical, mental and environmental well-being of the communities that we interact with, through upholding stringent workplace safety practices and by creating spaces that promote well-being.

How we manage health and well-being

Workplace Health and Safety

We continue to adopt and implement the Group's Workplace Health and Safety Policy. We are also cognisant of the Code of Practice on Chief Executives' and Board of Directors' WSH Duties launched in September 2022 by the Singapore Tripartite Alliance for Workplace Safety and Health, and are taking steps to seek further alignment with the Code in line with our commitment to keeping safety as a priority.

Frasers Property Retail's Sustainability & Safety Working Committee comprising representatives from FCT, retail management and commercial portfolios, support the implementation of environmental health and safety management systems, policies and monitoring and tracking of occupational health and safety performance. The Working Committee meets monthly to discuss safety-related issues and progress. Frasers Property Retail's Sustainability Steering Committee oversees the Working Committee and is responsible for key decisions to drive sustainability goals.

Hazard identification, risk assessment and incident investigation

Quarterly site safety walks were planned to facilitate better engagement for our senior leaders and our staff members on site. Our retail and commercial properties also undergo an annual audit on ISO 45001 occupational health and safety management system where hazard and identification of risk assessments are examined on audit sites.

Well-being

In addition to the wellness activities organised by Frasers Property Retail's Sustainability & Safety Working Committee, FCT also supports the initiatives spearheaded by our Sponsor's Corporate Wellness team. Our approach is guided by the Group's Corporate Wellness Framework founded on four pillars:

- ▶ Physical: Helping employees reach ideal physical health and fitness
- ▶ Mental: Reducing relevant stressors in an employee's life
- ▶ Financial: Providing financial insight and knowledge to employees
- ▶ Environmental: Reducing direct external stressors within the workplace

How we create value and our progress in FY2022

Implementing robust Occupational Health and Safety management systems

All our malls have implemented ISO 45001 occupational health and safety management systems. Seven of our malls are also certified BizSAFE STAR by the Workplace Safety and Health Council. We also ensure contractors working at our properties are certified BizSAFE Level 3, which is a prequalification requirement for contractors working on contract above certain value.

During the year, we recorded no work-related fatalities for our staff and contractors. However, we recorded two lost-time injuries with a lost-time injury rate of 1.2 and severity rate of 30.2. We have taken appropriate follow-up action after the incidents to remediate and prevent further occurrence and will continue to strengthen our safety protocols.

Nurturing the holistic well-being of our staff

The impacts of COVID-19 pandemic underscored the importance of mental health and well-being. We look to support our team by supporting them with the resources they need to become their best selves. The REIT Manager's employees have access to the employer assistance programme launched by our Sponsor, which provides confidential professional counselling services for any challenges they are facing. This programme was extended to immediate family members in August 2022, to better support our staff. As part of the Frasers Property Group, all our full-time and contract employees have access to a comprehensive welfare and benefits scheme that covers insurance coverage, medical and dental benefits, family care leave and parental leave. We make monthly contributions to our employees' Central Provident Fund accounts in compliance with legislated social security policies.

Our property manager Frasers Property Retail kickstarted its first campaign dedicated to mental wellness in December 2021 to promote healthier habits and lifestyles among employees. Activities include webinars to raise awareness on mental health and a fitness challenge to encourage employees to get active and spend time outdoors to recharge.

Over six weeks, participants clocked 14,617 km and the campaign raised S\$20,553, which went towards supporting Care Corner Singapore's Mental Wellness & Counselling Services. We actively encourage staff to prioritise mental well-being by participating in the Group Corporate Wellness programmes organised throughout the year, and collaborated with Healthway Medical Group to organise a webinar for employees on World Mental Health Day in October 2021 to understand common mental health issues relating to depression and anxiety.

Every August, we participate in our Sponsor's annual Health & Safety Month. On FCT and our property manager Frasers Property Retail's end, we organised supporting activities such as webinars on workplace safety and ergonomics, art-jamming wellness sessions and a team bonding bowling session. We also joined initiatives organised across the Group such as a jog-walk nature hunt and a virtual gameshow to raise awareness on health and safety.

Our property manager Frasers Property Retail has initiated a policy for all its staff to end their workday early every last Friday of the month to spend more time with their family and to prioritise their mental well-being. We also support the nation's 'Eat With Your Family Day' initiative launched by the Centre for Fathering, where employees can leave work early every last Friday of the school semester to spend quality time with their families over a meal.

Fostering a healthy environment for our shoppers and tenants

We aim to provide a safe and comfortable environment for our shoppers and tenants who spend a considerable amount of time in our spaces. Regular indoor environment quality tests are conducted across our properties to monitor comfort levels, aligned to the BCA Green Mark criteria.

At Changi City Point, we hold weekly workout classes for shoppers to promote physical well-being, including line-dancing, Zumba, kickboxing and yoga classes. A

workout marathon was also organised in March 2022, attracting around 480 participants across 18 sessions.

In recognition of efforts in enhancing the safety and security of its premises, Northpoint City received the biennial SSWG Individual Award from the Singapore Police Force and the Singapore Civil Defence Force.

COMMUNITY CONNECTEDNESS

What this means to us

In line with our Sponsor's Purpose of "Inspiring experiences, creating places for good.", FCT is committed to harnessing the resources that we have in order to create vibrant spaces and foster deeper connections between stakeholders to ensure that they thrive alongside our business.

How we manage community connectedness

We are guided by our Sponsor's Community Investment Framework, which articulates three areas where we can channel our resources to make the greatest positive impact - health, education, and the environment. This is reinforced with activities that are tailored to local communities to meet their specific needs.

How we create value and our progress in FY2022

Health

Together with Frasers Property Retail, we had our fourth run of partnership with Food Bank Singapore to distribute food bundles to alleviate food insecurity for communities in need. In FY2022, our shoppers, staff and tenants donated 7.8 tonnes of non-perishable food items at dedicated donation boxes located across our malls. Employees also spent a day packing food bundles of essential items for 1,000 needy families in Singapore. We also organised an Angbao of Love campaign during Chinese New Year, where shoppers at Causeway Point, Tiong Bahru Plaza and Northpoint City could make red packet contributions at donation boxes located within our malls, in support of local charity Care Corner Singapore, which cares for communities in need.



Participating in a jog-walk nature hunt as part of Frasers Property's Health & Safety Month



Distributing food bundles to communities in need



Striving for a cleaner environment during a beach-up event with Plastic-Lite

In early 2022, our malls also partnered Temasek Foundation to distribute Air+ surgical masks to families in need. A space was also provided at Causeway Point, Century Square and Hougang Mall from November to December 2021 for Singapore households to collect the complimentary Povidone-iodine mouth gargle.

Environment

During Frasers Property Environment Month in April, our property manager Frasers Property Retail held a beach clean-up event together with Plastic-Lite. In total, we collected 16 kg of trash off our shores. Century Square, Tampines 1 and White Sands employees also participated in various sustainability upcycling workshops. In partnership with Soles4Souls, Changi City Point gathered gently worn sports or covered shoes from shoppers through a donation drive. The shoes are repurposed to give them longer life spans, while also helping people in developing countries launch and sustain their small businesses.

Progress in FY2022

As a testament to uplifting local communities, our property manager Frasers Property Retail was one of the four recipients out of 400 entries to achieve the Community Initiative Award – Sustainability at the Asia Corporate Excellence & Sustainability Awards (“ACES”) in November 2021. The accolade is conferred upon organisations that lead initiatives that contribute significantly to the development of the communities while ensuring they are aligned with core business activities, backed with strong engagement at the Board or senior leadership level. At the same time, organisations that demonstrate a culture of care and greater societal and environmental awareness, especially amidst these challenging times, are deeply regarded and favourably scored in this year’s Awards.

Our property manager Frasers Property Retail was also recognised by Singapore’s national community response movement as one of the 21 strong community partners who contributed significantly towards the SGSecure Responders’ Network and Community First Responder Initiatives, through successful awareness-raising collaborations with Northpoint City and Causeway Point.

ABOUT THIS REPORT

This is FCT’s eighth Sustainability Report and this report discloses FCT’s Environmental, Social and Governance (“ESG”) performance for all FCT properties during the period from 1 October 2021 to 30 September 2022 (“FY2022”).

This report has been prepared in accordance with the sustainability reporting requirements of:

- ▶ the Global Reporting Initiative (“GRI”) Universal Standards 2021; and
- ▶ the SGX-ST Listing Manual (Rules 711A and 711B) and the SGX Core ESG Metrics.

REPORT SCOPE

Data disclosed in this Sustainability Report covers all properties in Singapore owned by FCT during the year under review, unless stated otherwise. These properties are Causeway Point, Waterway Point (of which FCT holds a 40.00% interest), Tampines 1, Northpoint City North Wing (inclusive of the Yishun 10 Retail Podium), Tiong Bahru Plaza, Century Square, Changi City Point, Hougang Mall and White Sands.

The employee related information disclosed refers to the activities and performance of Frasers Centrepoint Asset Management (the “Manager” or “FCAM”). As the Manager of FCT, FCAM strives to support sustainability efforts by encouraging good sustainability practices at our properties. We have also included health & safety data of our contractor’s employees working at our properties, where applicable. The contents within this report have been disclosed in good faith and to the best of our knowledge. Together with the other information set out in our Annual Report, this Sustainability Report provides a comprehensive and transparent reporting to our stakeholders.

To verify the reliability of the data and management approach disclosed in this Report, we sought an independent limited assurance by Ere-S Pte Ltd, an independent third-party assurance provider. Details of the assurance scope and findings can be found in the Independent Assurance Statement on pages 115 to 117.

FEEDBACK

We are always looking to improve our sustainability efforts and we welcome your feedback.

Please contact:

Mr Chen Fung Leng

Vice President, Investor Relations

Frasers Centrepoint Trust

Email: funleng.chen@frasersproperty.com

INDEPENDENT ASSURANCE STATEMENT

To the management of Frasers Centrepoint Trust

Ere-S Pte Ltd (“Ere-S”) has undertaken an independent limited assurance on the content of Frasers Centrepoint Trust’s (“FCT”) Sustainability Report 2022 (“the Report”). The engagement, which took place between September and November 2022, formed part of a wider assurance of Frasers Property Limited’s Sustainability Report.

Scope

The assurance encompassed the entire Report and focused on all figures, statements and claims related to sustainability during the reporting period October 2021 to September 2022. This included the environmental and social management approach and performance related to the company’s corporate office and portfolio of owned and managed properties (10 in total), covering the following topics as stated in the GRI Content Index of the Report:

- ▶ Energy, Water and effluents, Emissions, Employment, Occupational health and safety.

Ere-S did not verify that all elements required by the GRI Standards (what to report) on each disclosure listed in the Report’s GRI Content Index had been fully reported, or whether FCT’s material issues, approaches and outcomes presented in the Report were specifically aligned with any other frameworks mentioned in the Report, such as the Task Force on Climate-Related Financial Disclosures (“TCFD”) framework and the Sustainable Development Goals (“SDGs”).

Where applicable, FY2021 performance figures presented in charts and tables of the Report were cross-checked by Ere-S against the disclosures verified during last year’s assurance carried out by our Team on FCT’s Sustainability Report 2021. Other historical performance data prior to FY2022 and figures or statements unrelated to sustainability were not covered in the assurance. These included organisation profile and corporate structure, corporate financial and economic performance, and, where applicable, technical descriptions and figures of construction, machineries, technologies, plants and production processes.

Reporting criteria

The information was verified against the principles of Accuracy, Verifiability, Clarity, Completeness, Balance, Comparability, Sustainability Context and Timeliness as defined under the Global Reporting Initiative (“GRI”) Standards.

Type of assurance

This assurance engagement was carried out to a limited level of assurance in accordance with the International Standard on Assurance Engagements 3000 (“ISAE 3000”), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited level assurance relies on desktop-based assessment and basic sampling that is sufficient to support the plausibility of the information.

Assurance methodology

The assurance procedures and principles applied in this engagement are compliant with ISAE 3000 and are drawn from a methodology developed by Ere-S comprising the following steps:

1. Identifying and classifying data sets according to the relevant topics and the types of evidence required for the verification process.
2. Carrying out virtual interviews and remote desktop-based data verification with the key data owners located at FCT’s corporate office in Singapore. Specifically:
 - ▶ Enquiring about the quantitative and qualitative aspects of the performance disclosures, related statements and the underlying measurement systems, data collection and quality control mechanisms.
 - ▶ Requesting evidence of data sources from the data owner or key functional manager, as well as explanations of data collection and calculation methods (including conversion factors, estimates, key assumptions and apportionment methodologies) to substantiate the figures and claims.
 - ▶ Taking a broad sampling of quantitative data to validate data sets and corresponding sources, as well as other supporting information.
 - ▶ Challenging the claims made in the Report and comparing the presented evidence (including calculation methods, criteria and assumptions) with data from other properties covered in the wider assurance engagement and, where applicable, with external sources.
3. Assessing the collected data against the reporting criteria and providing recommendations for correction of the Report’s content or for future improvement of the data collection and reporting procedures.
4. Validating the performance disclosures submitted in the final version of the Report and, where applicable, verifying that Ere-S recommendations have been applied.

SUSTAINABILITY REPORT

Social performance figures, such as those relating to workforce profile, health and safety, training and survey results, as well as the compilation of environmental figures and some of the group-level initiatives disclosed in the Report, were verified in separate interviews as part of Frasers Property Limited.

Ere-S assessment of statements concerning the number (or absence) of complaints, incidents, and cases of non-compliance to policies and regulations related to environmental and social issues, was founded on confirmation by key data owners and, where available, internal documents presented during the interviews.

FCT's stakeholder groups or their representatives were not interviewed during the assurance to assess the results of the engagement initiatives and the impact of the actions taken by the organisation.

Limitations

A limited assurance provides a relatively lower level of confidence in an organisation's disclosures than a reasonable level of assurance (as used in financial auditing) would provide. The restricted extent, timeline and precision of audit procedures in a limited assurance can leave small misstatements undetected. In addition, sustainability-related evidence being more persuasive rather than conclusive, the assurance findings are more constrained to the judgement of the assurance practitioner.

To mitigate the associated risk of material misstatement in the information being assessed during this engagement and to provide greater confidence in the accuracy of the information, Ere-S sought further confirmation of the presented evidence, including application of the management approach, data collection methods, criteria and assumptions, with multiple data owners and other documentation from internal and external sources.

Responsibility and independence

This statement represents the independent opinion of Ere-S, whose responsibility was to provide the assurance, to express conclusions according to the agreed scope, and to prepare the assurance report and this assurance statement for the management of FCT alone and for no other purpose. The management of FCT was responsible for the preparation of the Report, including all statements and figures contained within it, and for the selection and application of the methods to collect and compile the performance data of its operations and properties. Ere-S was not involved in the development of the Report or any other aspects or projects related to the sustainability framework of FCT. The activities of Ere-S are independent of FCT and Frasers Property Limited and contain no financial interest in their business operations.

FINDINGS AND OBSERVATIONS

During the assurance, we found evidence showing an overall strengthening of FCT's sustainability framework and processes in line with stronger guidelines and the policies of Frasers Property Limited. This includes the continuous integration of the Group's net-zero carbon objectives, a commitment to set FCT's own science based GHG reduction targets, and further consolidation of the Company's environmental risk management framework in accordance with the Monetary Authority of Singapore guidelines.

Regular stakeholder engagement could also be observed through diverse channels and platforms, with stronger evidence demonstrated for employees, customers, investors and government bodies. Engagement with other stakeholder groups appeared to be still limited, although some progress could also be observed in the exchanges with suppliers regarding the implementation of the Responsible Sourcing Policy.

In Ere-S opinion, the content of the Report is adequately comprehensive and clear, and presents accurate information, including performance figures, that could be evaluated and traced back to the source data sets, calculation methods and supporting evidence. Based on our assessment, the social performance data and, particularly, the properties' environmental performance data and collection processes presented an overall high level of accuracy and verifiability. No significant gaps or inconsistencies were found, and Ere-S recommendations for minor corrections were promptly applied by the reporting team.

Although the content of the Report has been enhanced by an alignment with the guidelines of the Task Force on Climate-Related Financial Disclosures ("TCFD"), there is still room for improvement in the performance disclosures within the value chain. For example, completeness of the disclosures on GHG emissions within the company's operations could be achieved with the inclusion of Scope 1 emissions generated from the consumption of refrigerant gases and stationery diesel by the cooling systems and backup power generators of the properties. However, based on the available (but not verified) data points, these Scope 1 emissions represent less than 1% of the portfolio's Scope 2 emissions (from electricity consumption).

More visible improvement in the Report completeness can be accomplished by providing more detailed and expanded coverage of the indirect social and environmental impact in the rest of the value chain, particularly concerning Scope 3 emissions. Ere-S commends the continuous efforts, partially described above, made by FCT and the Group in that direction.

Conclusion

On the basis of a limited assurance engagement consistent with the above-listed criteria, nothing has come to Ere-S attention that causes us not to believe that, in all material respects, FCT Sustainability Report 2022 provides a credible and fair representation of the organisation's sustainability profile and includes statements and figures that achieve an adequate level of reliability and accuracy.

A detailed assurance report containing the above findings and additional recommendations for improvement has been presented to the management of FCT.



Reg no. 201003736W
www.ere-s.com

Singapore, 24 November 2022

Jean-Pierre Dalla Palma

Director and Lead Certified Sustainability Assurance Practitioner

Ere-S Pte Ltd is a consulting company specialising in business sustainability and provides services in the domains of sustainability reporting, sustainability report assurance, stakeholder engagement and training. Our assurance team is composed of assurance practitioners with expertise in corporate sustainability and each member is required to follow Ere-S' assurance code of conduct, which can be found at www.ere-s.com/assurance-code-of-conduct. Ere-S is not responsible for any actions taken by other parties as a result of the findings presented in this assurance statement.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

Frasers Centrepoint Trust has reported in accordance with the GRI Standards for the period 1 October 2021 to 30 September 2022 ("FY2022"). We adopt GRI 1: Foundation 2021 within our Sustainability Report. The applicable GRI Sector Standards are the GRI G4 Construction and Real Estate Sector Disclosures.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION AND PAGE REFERENCE/NOTES	OMISSION	
			REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
General disclosures				
GRI 2: General Disclosures 2021	The organization and its reporting practices			
	2-1 Organizational details	Corporate information, inside back cover of Annual Report 2022.		
	2-2 Entities included in the organization's sustainability reporting	About this Report, page 114.		
	2-3 Reporting period, frequency and contact point	About this Report, page 114.		
	2-4 Restatements of information	Energy & Carbon, page 105. Water, page 106.		
2-5 External assurance	Independent Assurance Statement, page 115.			
Activities and workers				
2-6 Activities, value chain and other business relationships	About Frasers Centrepoint Trust, page 2.			
2-7 Employees	Diversity, Equity and Inclusion - Our Employee Profile, page 110.			
2-8 Workers who are not employees			a,b,c	Not applicable due to the nature of our business.
Governance				
2-9 Governance structure and composition	Corporate and Organisation Structure, page 3. Board of Directors, pages 16 to 19. Management Team, pages 20 to 21. Corporate Governance, pages 125 to 160. Managing Sustainability - Sustainability Governance, page 90.			
2-10 Nomination and selection of the highest governance body	Corporate Governance, pages 125 to 160.			
2-11 Chair of the highest governance body	Board of Directors, pages 16 to 19.			
2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors, pages 16 to 19. Board Statement, page 85. Managing Sustainability - Sustainability Governance, page 90.			

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION AND PAGE REFERENCE/NOTES	OMISSION	
			REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Corporate Governance, pages 125 to 160. Management Team, pages 20 to 21. Managing Sustainability - Sustainability Governance, page 90.		
	2-14 Role of the highest governance body in sustainability reporting	Board Statement, page 85. Sustainability Governance, page 90.		
	2-15 Conflicts of interest	Corporate Governance Report - Conflicts of Interest, pages 140 to 141. Additional Information - Interested Person Transactions, pages 237 to 238.		
	2-16 Communication of critical concerns	Corporate Governance Report, pages 125 to 160.		
	2-17 Collective knowledge of the highest governance body	Board Statement, page 85. Corporate Governance Report - Training and Development of Directors, pages 133 to 134.		
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report - Board Performance Evaluation, page 141.		
	2-19 Remuneration policies	Corporate Governance Report - Remuneration Matters, pages 142 to 148.		
	2-20 Process to determine remuneration	Corporate Governance Report - Remuneration Matters, pages 142 to 148.		
	2-21 Annual total compensation ratio		a, b, c	Confidentiality constraints. We are unable to disclose the ratio due to our highly competitive labour market.
	Strategy, policies and practices			
	2-22 Statement on sustainable development strategy	Board Statement, page 85.		
	2-23 Policy commitments	Risk-based Management - Maintaining a strong system of policies to strengthen resilience, page 95. Risk-based Management - Upholding strict compliance practices, page 95.		
	2-24 Embedding policy commitments	Risk-based Management - How we manage Risk-Based Management, page 95.		

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION AND PAGE REFERENCE/NOTES	OMISSION	
			REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	Managing Sustainability – Stakeholder Engagement, page 91. Community Connectedness – How we create value and our progress in FY2022, page 113.		
	2-26 Mechanisms for seeking advice and raising concerns	Risk-based Management – Upholding strict compliance practices, page 95.		
	2-27 Compliance with laws and regulations	Risk-based Management – Upholding strict compliance practices, page 95.		
	2-28 Membership associations	Managing Sustainability – Industry Alignment, page 92.		
	2-29 Approach to stakeholder engagement	Managing Sustainability – Stakeholder Engagement, page 91.		
	2-30 Collective bargaining agreements	There are no collective bargaining agreements in place.		
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Managing Sustainability – Materiality Assessment, page 93.		
	3-2 List of material topics	Managing Sustainability – Materiality Assessment, page 93.		
Economic performance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Operations Review, pages 26 to 33. Financial Review, pages 34 to 39 Letter to Unitholders, pages 12 to 14.		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Review, pages 34 to 39. Financial Statements, pages 161 to 233.		
	201-2 Financial implications and other risks and opportunities due to climate change	Risk management framework, pages 81 to 83. Risk-based Management – Aligning with Monetary Authority of Singapore (MAS) Guidelines on Environmental Risk Management for Asset Managers, page 96.		
	201-3 Defined benefit plan obligations and other retirement plans	Health and Well-being – Nurturing the holistic well-being of our staff page 112.		
	201-4 Financial assistance received from government	Notes to the Financial Statements – Government Grants, page 212.		

Contents	Overview	Business Review	Asset Portfolio	Risk Management	Sustainability	Corporate Governance	Financial & Other Information
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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION AND PAGE REFERENCE/NOTES	OMISSION	
			REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	Risk-based Management, page 95.		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Enterprise-wide Risk Management, page 150 and pages 81 to 83. Risk-based Management - How we manage Risk-based Management, page 95.		
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance Report - Code of Business Conduct, pages 154 to 155. Risk-based Management - How we create value and our progress in FY2022, page 95.		
	205-3 Confirmed incidents of corruption and actions taken	Risk-based Management - How we create value and our progress in FY2022, page 95.		
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy and Carbon, page 105.		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and Carbon - How we create value and our progress in FY2022, page 105.		
	302-2 Energy consumption outside of the organization	Energy and Carbon - How we create value and our progress in FY2022, page 105.		
	302-3 Energy intensity	Energy and Carbon - How we create value and our progress in FY2022, page 105.		
	302-4 Reduction of energy consumption	Energy and Carbon - How we create value and our progress in FY2022, page 105.		
	302-5 Reductions in energy requirements of products and services	Resilient Properties - How we create value and our progress in FY2022, page 98.		
Water and effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics	Water, page 106.		

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION AND PAGE REFERENCE/NOTES	OMISSION	
			REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water - How we manage water, page 106.		
	303-2 Management of water discharge-related impacts	Water discharge is generally managed by municipalities.		
	303-3 Water withdrawal	Water - How we create value and our progress in FY2022, page 106.		
	303-4 Water discharge	Water discharge is generally managed by municipalities.		
	303-5 Water consumption	Water - How we create value and our progress in FY2022, page 106.		
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy and Carbon, page 105.		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy and Carbon - How we create value and our progress in FY2022, page 105.		
	305-2 Energy indirect (Scope 2) GHG emissions	Energy and Carbon - How we create value and our progress in FY2022, page 105.		
	305-3 Other indirect (Scope 3) GHG emissions	Energy and Carbon - How we create value and our progress in FY2022, page 105.		
	305-4 GHG emissions intensity	Energy and Carbon - How we create value and our progress in FY2022, page 105.		
	305-5 Reduction of GHG emissions	Energy and Carbon - How we create value and our progress in FY2022, page 105.		
	305-6 Emissions of ozone-depleting substances (ODS)		a, b, c, d	Not applicable due to the nature of our business.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		a, b, c	Not applicable due to the nature of our business.
Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity, Equity and Inclusion, page 110.		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Diversity, Equity and Inclusion - How we create value and our progress in FY2022, page 110.		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Diversity, Equity and Inclusion - How we create value and our progress in FY2022, page 110.		
	401-3 Parental leave	Health and Well-being - How we create value and our progress in FY2022, page 112.		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION AND PAGE REFERENCE/NOTES	OMISSION	
			REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
Labor/management relations				
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity, Equity and Inclusion, page 110.		
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		a, b	Not applicable. The notice period varies on a situational basis.
Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Health and Well-being, page 112.		
	403-1 Occupational health and safety management system	Health and Well-being - Implementing robust Occupational Health and Safety Management Systems, page 112.		
	403-2 Hazard identification, risk assessment, and incident investigation	Health and Well-being - How we manage Health and Well-being, page 112.		
	403-3 Occupational health services	Health and Well-being - How we create value and our progress in FY2022, page 112.		
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and Well-being - How we create value and our progress in FY2022, page 112.		
	403-5 Worker training on occupational health and safety	Health and Well-being - How we create value and our progress in FY2022, page 112.		
	403-6 Promotion of worker health	Health and Well-being - How we create value and our progress in FY2022, page 112.		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Well-being - How we create value and our progress in FY2022, page 112.		
	403-8 Workers covered by an occupational health and safety management system	Health and Well-being - How we create value and our progress in FY2022, page 112.		
	403-9 Work-related injuries	Health and Well-being - How we create value and our progress in FY2022, page 112.		
403-10 Work-related ill health	Health and Well-being - How we create value and our progress in FY2022, page 112.			

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SECTION AND PAGE REFERENCE/NOTES	OMISSION	
			REQUIREMENT(S) OMITTED	REASON AND EXPLANATION
Training and education				
GRI 3: Material Topics 2021	3-3 Management of material topics	Skills and Leadership page 111.		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Skills and Leadership – How we create value and our progress in FY2022, page 111.		
	404-2 Programs for upgrading employee skills and transition assistance programs	Diversity, Equity and Inclusion – How we create value and our progress in FY2022, page 110.		
	404-3 Percentage of employees receiving regular performance and career development reviews	Diversity, Equity and Inclusion – How we create value and our progress in FY2022, page 110.		
Local communities				
GRI 3: Material Topics 2021	3-3 Management of material topics	Community Connectedness page 113.		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Connectedness – How we create value and our progress in FY2022, page 113.		
	413-2 Operations with significant actual and potential negative impacts on local communities	Community Connectedness – How we create value and our progress in FY2022, page 113.		
Marketing and labelling				
GRI 3: Material Topics 2021	3-3 Management of material topics	Risk-Based Management, page 95.		
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labeling		a, b	Not applicable due to the nature of our business.
	417-2 Incidents of non-compliance concerning product and service information and labeling		a, b	Not applicable due to the nature of our business.
	417-3 Incidents of non-compliance concerning marketing communications	Risk-Based Management – Upholding strict compliance practices, page 95.		

Notes

Energy, GHG emissions and Water Reporting Scope

- Energy, GHG and water intensities exclude both newly completed properties in FY2022 and properties divested at any point during the reporting period.
- The GHG emission factors are from Energy Market Authority – Singapore Energy Statistics 2020.

Monetary Disclosure

All monetary related disclosures within the report are in Singapore Dollars (S\$) unless stated otherwise.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Frasers Centrepoint Trust (“**FCT**”) is a real estate investment trust (“**REIT**”) listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). FCT is managed by Frasers Centrepoint Asset Management Ltd. (the “**Manager**”), a wholly-owned subsidiary of Frasers Property Limited (“**FPL**” or the “**Sponsor**”) and together with its subsidiaries, “**FPL Group**”).

In line with the listing manual of the SGX-ST (the “**SGX-ST Listing Manual**”) and its obligations under the Guidelines to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (Guideline No: SFA04-G07) issued by the Monetary Authority of Singapore (“**MAS**”), the Manager complies with the principles of the Code of Corporate Governance 2018 (the “**CG Code**”).

The practices and activities of the board of directors of the Manager (the “**Board**”) and the management of the Manager (the “**Management**”) adhere closely to the provisions under the CG Code.

To the extent the practices may vary from any provision of the CG Code, the Manager will state explicitly the provision from which it has varied, explain the reason for the variation and explain how the practices nevertheless are consistent with the intent of the relevant principle of the CG Code. The Manager is also guided by the Practice Guidance which accompanies the CG Code and which sets out best practices for listed issuers; as this will build investor and stakeholder confidence in FCT and the Manager. A summary of compliance with the express disclosure requirements under the provisions of the CG Code is set out on pages 158 to 160 of this Annual Report.

The Manager

The Manager has general powers of management over the assets of FCT. As a manager of a REIT, the Manager holds a Capital Markets Services Licence issued by the MAS to carry out REIT management activities.

The Manager’s main responsibility is to manage FCT’s assets and liabilities for the benefit of unitholders of FCT (the “**Unitholders**”). To this end, the Manager is able to set the strategic direction of FCT and make recommendations to HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of FCT (the “**Trustee**”), on acquisitions, divestments and enhancement of the assets of FCT. It also supervises the property manager, Frasers Property Retail Management Pte. Ltd. in its day-to-day management of the properties within FCT’s portfolio, namely, Causeway Point, Northpoint City North Wing and Yishun 10 Retail Podium, Changi City Point, Waterway Point (40.00% interest), Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square, Tampines 1 and Central Plaza pursuant to property management agreements entered into for each property. The role of the Manager includes the pursuit of a business model that sustains the growth and enhances the value of FCT and is focused on delivering regular and stable distributions to Unitholders. Other functions and responsibilities of the Manager include preparing annual asset plans and undertaking regular individual asset performance analysis and market research analysis and managing finance functions relating to FCT (which includes financial and tax reporting, capital management, treasury and preparation of consolidated budgets).

The Values of the Manager

1. The Manager is committed to upholding and maintaining high standards of corporate governance, corporate transparency and sustainability, and instituting sound corporate practices and controls to facilitate the Manager’s role in safeguarding and enhancing FCT’s asset value so as to maximise returns from investments, and ultimately the total return to Unitholders. The Manager believes that a robust and sound governance framework is an essential foundation on which to build, evolve and innovate a business which is sustainable over the long-term and one which is resilient in the face of the demands of a dynamic, fast-changing environment.
2. The Manager adheres to corporate policies, business practices and systems of risk management and internal controls, which are designed to ensure that it maintains consistently high standards of integrity, accountability and governance in FCT and its own daily operations.
3. The Manager ensures that the business and practices of FCT are carried out in a manner that complies with applicable laws, rules and regulations, including the Securities and Futures Act 2001 of Singapore (“**SFA**”), the SGX-ST Listing Manual, the CG Code, the Code on Collective Investment Schemes (the “**CIS Code**”) issued by the MAS (including Appendix 6 of the CIS Code, the “**Property Funds Appendix**”), the trust deed constituting FCT between the Manager and the Trustee dated 5 June 2006 (as amended, restated and supplemented) (“**Trust Deed**”), as well as the written directions, notices, codes and other guidelines that the MAS and other regulators may issue from time to time.

CORPORATE GOVERNANCE REPORT

The Board works with Management to ensure that these values underpin its leadership of the Manager.

The Manager is staffed by an experienced and well-qualified team who manage the operational matters of FCT. The Manager is a wholly-owned subsidiary of FPL, a multi-national developer-owner-operator of real estate products and services across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The FPL 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 70 cities and 20 countries across Asia, Australia, Europe, the Middle East and Africa.

As the Sponsor holds a substantial ownership stake of approximately 41.16%¹ in FCT, there is an alignment of interests between the Sponsor, the Manager and the Unitholders. The Manager is able to benefit from and leverage on its association with the Sponsor in the management of FCT in various ways, including tapping on the Sponsor's extensive experience in development and management of real estate assets, sourcing for talent and experienced personnel within the Sponsor pool of employees, including those who may be considered for appointment to the Board, access to the FPL Group's network of lenders for debt financing, and negotiating for favourable terms with external suppliers and vendors on a group basis.

The Manager is appointed in accordance with the terms of the Trust Deed. The Manager can be removed by notice in writing given by the Trustee in favour of a corporation appointed by the Trustee under certain circumstances outlined in the Trust Deed, including where Unitholders, by a resolution duly passed by a simple majority of Unitholders present and voting (with no Unitholder being disenfranchised) at a Unitholders' meeting, decide that the Manager is to be removed.

BOARD MATTERS

The Board

The Board is responsible for the overall leadership and oversight of both FCT's and the Manager's business, financial, investment and material operational affairs and performance objectives, and its long-term success. The Board sets the strategic direction of FCT and the Manager, which includes appropriate focus on value creation, innovation and sustainability. The Board also determines the Manager's approach to corporate governance, including setting appropriate tone-from-the-top and the desired organisational culture, values and ethical standards of conduct, and works with Management on its implementation across all levels of the organisation's values, standards, policies and practices. The Board, supported by Management, ensures necessary resources are in place for FCT and the Manager to meet its strategic objectives. Through the enterprise-wide risk management framework of FCT and its subsidiaries (the "**Group**"), the Board establishes and maintains a sound risk management framework to effectively monitor and manage risks and to achieve an appropriate balance between risks and the Group's performance. The Board also puts in place policies, structures and mechanisms to ensure compliance with legislative and regulatory requirements. The Board, which comprises directors who, as fiduciaries, are expected to act objectively in the best interests of the Manager and the Group, constructively challenges Management and reviews its performance, and holds Management accountable for performance. It also oversees Management to ensure transparency and accountability to key stakeholder groups.

During the financial year ended 30 September 2022 ("**FY22**"), notwithstanding the progressive relaxation of the safe management measures throughout the course of FY22, the Board has continued to monitor the status of the COVID-19 pandemic and reviewed its impact on FCT's business and operations, with updates from Management.

1 As at 30 September 2022.

CORPORATE GOVERNANCE REPORT

The Chairman

The chairman of the Board (the “**Chairman**”) leads the Board. The Chairman provides leadership and direction in the review of the Manager’s corporate strategy and objectives, sets the right ethical and behavioural tone and ensures the Board’s effectiveness by, among other things, promoting and maintaining high standards of corporate governance and transparency, encouraging active and effective engagement, participation by all directors of the Manager (the “**Directors**”) and facilitating constructive and appropriate relations among and between them and Management. The Chairman sets the agenda for each Board meeting to take full account of the issues and concerns of the Directors and the Management team, promotes a culture of openness and debate at Board meetings and encourages Directors to engage in productive and thorough discussions and constructive debate on strategic, business and other key issues pertinent to the business and operations of the Group and the Manager, leading to better decision-making and enhanced business performance. The Chairman, supported by Management, ensures effective communication with Unitholders, financial analysts and the media on critical issues that could significantly affect the reputation and standing of the Manager and FCT.

The Chairman also presides over the Annual General Meeting each year and any other general meetings of the Unitholders. The Chairman addresses, and/or requests the Chief Executive Officer (the “**CEO**”) of the Manager to address the Unitholders’ queries and ensures that there is clear and open dialogue between all stakeholders.

Role of the CEO and Management

The Management is led by the CEO. The CEO is responsible for the execution of the strategies and policies as approved by the Board, and leading, promoting and conducting the affairs of FCT and the Manager with the highest standards of integrity, corporate governance and transparency. The CEO is responsible and is accountable to the Board for the conduct and performance of Management. The CEO and Management team of the Manager are responsible for executing the Manager’s strategies and policies as approved by the Board and are responsible for the planning, direction, control, conduct and performance of the business operations of the Manager. With the support of the Management, the CEO seeks business opportunities, drives new initiatives and is responsible for the operational performance of the Group and building and maintaining strong relationships with stakeholders of the Group.

Division of Responsibilities between the Chairman and CEO

The Chairman and the CEO are separate persons and the division of responsibilities between the Chairman and the CEO is clearly demarcated. This avoids concentration of power and ensures a degree of checks and balances, an increased accountability, and greater capacity of the Board for independent decision-making. Such separation of roles between the Chairman and CEO promotes robust deliberations by the Board and Management on the business activities of FCT.

Relationships between the CEO and Board

None of the members of the Board and the CEO are related to one another, and none of them has any business relationships among them.

Board Committees

The Board has formed committees of the Board (the “**Board Committees**”) to oversee specific areas, for greater efficiency and has delegated authority and duties to such Board Committees based on written and clearly defined terms of reference. The terms of reference of the Board Committees set out their compositions, authorities and duties, including reporting back to the Board. There are two Board Committees, namely, the Audit, Risk and Compliance Committee (“**ARCC**”), and the Nominating and Remuneration Committee (“**NRC**”).

Minutes of all Board Committee meetings are circulated to the Board so that Directors are aware of and kept updated as to the proceedings, matters discussed and decisions made during such meetings, and to enable the Directors to weigh in on any key points under consideration.

CORPORATE GOVERNANCE REPORT

Membership	Audit, Risk and Compliance Committee	Key Objectives
Ms Koh Choon Fah, <i>Chairman</i> Dr Cheong Choong Kong, <i>Member</i> Mr Ho Chai Seng, <i>Member</i> Mr Ho Chee Hwee Simon, <i>Member</i>	<ul style="list-style-type: none"> Assist the Board in fulfilling responsibility for overseeing the quality and integrity of the accounting, auditing and financial practices, internal controls, risk management and sustainability practices of the Manager 	

As at 30 September 2022, the ARCC comprises non-executive Directors, the majority of whom, including the chairman of the ARCC, are independent Directors. All members of the ARCC, including the chairman of the ARCC, are appropriately qualified and have recent and/or relevant accounting and related financial management expertise or experience. Their collective wealth of experience and expertise enables them to discharge their responsibilities competently.

Under the Terms of Reference of the ARCC, a former partner or director of FCT's existing auditing firm or auditing corporation shall not act as a member of the ARCC: (a) within a period of two years commencing on the date of his ceasing to be a partner of the auditing firm or a director of the auditing corporation; and in any case, (b) for so long as he has any financial interest in the auditing firm or auditing corporation. None of the members of the ARCC is a former partner of FCT's external auditors, KPMG LLP and none of the members of the ARCC has any financial interest in FCT's external auditors, KPMG LLP.

AUDIT FUNCTIONS

The Terms of Reference of the ARCC provide that some of the key responsibilities of the ARCC include:

- External Audit Process:** reviewing and reporting to the Board the scope, quality, results and performance of the external audit(s), its cost effectiveness and the independence and objectivity of the external auditors. It shall also review the nature and extent of non-audit services performed by external auditors;
- Internal Audit:** establishing an effective internal audit function which shall be adequately qualified to perform an effective role, adequately resourced, independent of the activities which it audits and able to discharge its duties objectively, and to approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced².
- Financial Reporting:** reviewing and reporting to the Board, the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of FCT and the Manager and any announcements relating to FCT's and the Manager's financial performance, and to review the assurance provided by the CEO and the Chief Financial Officer ("**CFO**") of the Manager (the "**Key Management Personnel**") that the financial records have been properly maintained and the financial statements give a true and fair view of FCT's and/or the Manager's operations and finances;
- Internal Controls and Risk Management:** reviewing and reporting to the Board at least annually, its assessment of the adequacy and effectiveness of the Manager's internal controls for FCT and the Manager, including financial, operational, compliance and information technology controls (including those relating to compliance with existing legislation and regulations), and risk management policies and systems established by Management;
- Interested Person Transactions:** reviewing interested person transactions (as defined in the SGX-ST Listing Manual) and interested party transactions (as defined in the Property Funds Appendix) (both such types of transactions constituting "**Related/Interested Person Transactions**") entered into from time to time and the internal audit reports to ensure compliance with applicable legislation, the SGX-ST Listing Manual and the Property Funds Appendix;

² For FY22, the internal audit function is outsourced to the FPL Group.

CORPORATE GOVERNANCE REPORT

- Conflicts of Interests: deliberating on resolutions relating to conflicts of interest situations involving FCT;
- Whistle-Blowing: reviewing the policy and arrangements by which staff of the Manager, FCT and any other persons may, in confidence, safely raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow-up action to be taken; and
- Investigations: reviewing the findings of internal investigations into any suspected fraud or irregularity, or suspected infringement of any Singapore laws or regulations or rules of the SGX-ST or any other regulatory authority in Singapore, which the ARCC becomes aware of, and which has or is likely to have a material impact on FCT's operating results or financial position.

Where the external auditors, in their review or audit of FCT's and the Manager's year-end financial statements, raise any significant issues which have a material impact on the interim financial statements or business updates previously announced by FCT or the Manager, the ARCC will bring this to the Board's attention immediately so that the Board can consider whether an immediate announcement is required under the SGX-ST Listing Manual. In such a situation, the ARCC will also advise the Board if changes are needed to improve the quality of future interim financial statements or business updates – such changes (if any) will be disclosed in FCT's annual report.

In carrying out its role, the ARCC is empowered to investigate any matter within its Terms of Reference, with full access to, and cooperation by, Management, to seek information it may require from any Director and/or employee of the Manager. The ARCC also has full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The Chairman, non-executive Directors, the CEO, the CFO, the head of the internal audit function, representatives of the external auditor(s), or other person with relevant experience and expertise may attend the meetings of the ARCC at the invitation of the ARCC. The meetings serve as a forum to review and discuss material risks and exposures of the Manager's businesses and strategies to mitigate risks. The ARCC meets with internal auditors and external auditors without the presence of Management at least once a year to review various audit matters and the assistance given by Management to the internal and external auditors. In carrying out its function, the ARCC may also obtain independent or external legal or other professional advice or appoint external consultants as it considers necessary at the Manager's cost.

Regular updates on changes in accounting standards and treatment are prepared by external auditors and circulated to members of the ARCC so that they are kept abreast of such changes and its corresponding impact on the financial statements, if any.

Risk Management

The ARCC shall review the framework and processes established by Management to achieve compliance with applicable laws, regulations, standards, best practice guidelines and the Manager's policies and procedures. The ARCC shall assist the Board in ensuring that Management maintains a sound system of risk management and internal controls to safeguard the interests of the Manager or the interests of Unitholders (as the case may be) and the assets of the Manager and the assets of FCT. The ARCC also assists the Board in its determination of the nature and extent of significant risks which the Board is willing to take in achieving the Manager's strategic objectives and the overall levels of risk tolerance and risk policies, including reviewing technology risks faced by the Manager. Further information on the key activities conducted by the ARCC can be found in the sections titled "Financial Performance, Reporting and Audit" on pages 148 to 149 and "Governance of Risk and Internal Controls" on pages 149 to 152.

Sustainability

The ARCC also assists the Board in carrying out its responsibility in determining environmental, social and governance ("ESG") factors identified as material to the business, monitoring and managing ESG factors and overseeing standards, management processes and strategies to achieve sustainability practices. The ARCC has oversight of sustainability practices, and assists the Board in ensuring that Management establishes and maintains a sound system of sustainability governance and an appropriate sustainability reporting framework which links sustainability risks and opportunities with strategy, other organisational risks and goals and which also enhances operational responses to sustainability risks and opportunities.

CORPORATE GOVERNANCE REPORT

Membership	Nominating and Remuneration Committee Key Objectives
Mr Ho Chai Seng, <i>Chairman</i> Dr Cheong Choong Kong, <i>Member</i> Mr Ho Chee Hwee Simon, <i>Member</i> Ms Koh Choon Fah, <i>Member</i> Mr Christopher Tang Kok Kai, <i>Member</i> ⁽¹⁾	<ul style="list-style-type: none"> • Establish a formal and transparent process for appointment and reappointment of Directors • Develop a process for evaluation of the performance and annual assessment of the effectiveness of the Board as a whole and each of its board committees, and individual directors • Review succession plans • Assist the Board in establishing a formal and transparent process for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and Key Management Personnel • Review and recommend to the Board a general framework of remuneration for the Board and Key Management Personnel and specific remuneration packages for each Director and Key Management Personnel

Notes:

(1) Mr Christopher Tang Kok Kai retired as a Director and a member of the NRC on 1 January 2022.

As at 30 September 2022, all the members of the NRC are non-executive and the majority of whom, including the chairman of the NRC, are independent.

The NRC is guided by written Terms of Reference approved by the Board which set out the duties and responsibilities of the NRC. The NRC's responsibilities, in relation to its functions as a nominating committee, include reviewing the structure, size and composition and independence of the Board and its Board Committees, reviewing and making recommendations to the Board on the succession plans for Directors, the Chairman and Key Management Personnel, making recommendations to the Board on all appointments and re-appointments of Directors (including alternate Directors, if any), and determining the independence of Directors. The NRC also proposes for the Board's approval, the objective performance criteria and process for the evaluation of the effectiveness of the Board, the Board Committees and each Director, and ensures that proper disclosures of such process are made. The NRC is also responsible for reviewing and making recommendations to the Board on training and professional development programmes for the Board and the Directors.

Further information on the main activities of the NRC, in relation to its functions as a nominating committee, are outlined in the following sections:

- "Training and development of Directors" on page 133 to 134
- "Board Composition" on pages 134 to 135
- "Directors' Independence" on pages 137 to 140
- "Board Performance Evaluation" on page 141

The NRC's responsibilities, in reviewing remuneration matters, include: (i) reviewing and recommending to the Board, a framework of remuneration for the Board and Key Management Personnel, and (ii) ensuring that the remuneration of executive Directors shall not be linked in any way to FCT's gross revenue.

On an annual basis, the NRC also reviews and recommends, for the Board's approval, the Manager's remuneration and benefits policies and practices (including long-term incentive schemes), and the performance and specific remuneration packages for each Director and Key Management Personnel, in accordance with the approved remuneration policies and processes.

CORPORATE GOVERNANCE REPORT

The NRC also proposes, for the Board's approval, criteria to assist in the evaluation of the performance of Key Management Personnel, and (where applicable) reviews the obligations of the Manager arising in the event of the termination of the service agreements of Key Management Personnel to ensure that such contracts of service contain fair and reasonable termination clauses. The NRC also administers and approves awards under the Restricted Unit Plan ("**RUP**") and/or other long-term incentive schemes to senior executives of the Manager.

In carrying out its review on remuneration matters, the Terms of Reference of the NRC provide that the NRC shall consider all aspects of remuneration, including Directors' fees, special remuneration to Directors who render special or extra services to the Manager, salaries, allowances, bonuses, options, Unit-based incentives and awards, benefits-in-kind and termination payments, and shall aim to be fair and to avoid rewarding poor performance.

If necessary, the NRC can seek expert advice on remuneration within the Manager's Human Resource Department or from external sources. Where such advice is obtained from external sources, the NRC ensures that existing relationships, if any, between the Manager and the appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

Delegation of authority framework

As part of the Manager's internal controls, the Board has adopted a framework of delegated authorisations in its Manual of Authorities (the "**MOA**"). The MOA, which is approved by the Board, sets out the levels of authorisation required for particular types of transactions to be carried out, and specifies whether Board approval needs to be sought. It also sets out approval limits for operating and capital expenditure as well as investments, divestments and asset enhancement initiatives.

While day-to-day operations of the business are delegated to Management, in order to facilitate the Board's exercise of its leadership and oversight of FCT, the MOA sets out certain matters specifically reserved for approval by the Board and these are clearly communicated to Management in writing. These include approval of annual budgets, financial plans, material transactions, namely, major acquisitions and divestments, funding and investment proposals and asset enhancement initiatives.

Meetings of the Board and Board Committees

The Board meets regularly, at least once every quarter, and also as required by business needs or if their members deem it necessary or appropriate to do so.

The following table summarises the number of meetings of the Board and Board Committees and general meetings held and attended by the Directors in FY22:

	Board Meetings	Audit, Risk and Compliance Committee Meetings	Nominating and Remuneration Committee Meetings	Annual General Meeting
Meetings held for FY22				
Dr Cheong Choong Kong	10(C) ⁽¹⁾	4	3	1(C) ⁽¹⁾
Mr Ho Chai Seng	10	4	3(C) ⁽¹⁾	1
Mr Ho Chee Hwee Simon	10	4	3	1
Ms Koh Choon Fah	10	4(C) ⁽¹⁾	3	1
Mr Low Chee Wah	10	N.A.	N.A.	1
Mr Christopher Tang Kok Kai ⁽²⁾	2	N.A.	2	N.A.
Ms Soon Su Lin ⁽³⁾	7	N.A.	N.A.	N.A.

Notes:

(1) (C) refers to Chairman.

(2) Mr Christopher Tang Kok Kai retired as a Director and a member of the NRC on 1 January 2022.

(3) Ms Soon Su Lin was appointed as a non-executive and non-independent Director on 1 March 2022.

CORPORATE GOVERNANCE REPORT

A calendar of activities is scheduled for the Board a year in advance.

The Manager's Constitution provides for Board members who are unable to attend physical meetings to participate through telephone conference, video conference or similar communications equipment.

Management provides the Directors with Board papers setting out complete, adequate and relevant information on the agenda items to be discussed at Board and Board Committee meetings around a week in advance of the meeting (save in cases of urgency). This is to give Directors sufficient time to prepare for the meeting and review and consider the matters being tabled so that discussions can be more meaningful and productive and Directors have the necessary information to make sound and informed decisions.

Senior members of the Management attend Board meetings, and where necessary, Board Committee meetings, to brief and make presentations to the Directors, provide input and insight into matters being discussed, and respond to queries and take any follow-up instructions from the Directors. If required, time is set aside after scheduled Board meetings for discussions amongst the Board without the presence of Management.

Where required by the Directors, external advisers may also be present or available whether at Board and Board Committee meetings or otherwise, and (if necessary), at the Manager's expense where applicable, to brief the Directors and provide their advice.

Matters discussed by Board and Board Committees in FY22 BOARD

- Strategy
- Business and Operations Update
- Sustainability, Environmental, Social & Governance
- Financial Performance
- Governance
- Feedback from Board Committees
- Acquisitions and Divestments Proposals
- Technology Risk Management

Audit, Risk and Compliance Committee

- External and Internal Audit
- Financial Reporting
- Treasury, Debt and Capital Management
- Internal Controls and Risk Management
- Related/Interested Person Transactions
- Conflicts of Interests
- Technology Risk Management
- Sustainability, Environmental, Social & Governance
- Compliance with Legislation and Regulations

Nominating and Remuneration Committee

- Board Composition and Renewal
- Board, Board Committees and Director Evaluations
- Training and Development
- Remuneration Policies and Framework
- Succession Planning

Board Oversight

Outside of Board and Board Committee meetings, Management provides Directors with complete and adequate reports on major operational matters, business development activities, financial performance, potential investment opportunities and budgets periodically, as well as such other relevant information on an ongoing and timely basis to enable them to discharge their duties and responsibilities properly. In respect of budgets, any material variance between the projections and actual results will be disclosed and explained in the relevant periodic report.

Directors have separate and independent access to Management, and are entitled to request for such additional information as needed to make informed decisions and to fulfil their duties and responsibilities properly, which additional information will then be provided by Management in a timely manner. Where required or requested by Directors, site visits are also arranged for Directors to have an intimate understanding of the key business operations of each division and to promote active engagement with Management.

Directors are provided with complete, adequate and timely information to enable them to ensure that they prepare adequately for Board and Board Committee meetings and make informed decisions, and Directors (including those who hold multiple board representations and other principal commitments) devote sufficient time and attention to the affairs of FCT and the Manager. At Board and Board Committee meetings, the Directors attend and actively participate, discuss, deliberate and appraise matters requiring their attention and decision. Where necessary for the proper discharge of their duties, the Directors may seek and obtain independent professional advice at the Manager's expense.

CORPORATE GOVERNANCE REPORT

The Manager continued to monitor the developments on the COVID-19 situation closely until the Singapore government's announcement of the step down of the "Disease Outbreak Response System Condition" ("DORSCON") status from 'Orange' to 'Yellow' on 22 April 2022.

In addition to the scheduled Board meetings, Management also provides regular updates on the financial performance, investment and asset management and investor relations matters of FCT to the Chairman and ARCC Chairman during monthly meetings.

The Company Secretary

The Board is supported by the Company Secretary of the Manager ("**Company Secretary**"), who is legally trained and familiar with company secretarial practices, and responsible for administering and executing Board and Board Committee procedures in compliance with the Companies Act 1967 of Singapore, the Manager's Constitution, the Trust Deed and applicable law. The Company Secretary also provides advice and guidance on relevant guidelines, notices, rules and regulations, including disclosure requirements under the SFA, applicable MAS guidelines and notices, the CIS Code and the SGX-ST Listing Manual, as well as corporate governance practices and processes.

The Company Secretary attends all Board and Board Committee meetings and drafts and reviews the minutes of proceedings thereof, and facilitates and acts as a channel of communication for the smooth flow of information to and within the Board and its various Board Committees, as well as between and with senior Management. The Directors have separate and independent access to the Company Secretary, whose responsibilities include supporting and advising the Board on corporate and administrative matters.

The Company Secretary solicits and consolidates Directors' feedback and evaluation, facilitates induction and orientation programmes for new Directors, and assists with Directors' professional development matters. The Company Secretary also acts as the Manager's primary channel of communication with the SGX-ST.

The appointment and removal of the Company Secretary is subject to the approval of the Board.

Training and development of Directors

The NRC is tasked with identifying and developing training programmes for the Board and Board Committees for the Board's approval and ensuring that Directors have the opportunity to develop their skills and knowledge.

Upon appointment, each new Director is issued a formal letter of appointment setting out his or her roles, duties, responsibilities and obligations, including his or her responsibilities as fiduciaries and on the policies relating to conflicts of interest, as well as the expectations of the Manager. An induction and orientation programme is also conducted to provide new appointees with information on the business activities, strategic direction, policies and corporate governance practices of the Manager, as well as their statutory and other duties and responsibilities as Directors. A new Director who has no prior experience as a director of an issuer listed on the SGX-ST must also undergo mandatory training in his or her roles and responsibilities as prescribed by the SGX-ST, unless the NRC is of the view that training is not required because he or she has other relevant experience, in which case the basis of its assessment will be disclosed.

The Directors are kept continually and regularly updated on FCT's business and the regulatory and industry specific environments in which the entities of the Group operate. The Manager sees to it that the Board is regularly updated on new developments in laws and regulations or changes in regulatory requirements and financial reporting standards which are relevant to or may affect the Manager or FCT and such updates may be in writing, by way of briefings held by the Manager's lawyers and external auditors or disseminated by way of presentations and/or handouts. During FY22, the Directors attended briefings and training programmes on, among others, (i) updates to the SGX-ST Listing Manual and Code of Corporate Governance; (ii) SGX and MAS regulatory updates; (iii) updates on MAS Guidelines on Environmental Risk Management and Technology Risk Management Compliance; (iv) sustainability and ESG matters; (v) risk trends, role of board, trends in directors & officers liability and risk mitigation; and (vi) Task Force on Climate-Related Financial Disclosures.

To ensure the Directors have the opportunities to develop their skills and knowledge and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment, and provided with opportunities to develop and maintain their skills and knowledge at the Manager's expense. The Manager maintains a training record to track Directors' attendance at training and professional development courses.

CORPORATE GOVERNANCE REPORT

Directors are encouraged to be members of the Singapore Institute of Directors (“**SID**”) and for them to receive updates and training from SID to stay abreast of relevant developments in financial, legal and regulatory requirements, and relevant business trends.

BOARD COMPOSITION

The following table shows the composition of the Board and the various Board Committees⁽¹⁾:

		Audit, Risk and Compliance Committee	Nominating and Remuneration Committee
Dr Cheong Choong Kong	Chairman, Non-Executive (Independent) Director	•	•
Mr Ho Chai Seng	Non-Executive (Independent) Director	•	• (Chairman)
Mr Ho Chee Hwee Simon	Non-Executive (Non-Independent) Director	•	•
Ms Koh Choon Fah	Non-Executive (Independent) Director	• (Chairman)	•
Mr Low Chee Wah	Non-Executive (Non-Independent) Director		
Ms Soon Su Lin ⁽²⁾	Non-Executive (Non-Independent) Director		

Notes:

(1) Unless otherwise stated, the information provided herein is as of 30 September 2022.

(2) Ms Soon Su Lin was appointed as a non-executive and non-independent Director on 1 March 2022.

Profiles of each of the Directors can be found on pages 16 to 19.

As can be seen from the table above, as at 30 September 2022, all of the Directors are non-executive and at least half of the Board comprises independent Directors.

No alternate directors have been appointed on the Board for FY22. Alternate directors will only be appointed in exceptional circumstances. As the Chairman, Dr Cheong Choong Kong, is a non-executive independent Director, no lead independent director has been appointed.

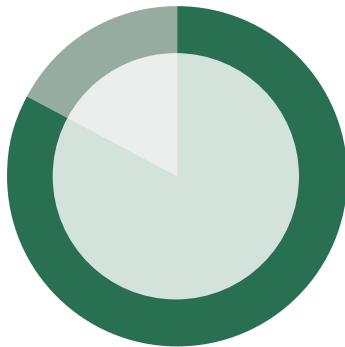
The NRC reviews, on an annual basis, the structure, size and composition of the Board and Board Committees, taking into account the CG Code and the Securities and Futures (Licensing and Conduct of Business) Regulations (“**SFLCB Regulations**”). The NRC has assessed that the current structure, size and composition of the Board and Board Committees are appropriate for the scope and nature of FCT’s and the Manager’s operations. No individual or group dominates the Board’s decision-making process or has unfettered powers of decision-making. The NRC is of the opinion that the Directors with their diverse backgrounds and experience (including banking, finance, accounting and other relevant industry knowledge, entrepreneurial and management experience, and familiarity with regulatory requirements and risk management) provide the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age that avoids groupthink and fosters constructive debate and ensures the effectiveness of the Board and its Board Committees. The Board concurs with the views of the NRC.

Where Directors step down from the Board, cessation announcements providing detailed reason(s) for the cessation are released on SGXNet in compliance with the requirements of the SGX-ST Listing Manual.

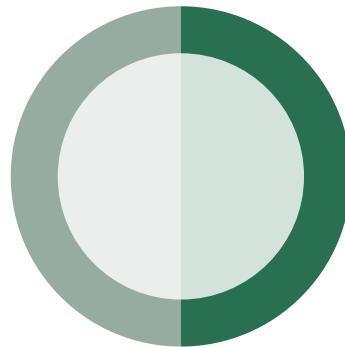
CORPORATE GOVERNANCE REPORT

Board Composition in terms of Age Group, Independence, Tenure and Gender (as at 30 September 2022)

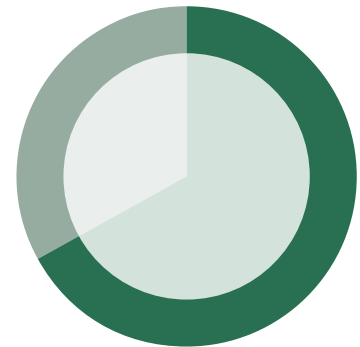
Age Group



Independence



Gender

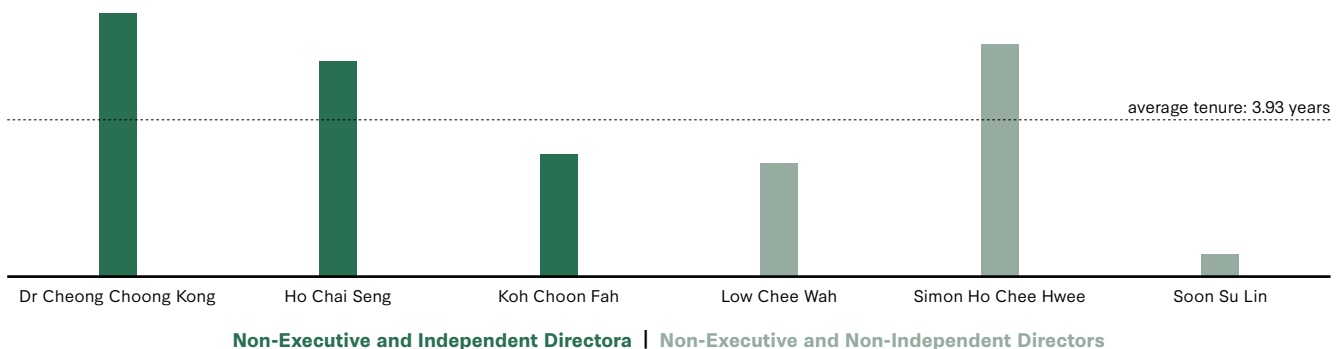


51-65 years old **83%**
66-80 years old **17%**

Non-Executive and Non-Independent Directors **50%**
Non-Executive and Independent Directors **50%**

Male **67%**
Female **33%**

Tenure



Selection, Appointment and Re-appointment of Directors

Under the NRC Terms of Reference, the NRC is tasked with making recommendations to the Board on all Board appointments and re-appointments, taking into account, among other things, the scope and nature of the operations of the Group, the requirements of the business, whether Directors who have multiple board representations are able to carry out and have been carrying out their duties as Directors and whether the Directors have given sufficient time and attention to the affairs of FCT and the Manager.

The process for the selection, appointment and re-appointment of Directors also takes into account the composition and progressive renewal of the Board and Board Committees.

Additionally, as part of the NRC’s review of the composition, and performance evaluation, of the Board and Board Committees (which are done at least annually), the NRC will consider the competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour) of the Directors (including Directors who are to be recommended for re-appointment). In the case of a potential new Director, the NRC will consider the candidate’s experience, education, expertise, judgement, skillset, personal qualities and general and sector specific knowledge in relation to the needs of the Board as well as whether the candidates will add diversity and technological expertise to the Board and whether they are likely to have adequate time to discharge their duties, including attendance at all Board meetings. The NRC will also take into consideration whether a candidate had previously served on the boards of companies with adverse track records or a history of irregularities, and assess whether such past appointments would affect his/her ability to act as a Director of the Manager.

CORPORATE GOVERNANCE REPORT

The NRC considers a range of different channels to source and screen both internal and external candidates for Board appointments, depending on the requirements, including tapping on existing networks and recommendations. External consultants may be retained from time to time, where appropriate, to assist in sourcing, assessing and selecting a broader range of potential internal and external candidates beyond the Board's existing network of contacts. Suitable candidates are carefully evaluated by the NRC so that recommendations made on proposed candidates are objective and well supported.

On an annual basis, the NRC reviews (a) the directorships and principal commitments of each Director, and (b) a framework for Board evaluation to be conducted by an external consultant on the effectiveness of the Board. Through the aforementioned Board evaluation exercise, the Directors assess whether Board members effectively manage his or her directorships and have the time and ability to contribute to the Board.

Instead of prescribing a maximum number of directorships and/or other principal commitments that each Director may have, the NRC adopts a holistic assessment of each Director's individual capacity and circumstances to carry out his or her duties, taking into consideration not only the number of other board and other principal commitments held by each Director, but also the nature and complexity of such commitments. The assessment also takes into consideration Directors' commitment, conduct and contributions (such as meaningful participation, candour and rigorous decision making) at Board meetings, as well as whether the Director's engagement with Management is adequate and effective. In respect of FY22, the NRC is of the view that each Director, including Directors who hold multiple board representations, has been able to effectively discharge his or her duties as a Director of the Manager.

Further details on the Board evaluation exercise are set out under the section "Board Performance Evaluation" on page 141.

Directors are not subject to periodic retirement by rotation. Under its Terms of Reference, the NRC is tasked with reviewing the succession plans for Directors, the Chairman and Key Management Personnel.

Board Diversity Policy

The Board has adopted, with the recommendation of the NRC, a board diversity policy, and has charged the NRC with the task of setting qualitative and measurable quantitative objectives (where appropriate) for achieving board diversity, and reviewing the Manager's progress towards achieving the objectives under the policy. The NRC will monitor and implement this policy, and will take the principles of the policy into consideration when determining the optimal composition of the Board, the appointment and re-appointment of Directors and when recommending any proposed changes to the Board. On the recommendation of the NRC, the Board may set certain measurable objectives and specific diversity targets, with a view to achieving an optimal Board composition, and these objectives and specific diversity targets may be reviewed by the NRC from time to time to ensure their appropriateness. In line with the implementation of the board diversity policy, there has been an increase in the number of female directors on the Board in FY22 as compared to the financial year ended 30 September 2021 and the Manager remains committed to continually implement the board diversity policy and any further progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate.

The Board views diversity at the Board level as an essential element for driving value in decision-making and proactively seeks, as part of its board diversity policy, to maintain an appropriate balance of expertise, skills and attributes among the Directors. This is reflected in the diversity of the composition of the Board, in terms of age, gender, and the backgrounds and competencies of the Directors, whose experience range from banking, finance and accounting, and include relevant industry knowledge, entrepreneurial and management experience, and familiarity with regulatory requirements and risk management. This is beneficial to FCT, the Manager and Management as decisions by, and discussions with, the Board would be enriched by the broad range of views and perspectives and the breadth of experience of the Directors.

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Directors' Independence

The Directors exercise their judgement independently and objectively in the interests of FCT and the Manager. The NRC determines annually, and as and when circumstances require, if a Director is independent based on the rules, guidelines and/or circumstances on director independence as set out in Rule 210(5)(d) of the SGX-ST Listing Manual, Provision 2.1 of the CG Code and the accompanying Practice Guidance, the MAS Guidelines No. SFA04-G07 "Guidelines to all Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management" dated 1 January 2016 and Regulations 13D to 13H of the SFLCB Regulations (collectively, the "**Relevant Regulations**"). The NRC provides its views to the Board for the Board's consideration. Directors are expected to disclose any relationships with the Manager, its related corporations, its substantial shareholders, its officers or the substantial Unitholders of FCT, if any, which may affect their independence, as and when they arise, to the Board.

Each of the Independent Directors complete a declaration of independence annually which is then reviewed by the NRC. Based on the declarations of independence of these Directors, and having regard to the rules, guidelines and circumstances set forth in the Relevant Regulations, the NRC and the Board have determined that for FY22, there are three independent Directors on the Board, namely Dr Cheong Choong Kong, Mr Ho Chai Seng and Ms Koh Choon Fah.

Dr Cheong Choong Kong

As at 30 September 2022, Dr Cheong Choong Kong does not hold other directorships. He has confirmed, *inter alia*, that he:

- (a) is not connected¹ to any substantial shareholder² of the Manager or substantial Unitholder² of FCT and does not have any relationship with the Manager, its related corporations, its substantial shareholders, its officers or the substantial Unitholders of FCT which could interfere with the exercise of his independent judgement as a Director;
- (b) (i) is not employed by the Manager, any of its related corporations or the Trustee for FY22 or any of the past three financial years, and (ii) does not have any immediate family member³ who has been employed by the Manager or any of its related corporations, FCT or any of its related corporations or the Trustee, as an executive officer in any of the past three financial years; and
- (c) in FY22 or the immediate past financial year, (i) has not, and does not have any immediate family member who, received significant payments⁴ or material services from the Manager or any of its subsidiaries, FCT or any of its subsidiaries and/or the Trustee and (ii) was not, and does not have any immediate family member who was (A) a substantial shareholder or substantial Unitholder of, or (B) a partner in (with 5% or more stake), or (C) an executive officer of, or (D) a director of, any organisation to which the Manager or any of its subsidiaries, FCT or any of its subsidiaries or the Trustee received significant payments⁵ or material services (other than Directors' fees).

Having considered the declaration of independence and the Relevant Regulations, the NRC has determined that, Dr Cheong Choong Kong is an independent director as at 30 September 2022.

Mr Ho Chai Seng

As at 30 September 2022, Mr Ho Chai Seng does not hold other directorships. He has confirmed, *inter alia*, that he:

- (a) is not connected¹ to any substantial shareholder² of the Manager or substantial Unitholder² of FCT and does not have any relationship with the Manager, its related corporations, its substantial shareholders, its officers or the substantial Unitholders of FCT which could interfere with the exercise of his independent judgement as a Director;
- (b) (i) is not employed by the Manager, any of its related corporations or the Trustee for FY22 or any of the past three financial years, and (ii) does not have any immediate family member³ who has been employed by the Manager or any of its related corporations, FCT or any of its related corporations or the Trustee, as an executive officer in any of the past three financial years; and

CORPORATE GOVERNANCE REPORT

- (c) in FY22 or the immediate past financial year, (i) has not, and does not have any immediate family member who, received significant payments⁴ or material services from the Manager or any of its subsidiaries, FCT or any of its subsidiaries and/or the Trustee and (ii) was not, and does not have any immediate family member who was (A) a substantial shareholder or substantial Unitholder of, or (B) a partner in (with 5% or more stake), or (C) an executive officer of, or (D) a director of, any organisation to which the Manager or any of its subsidiaries, FCT or any of its subsidiaries or the Trustee received significant payments⁵ or material services (other than Directors' fees).

Having considered the declaration of independence and the Relevant Regulations, the NRC has determined that Mr Ho Chai Seng is an independent director as at 30 September 2022.

Ms Koh Choon Fah

As at 30 September 2022, Ms Koh Choon Fah is a director of the following companies:

- Edmund Tie Holdings Pte. Ltd.;
- New Horizon Holdings Pte. Ltd.;
- CPG Corporation Pte Ltd; and
- GLP REIT Management Pte. Ltd.

She has confirmed, *inter alia*, that she:

- (a) is not connected¹ to any substantial shareholder² of the Manager or substantial Unitholder² of FCT and, save as set out in note (2) on page 140, does not have any relationship with the Manager, its related corporations, its substantial shareholders, its officers or the substantial Unitholders of FCT which could interfere with the exercise of her independent judgement as a Director;
- (b) (i) is not employed by the Manager, any of its related corporations or the Trustee for FY22 or any of the past three financial years, and (ii) does not have any immediate family member³ who has been employed by the Manager or any of its related corporations, FCT or any of its related corporations or the Trustee, as an executive officer in any of the past three financial years; and
- (c) in FY22 or the immediate past financial year, (i) has not, and does not have any immediate family member who, received significant payments⁴ or material services from the Manager or any of its subsidiaries, FCT or any of its subsidiaries and/or the Trustee and (ii) was not, and does not have any immediate family member who was a substantial shareholder or substantial Unitholder of, or (B) a partner in (with 5% or more stake), or (C) an executive officer of, or (D) a director of, any entity to which the Manager or any of its subsidiaries, FCT or any of its subsidiaries or the Trustee received significant payments⁵ or material services (other than Directors' fees).

Having considered the declaration of independence and the Relevant Regulations, the NRC had determined that, notwithstanding the circumstances set out in note (2) on page 140, Ms Koh Choon Fah is an independent director as at 30 September 2022.

Notes:

- (1) A Director is "connected" to a substantial shareholder of the Manager or substantial Unitholder if:
- (a) in the case where the substantial shareholder or substantial Unitholder is an individual, he/she is:
- (i) a member of the immediate family of the substantial shareholder or substantial Unitholder;
 - (ii) employed by the substantial shareholder or substantial Unitholder;
 - (iii) a partner of a firm or a limited liability partnership of which the substantial shareholder or substantial Unitholder is also a partner; or
 - (iv) accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder or substantial Unitholder; or
- (b) in the case where the substantial shareholder or substantial Unitholder is a corporation, he/she is:
- (i) employed by the substantial shareholder or substantial Unitholder;
 - (ii) employed by a related corporation or associated corporation of the substantial shareholder or substantial Unitholder;
 - (iii) a director of the substantial shareholder or substantial Unitholder;
 - (iv) a director of a related corporation or associated corporation of the substantial shareholder or substantial Unitholder;
 - (v) a partner of a firm or a limited liability partnership of which the substantial shareholder or substantial Unitholder is also a partner; or
 - (vi) accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder or substantial Unitholder.

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- (2) “**substantial shareholder**” and “**substantial Unitholder**” refers to a shareholder or Unitholder holding not less than 5% of the total votes or units attached to all voting shares or units in the Manager or FCT, respectively.
- (3) “**immediate family**” in relation to an individual, means the individual’s spouse, son, adopted son, step-son, daughter, adopted daughter, step-daughter, father, step-father, mother, step-mother, brother, step-brother, sister or step-sister.
- (4) As a guide, payments aggregated over any financial year in excess of S\$50,000 would generally be deemed as significant. The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material.
- (5) As a guide, payments aggregated over any financial year in excess of S\$200,000 would generally be deemed as significant irrespective of whether they constitute a significant portion of the revenue of the organisation in question. The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material.

The Board has considered the relevant requirements under the SFLCB Regulations and its views in respect of the independence of each Director for FY22 are as follows:

The Director:	Dr Cheong Choong Kong	Mr Ho Chee Hwee Simon ⁽¹⁾	Mr Ho Chai Seng	Ms Koh Choon Fah ⁽²⁾	Mr Low Chee Wah ⁽³⁾	Ms Soon Su Lin ⁽⁴⁾
(i) had been independent from the management of the Manager and FCT during FY22	✓	✓	✓	✓		
(ii) had been independent from any business relationship with the Manager and FCT during FY22	✓		✓		✓	✓
(iii) had been independent from every substantial shareholder of the Manager and every substantial Unitholder during FY22	✓		✓	✓		
(iv) had not been a substantial shareholder of the Manager or a substantial Unitholder during FY22	✓	✓	✓	✓	✓	✓
(v) has not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY22	✓	✓	✓	✓	✓	✓

Notes:

- (1) Mr Ho Chee Hwee Simon was appointed as (a) the vice-chairman of the board of Frasers Hospitality International Pte. Ltd., a subsidiary of FPL; and (b) an advisor to FPL (collectively referred to as the “**Prior Appointments**”) on 16 July 2018, and receives director’s fees amounting to S\$75,000 per year and advisor’s fees amounting to S\$175,000 per year respectively. During FY22, Mr Ho Chee Hwee Simon received an additional payment of S\$100,000 in connection with his appointment as advisor to FPL.

Mr Ho Chee Hwee Simon was appointed as a director of Frasers Property (Singapore) Pte. Ltd. (“**FPS**”), a subsidiary of FPL, on 1 November 2019 (the “**FPS Appointment**”) and in conjunction with the FPS Appointment, Mr Ho Chee Hwee Simon was also appointed as the chairman of the Retail Management Committee of FPL. In connection with the FPS Appointment, Mr Ho Chee Hwee Simon receives director’s fees of S\$75,000 per year.

The total fees that Mr Ho Chee Hwee Simon will be receiving in connection with the Prior Appointments and the FPS Appointment for FY22 amounts to S\$425,000.

FPL wholly-owns the Manager and is a substantial Unitholder. Pursuant to the SFLCB Regulations, during FY22, Mr Ho Chee Hwee Simon is deemed to (i) have a business relationship with the Manager and FCT; and (ii) be connected to a substantial shareholder of the Manager and a substantial Unitholder.

The Board of the Manager is satisfied that, as at 30 September 2022, Mr Ho Chee Hwee Simon was able to act in the best interests of all Unitholders as a whole. As at 30 September 2022, Mr Ho Chee Hwee Simon was able to act in the best interests of all Unitholders as a whole.

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- (2) Ms Koh Choon Fah is a director and a shareholder of New Horizon Holdings Pte Ltd ("**New Horizon**"), holding a 20% shareholding interest in New Horizon. New Horizon holds 28.68% of Edmund Tie Holdings Pte. Ltd., which in turn holds 100% of Edmund Tie & Company (SEA) Pte. Ltd. ("**ETCSEA**"). Ms Koh thereby has an approximately 5.736% effective shareholding interest in ETCSEA. Ms Koh was the executive director and chief executive officer of ETCSEA (the "**ETCSEA Appointments**") until 31 March 2021 and 30 June 2021 respectively.

ETCSEA has been appointed by related corporations of the Manager, being other entities within the FPL group ("**FPL Group**") in the current and immediately preceding financial year, to provide services, including property valuation, property tax consultancy and marketing services and received fees therefor (the "**ETCSEA Fees**"). These services fall within the categories of business relationships set out in Regulation 13G of the SFLCB Regulations. Pursuant to the SFLCB Regulations, during FY22, Ms Koh Choon Fah is deemed to have a business relationship with the Manager and FCT.

Nonetheless, taking into consideration that the fees paid previously to ETCSEA have been made on an arm's length basis following assessment and determination carried out independently by the management teams of the relevant FPL Group entities based on objective criteria, including competence, service level and/or competitiveness of pricing and the declaration of independence by Ms Koh Choon Fah, the Board of the Manager is satisfied that the appointment of ETCSEA by entities of the FPL Group and the payment of ETCSEA Fees in respect thereof do not affect her continued ability to exercise strong objective judgement and be independent in conduct and character (in particular, in the expression of her views and in her participation in the deliberations and decision-making of the Board and Board Committees of which she is a member), acting in the best interests of all Unitholders as a whole.

As a measure by the Manager to mitigate potential conflicts of interest, FCT will not consider ETCSEA for the provision of valuation services for any acquisition or disposal of retail assets by FCT or for any existing assets of FCT. For all other services, if ETCSEA is assessed and determined to be the most suitable based on objective criteria, including competence, service level and/or competitiveness of pricing, and FCT is considering to engage ETCSEA, Ms Koh Choon Fah will abstain from voting on any proposal for such engagement. Further, following the cessation of the ETCSEA Appointments, even though Ms Koh continues to have an approximately 5.736% effective shareholding interest in ETCSEA, she is no longer involved in the running of the business of, or the provision of services by, ETCSEA.

The Board of the Manager is satisfied that, as at 30 September 2022, Ms Koh Choon Fah was able to act in the best interests of all Unitholders as a whole. As at 30 September 2022, Ms Koh Choon Fah was able to act in the best interests of all Unitholders as a whole.

- (3) Mr Low Chee Wah is currently employed by a related corporation of the Manager and is a director of various subsidiaries/associated companies of FPL, which wholly owns the Manager and is a substantial Unitholder. As such, during FY22, he is deemed (i) to have a management relationship with the Manager and FCT; and (ii) connected to a substantial shareholder of the Manager and substantial Unitholder. The Board of the Manager is satisfied that, as at 30 September 2022, Mr Low Chee Wah was able to act in the best interests of all Unitholders as a whole. As at 30 September 2022, Mr Low Chee Wah was able to act in the best interests of all Unitholders as a whole.
- (4) Ms Soon Su Lin is currently employed by a related corporation of the Manager and is a director of various subsidiaries/associated companies of FPL, which wholly owns the Manager and is a substantial Unitholder. As such, during FY22, she is deemed (i) to have a management relationship with the Manager and FCT; and (ii) connected to a substantial shareholder of the Manager and substantial Unitholder. The Board of the Manager is satisfied that, as at 30 September 2022, Ms Soon Su Lin was able to act in the best interests of all Unitholders as a whole. As at 30 September 2022, Ms Soon Su Lin was able to act in the best interests of all Unitholders as a whole.

The independent Directors lead the way in upholding good corporate governance at the Board level and their presence facilitates the exercise of objective independent judgement on corporate affairs. Their participation and input also ensure that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into account the long-term interests of FCT and its Unitholders. As of 30 September 2022, none of the independent Directors have served on the Board for a continuous period of nine years or longer. Board renewal is a continuing process where the appropriate composition of the Board is continually under review. In this regard, the tenure of each independent Director is monitored so that the process for board renewal is commenced ahead of any independent Director reaching the nine-year mark to facilitate a smooth transition and to ensure that the Board continues to have an appropriate balance of independence. To this end, the NRC is tasked with undertaking the process of reviewing, considering and recommending any changes to the composition of the Board, where appropriate, taking into account the requirements to be met by independent Directors including the SFLCB Regulations.

As at least half of the Board comprises independent Directors, the Manager will not be subjecting any appointment or re-appointment of Directors to voting by Unitholders under Regulation 13D of the SFLCB Regulations. The Chairman is presently an independent Director.

Conflict of Interest

The Board has in place clear procedures for dealing with conflicts of interest. To address and manage possible conflicts of interest (including in relation to Directors, officers and employees) that may arise in managing FCT, the Manager has put in place procedures which, among other things, specify that: (a) the Manager shall be dedicated to the management of FCT and will not directly or indirectly manage other REITs; (b) all executive officers of the Manager will be employed by the Manager; (c) all resolutions in writing of the Directors in relation to matters concerning FCT must be approved by a majority of the Directors, including at least one independent Director; (d) at least one-third of the Board shall comprise independent Directors; (e) on matters where FPL and/or its subsidiaries have an interest (directly or indirectly), Directors nominated by FPL and/or its subsidiaries shall abstain from voting. On such matters, the quorum must comprise a majority of independent Directors and must exclude nominee Directors of FPL and/or its subsidiaries; and (f) an interested Director is required to disclose his interest in any proposed transaction with FCT, to recuse himself or herself from meetings and/or discussions (or relevant segments thereof), and is required to abstain from voting on resolutions approving the transaction.

CORPORATE GOVERNANCE REPORT

The Manager does not have a practice of extending loans to Directors, and as at 30 September 2022, there were no loans granted by the Manager to Directors. If there are such loans, the Manager will comply with its obligations under the Companies Act 1967 of Singapore in relation to loans, quasi-loans, credit transactions and related arrangements to Directors.

Board Performance Evaluation

The NRC is tasked with making recommendations to the Board on the process and objective performance criteria for evaluation of the performance of the Board as a whole, the Board Committees and the individual Directors.

The Board, with the recommendation of the NRC, has approved the objective performance criteria and implemented a formal process for assessing the effectiveness of the Board as a whole and its Board Committees separately, and the contribution by the Chairman and each individual Director to the effectiveness of the Board, on an annual basis. The objective performance criteria are not typically changed from year to year.

In relation to FY21, the outcome of the evaluation was generally affirmative across the evaluation categories. Based on the NRC's review, the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

For FY22, an independent external consultant, Aon Solutions Singapore Pte. Ltd. ("**Aon**"), has been appointed to facilitate the process of conducting a Board evaluation survey. The external consultant has no connection with the Manager or FCT or any of the Directors.

Each Director is required to complete a Board evaluation questionnaire, a Board Committee evaluation questionnaire and an individual Director self-evaluation questionnaire (the "**Questionnaires**"). The Questionnaires have been designed to provide an evaluation of the current effectiveness of the Board and to support the Chairman and the Board in proactively considering what can enhance the readiness of the Board to address emerging strategic priorities for FCT as a whole. The external consultant will facilitate the sending of questionnaires to all Directors, and one-to-one interviews are conducted selectively on a rotational basis, to obtain Directors' feedback.

The objective performance criteria covered in the Board evaluation exercise relate to the following key segments:

(1) Board composition (balance of skills, experience, independence, knowledge of the company, and diversity); (2) management of information flow; (3) Board processes (including Board practices and conduct); (4) Board's consideration of ESG aspects; (5) Board strategy and priorities; (6) Board's value-add to, and management of the performance of the Manager and FCT; (7) development and succession planning of executives; (8) development and training of Directors; (9) oversight of risk management and internal controls; and (10) the effectiveness of the Board Committees. The individual Director self-evaluation questionnaire aims to assess whether each Director is willing and able to constructively challenge and contribute effectively to the Board, and demonstrate commitment to his or her roles on the Board and Board Committees (if any).

The responses to the Questionnaires and interview(s), if any for that particular financial year, are summarised by the external consultant and its report submitted to the NRC. To provide a greater level of objectivity in the evaluation process, the report also includes peer comparisons and third-party benchmarking of the results to the evaluation. Findings and recommendations of the external consultant which include feedback from Directors would be taken into consideration and any necessary follow-up actions would be undertaken with a view to improving the overall effectiveness of the Board in fulfilling its role and meeting its responsibilities to Unitholders. The Chairman will, where necessary, provide feedback to the Directors with a view to improving Board performance and, where appropriate, propose changes to the composition of the Board.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

The remuneration of the staff of the Manager and Directors' fees are paid by the Manager from the management fees it receives from FCT, and not by FCT. With the recommendations of the NRC, the Board has put in place a formal and transparent process for developing policies on remuneration of Directors and Key Management Personnel and for fixing the remuneration packages of individual Directors and Key Management Personnel.

Compensation Philosophy

The Manager seeks to incentivise and reward consistent and sustained performance through market competitive, internally equitable and performance-orientated compensation programmes which are aligned with Unitholders' interests. This compensation philosophy serves as the foundation for the Manager's remuneration framework, and guides the Manager's remuneration framework and strategies. In addition, the Manager's compensation philosophy seeks to align the aspirations and interests of its employees with the interests of FCT and its Unitholders, resulting in the sharing of rewards for both employees and Unitholders on a sustained basis. The Manager's compensation philosophy serves to attract, retain and motivate employees. The Manager aims to connect employees' desire to develop and fulfil their aspirations with the growth opportunities afforded by the Manager's strategic vision and corporate initiatives.

Compensation Principles

All compensation programme design, determination and administration are guided by the following principles:

(a) Pay-for-Performance

The Manager's Pay-for-Performance principle encourages excellence, in a manner consistent with the Manager's core values. The Manager takes a total compensation approach, which recognises the value and responsibility of each role, and differentiates and rewards performance through its incentive plans.

(b) Unitholder Returns

Performance measures for incentives are established to drive initiatives and activities that are aligned with both short-term value creation and long-term Unitholder wealth creation, thus ensuring a focus on delivering Unitholder returns.

(c) Sustainable Performance

The Manager believes sustained success depends on the balanced pursuit and consistent achievement of short-term and long-term goals. Hence, variable incentives incorporate a significant pay-at-risk element to align employees with sustainable performance for the Manager.

(d) Market Competitiveness

The Manager aims to be market competitive by benchmarking its compensation levels with relevant comparators accordingly. However, the Manager embraces a holistic view of employee engagement that extends beyond monetary rewards. Recognising each individual as unique, the Manager seeks to motivate and develop employees through all the levers available to the Manager through its comprehensive human capital platform.

Engagement of External Consultants

The NRC may from time to time, and where necessary or required, engage external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management. Among other things, this helps the Manager to stay competitive in its remuneration packages. During FY22, Aon was appointed as the Manager's remuneration consultant. The remuneration consultant does not have any relationship with FCT, the Manager, its controlling shareholders, its related entities and/or its Directors which would affect its independence and objectivity.

CORPORATE GOVERNANCE REPORT

Remuneration Framework

The NRC reviews and makes recommendations to the Board on the remuneration framework for the independent Directors and other non-executive Directors and the Key Management Personnel. The remuneration framework is endorsed by the Board.

The remuneration framework covers all aspects of remuneration including salaries, allowances, performance bonuses, benefits-in-kind, termination terms and payments, grant of awards of units of FCT ("**Units**") and incentives for the Key Management Personnel and fees for the independent Directors and other non-executive Directors, and the NRC considers all such aspects of remuneration to ensure they are fair and avoids rewarding poor performance.

The remuneration framework is tailored to the specific role and circumstances of each Director and Key Management Personnel, to ensure an appropriate remuneration level and mix that recognises the performance, potential and responsibilities of these individuals, as applicable.

Remuneration Policy in respect of Management and other employees

The NRC reviews the level, structure and mix of remuneration and benefits policies and practices (where appropriate) of the Manager, to ensure that they are appropriate and proportionate to the sustained performance and value creation of FCT and the Manager, taking into account the strategic objectives of FCT and the Manager, and designed to attract, retain and motivate the Key Management Personnel to successfully manage FCT and the Manager for the long term. The NRC takes into account all aspects of remuneration, including termination terms, to ensure that they are fair.

The remuneration framework comprises fixed and variable components, which include short-term and long-term incentives. When conducting its review of the remuneration, the NRC takes into account the performance of FCT and individual performance. The performance of FCT is measured based on pre-set financial and non-financial indicators. Individual performance is measured via the employee's annual appraisal based on indicators such as core values, competencies and key performance indicators.

Fixed Component

The fixed component in the Manager's remuneration framework is structured to remunerate employees for the roles they perform, and is benchmarked against relevant industry market data. It comprises base salary, fixed allowances and any statutory contribution. The base salary and fixed allowances for Key Management Personnel are reviewed annually by the NRC and approved by the Board.

Variable Component

A significant and appropriate proportion of the remuneration of key executives of the Manager comprises a variable component which is structured so as to link rewards to corporate and individual performance and incentivise sustained performance in both the short and long term. The variable incentives are measured based on quantitative and qualitative targets, and overall performance will be determined at the end of the year and approved by the NRC. The performance targets are measurable, appropriate and meaningful so that they incentivise the right behaviour in a manner consistent with the Group's core values. For individuals in control functions, performance targets are principally based on the achievement of the objectives of their functions.

1. Short-Term Incentive Plans

The short-term incentive plans ("**STI Plans**") aim to incentivise excellence in performance in the short term. All Key Management Personnel's performance are assessed through either a balanced scorecard or annual performance review with pre-agreed financial and non-financial key performance indicators ("**KPIs**"). The financial KPIs are based on the performance of FCT. Non-financial KPIs may include measures on Culture & People, Business Growth, Digitalisation, Data & Innovation and Sustainability or specified projects. The sustainability performance indicator includes areas such as asset and entity level ESG benchmarking, green finance and skills and leadership. These targets are established at the beginning of each financial year. At the end of the financial year, the achievements are measured against the pre-agreed targets and the short-term incentives of each Key Management Personnel are determined.

The NRC recommends the final short-term incentives that are awarded to Key Management Personnel for the Board's approval, taking into consideration any other relevant circumstances.

CORPORATE GOVERNANCE REPORT

2. Long-Term Incentive Plans

The NRC administers the Manager's long-term incentive plan, namely, the RUP. The RUP was approved by the Board and subsequently adopted by Unitholders on 8 December 2017. Through the RUP, the Manager seeks to foster a greater ownership culture within the Manager by aligning more directly the interests of senior executives (including the CEO) with the interests of Unitholders and other stakeholders, and for such employees to participate and share in FCT's growth and success, thereby ensuring alignment with sustainable value creation for Unitholders over the long term.

The RUP is available to selected senior executives of the Manager. Its objectives are to increase the Manager's flexibility and effectiveness in its continuing efforts to attract, retain and motivate talented senior executives and to reward these executives for the future performance of FCT and the Manager.

Under the RUP, the Manager grants Unit-based awards ("**Initial Awards**") with pre-determined performance targets being set at the beginning of the performance period. The NRC recommends the Initial Awards granted to Key Management Personnel to the Board for approval, taking into consideration the Key Management Personnel's individual performance. The performance period for the RUP is one year. The pre-set targets are net property income and distribution per Unit. Such performance conditions are generally performance indicators that are key drivers of business performance, Unitholder value creation and aligned to FCT's business objectives.

The RUP awards represent the right to receive fully paid Units, their equivalent cash value or a combination thereof, free of charge, provided certain prescribed performance conditions are met. The final number of Units to be released ("**Final Awards**") will depend on the achievement of the pre-determined targets at the end of the performance period. If such targets are exceeded, more Units than the Initial Awards may be delivered, subject to a maximum multiplier of the Initial Awards. The Final Awards will vest to the participants in three tranches over two years after a one-year performance period. The obligation to deliver the Units is expected to be satisfied out of the Units held by the Manager.

The NRC has absolute discretion to decide on the Final Awards, taking into consideration any other relevant circumstances.

Approach to Remuneration of Key Management Personnel

The Manager advocates a performance-based remuneration system that is highly flexible and responsive to the market, and that is structured so as to link a significant and appropriate proportion of remuneration to FCT's performance and that of the individual.

In designing the compensation structure, the NRC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between current versus long-term compensation and between cash versus equity incentive compensation.

Executives who have a greater ability to influence outcomes within the Manager have a greater proportion of overall reward at risk. The NRC exercises broad discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with interests of Unitholders and other stakeholders and promote the long-term success of FCT, and appropriate to attract, retain and motivate Key Management Personnel to successfully manage FCT for the long term.

CORPORATE GOVERNANCE REPORT

Performance Indicators for Key Management Personnel

As set out above, the Manager's variable remuneration comprises short-term and long-term incentives, taking into account both FCT's and individual performance. This is to ensure employee remuneration is linked to performance. In determining the short-term incentives, both FCT's financial and non-financial performance as per the balanced scorecard are taken into consideration. The performance targets align the interests of the Key Management Personnel with the long-term growth and performance of FCT and the Manager. The financial performance indicators on which the Key Management Personnel are evaluated comprise (a) FCT's net property income, (b) distribution per Unit, (c) FCT's price-to-book value (against a peer group), (d) Manager's profit before interest and tax, and (e) divestment of non-core assets. These performance indicators are quantitative and are objective measures of FCT's performance. The non-financial performance indicators on which the Key Management Personnel are evaluated include (i) Culture & People, (ii) Business Growth, (iii) Digitalisation, Data & Innovation and (iv) Sustainability. The sustainability performance indicator includes areas such as asset and entity level ESG benchmarking, green finance and skills and leadership. These qualitative performance indicators will align the Key Management Personnel's performance with FCT's strategic objectives.

In relation to long-term incentives, the Manager has implemented the RUP with effect from the financial year ended 30 September 2018 as set out above. The release of long-term incentive awards to Key Management Personnel are conditional upon the performance targets being met. The performance targets of the KPIs align the interests of the Key Management Personnel with the long-term growth and performance of FCT. In FY22, the pre-determined target performance levels for the RUP grant were met.

Currently, the Manager does not have claw-back provisions which allow it to reclaim incentive components of remuneration from its Key Management Personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss.

Remuneration Packages of Key Management Personnel

The NRC reviews and makes recommendations on the specific remuneration packages and service terms for the Key Management Personnel for endorsement by the Board, which is ultimately accountable for all remuneration decisions relating to the Key Management Personnel. The NRC will review the short-term and long-term incentives in the Key Management Personnel's remuneration package to ensure its compliance with the substance and spirit of the directions and guidelines from the MAS.

No Director or Key Management Personnel is involved in deciding his or her remuneration.

The NRC aligns the CEO's leadership, through appropriate remuneration and benefit policies, with FCT's and the Manager's strategic objectives and key challenges. Performance targets are also set for the CEO and his performance is evaluated yearly.

Remuneration Policy in respect of Non-Executive Directors

The remuneration of non-executive Directors has been designed to be appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities, on the Board and Board Committees, and to attract, retain and motivate the Directors to provide good stewardship of FCT to successfully manage FCT for the long term.

Non-executive Directors do not receive bonuses, options or Unit-based incentives and awards. Directors' fees are paid in cash and not in the form of Units.

The Manager engages consultants to review Directors' fees by benchmarking such fees against the amounts paid by listed industry peers. Each non-executive Director's remuneration comprises a basic fee and attendance fees for attending Board and Board Committee meetings. In addition, non-executive Directors who perform additional services in Board Committees are paid an additional fee for such services. The chairman of each Board Committee is also paid a higher fee compared with the members of the respective Board Committees in view of the greater responsibility carried by that office.

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The Manager's Board fee structure during FY22 is set out below.

	Basic Fee per annum (S\$)	Attendance Fee per meeting ⁽¹⁾ (for physical attendance in Singapore) (S\$)	Attendance Fee (for physical attendance outside Singapore (excluding home country of Director)) (S\$)	Attendance Fee per meeting (for attendance via tele/video conference) (S\$)
Board				
- Chairman	90,000	3,000	4,500	1,000
- Member	45,000	1,500	4,500	1,000
Audit, Risk and Compliance Committee				
- Chairman	40,000	3,000	4,500	1,000
- Member	20,000	1,500	4,500	1,000
Nominating and Remuneration Committee				
- Chairman	12,000	3,000	4,500	1,000
- Member	6,000	1,500	4,500	1,000

Notes:

(1) The attendance fee applies for attendance in person in Singapore.

Disclosure of Remuneration of Directors and Key Executives of the Manager

Information on the remuneration of Directors and key executives of the Manager for FY22 is set out below.

Directors of the Manager	Remuneration S\$ ^(*)
Dr Cheong Choong Kong	138,500.00
Mr Ho Chai Seng	98,000.00
Mr Ho Chee Hwee Simon	90,500.00 ⁽¹⁾
Ms Koh Choon Fah	113,500.00
Mr Low Chee Wah ⁽²⁾	56,000.00
Ms Soon Su Lin ⁽³⁾	34,250.00
Mr Christopher Tang Kok Kai ⁽⁴⁾	16,750.00

Notes:

- (1) Excludes S\$75,000 and S\$175,000 being payment of director's fees and advisor's fees respectively for the Prior Appointments, the additional payment of S\$100,000 in FY22 in connection with his appointment as advisor to FPL and S\$75,000 being payment of director's fees for the FPS Appointment, from FPL Group (excluding the Manager).
- (2) Director's fees for Mr Low Chee Wah are paid to Frasers Property Corporate Services Pte. Ltd.
- (3) Director's fees for Ms Soon Su Lin are paid to Frasers Property Corporate Services Pte. Ltd.
- (4) Excludes S\$54,000 being payment of advisor's fees for the period from 1 October 2021 to 31 December 2021 in relation to his appointment as advisor to FPL with effect from 1 January 2020. The advisor's fees are pro-rated based on an annual amount of S\$216,000, and paid by FPL Group (excluding the Manager). Mr Christopher Tang Kok Kai retired as a Director and a member of the NRC on 1 January 2022.

CORPORATE GOVERNANCE REPORT

Remuneration of CEO for FY22	Salary %	Bonus %	Allowances and Benefits %	Long-Term Incentives %	Total %
Between S\$750,001 to S\$1,000,000					
Mr Richard Ng	46	26	4	24	100

Remuneration of key executives of the Manager ⁽¹⁾ (excluding CEO) for FY22	Salary %	Bonus %	Allowances and Benefits %	Long-Term Incentives %	Total %
Ms Tan Loo Ming Audrey					
Ms Pauline Lim	50 ⁽²⁾	17 ⁽²⁾	5 ⁽²⁾	28 ⁽²⁾	100
Mr Chen Fung Leng					
Aggregate Total Remuneration (excluding CEO)			S\$1,443,556		

Notes:

- (1) At present, the Manager has three key executives (excluding the CEO). They are the CFO and the division heads of the Manager and they are listed in this table.
- (2) Derived based on the aggregation of the respective remuneration components of each of the key executives of the Manager (excluding the CEO) and represented as percentages against the total remuneration for these key executives.

There are no existing or proposed service agreements entered into or to be entered into by the Manager or any of its subsidiaries with Directors or Key Management Personnel which provide for compensation in the form of stock options, or pension, retirement or other similar benefits, or other benefits, upon termination of employment.

Pursuant to the MAS Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (Notice No: SFA4-N14), REIT managers are required to disclose the remuneration of the CEO and each individual Director on a named basis, and the remuneration of at least the top five executive officers (which shall not include the CEO and executive officers who are Directors), on a named basis, in bands of S\$250,000. The REIT manager may provide an explanation if it does not wish to or is unable to comply with such requirement. The Manager has decided (a) to disclose the CEO's remuneration in bands of S\$250,000 (instead of on a quantum basis), (b) not to disclose the remuneration of the other key executives of the Manager in bands of S\$250,000 and (c) to disclose the aggregate remuneration of all key executives of the Manager (excluding the CEO), for the following reasons:

- (i) given the competitive business environment which FCT operates in, the Manager faces significant competition for talent in the REIT management sector and the Manager has not disclosed the exact remuneration of the key executives (including the CEO) so as to minimise potential staff movement and undue disruption to its management team which would be prejudicial to the interests of Unitholders;
- (ii) the composition of the current management team has been stable and to ensure the continuity of business and operations of FCT, it is important that the Manager continues to retain its team of competent and committed staff;
- (iii) it is important for the Manager to ensure stability and continuity of their business by retaining a competent and experienced management team and being able to attract talented staff and disclosure of the remuneration of the CEO and the other key executives could make it difficult to retain and attract talented staff on a long-term basis;
- (iv) due to the confidentiality and sensitivity of staff remuneration matters, the Manager is of the view that such disclosure could be prejudicial to the interests of Unitholders; and
- (v) the remuneration of the CEO and the other key executives of the Manager are paid by the Manager and there is full disclosure of the total amount of fees paid to the Manager set out at pages 169, 213 and 234 to 235 of this Annual Report.

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While the disclosure of the exact quantum of the remuneration of the CEO and the requisite remuneration band for each of the other key executives (who are not also Directors or the CEO) would be in full compliance with Provision 8.1 of the CG Code, taking into account the reasons why such disclosure would be prejudicial to the interests of Unitholders and that the Manager has disclosed the remuneration policies, composition of remuneration, appraisal process and performance metrics which go towards determination of the performance bonus of the CEO and other key executives, the Board has determined that despite the partial deviation from Provision 8.1 of the CG Code, there is sufficient transparency on the Manager's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation which are consistent with the intent of Principle 8 of the CG Code.

As at 30 September 2022, there are no employees within the Manager who is a substantial Unitholder or who is an immediate family member of a Director, the CEO or a substantial Unitholder.

FINANCIAL PERFORMANCE, REPORTING AND AUDIT

The Board, with the support of Management, is responsible for providing a balanced and understandable assessment of FCT's performance, position and prospects. Financial reports are provided to the Board on a quarterly basis and monthly accounts are made available to the Directors on request.

The Manager prepares the financial statements of FCT in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the CIS Code issued by the MAS, SGX-ST Listing Manual, Singapore Financial Reporting Standards (International), and the provisions of the Trust Deed.

The Board releases FCT's half-yearly and full year financial results. The Manager also provides business updates to Unitholders for the first and third quarter performance of FCT. The Board also provides Unitholders with relevant business updates, other price or trade sensitive information and material corporate developments through announcements to the SGX-ST and FCT's website.

External Audit

The ARCC conducts an assessment of the external auditors, and recommends its appointment, re-appointment or removal to the Board. The assessment is based on factors such as the performance and quality of its audit, the cost effectiveness and the independence and objectivity of the external auditors. The ARCC also makes recommendations to the Board on the remuneration and terms of engagement of the external auditors.

At the annual general meeting ("**AGM**") held on 18 January 2022, KPMG LLP was re-appointed by Unitholders as the external auditors of FCT until the conclusion of the next AGM. Pursuant to the requirements of the SGX-ST, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. The KPMG LLP audit partner in charge of the annual audit for the Group for FY22 is in charge of the annual audit for the second time.

During FY22, the ARCC conducted a review of the scope, quality, results and performance of audit by the external auditors and its cost effectiveness, as well as the independence and objectivity of the external auditors. It also reviewed all non-audit services provided by the external auditors during the financial period, and the aggregate amount of fees paid to them for such services. Details of fees paid or payable to the external auditors in respect of audit and non-audit services for FY22 are set out in the table below:

Fees relating to external auditors for FY22	S\$'000
For audit and audit-related services	334.9
For non-audit services	223.3
Total	558.2

CORPORATE GOVERNANCE REPORT

The ARCC has conducted a review of all non-audit services provided by KPMG LLP during the financial period. The ARCC is satisfied that given the nature and extent of non-audit services provided and the fees for such services, neither the independence nor the objectivity of KPMG LLP is put at risk. KPMG LLP attended the ARCC meetings held every quarter for FY22, and where appropriate, has met with the ARCC without the presence of Management to discuss their findings, if any.

The Manager, on behalf of FCT, confirms that FCT has complied with Rule 712 of the SGX-ST Listing Manual which requires, amongst others, that a suitable auditing firm should be appointed by FCT having regard to certain factors. FCT has also complied with Rule 715 of the SGX-ST Listing Manual which requires that the same auditing firm of FCT based in Singapore audits its Singapore-incorporated subsidiaries and significant associated companies, and that a suitable auditing firm be engaged for its significant foreign-incorporated subsidiaries and associated companies.

In the review of the financial statements for FY22, the ARCC discussed the following key audit matters identified by the external auditors with Management:

Key Audit Matters	How this issue was addressed by the ARCC
Valuation of investment properties	<p>The ARCC considered the methodologies and key assumptions applied by the valuers in arriving at the valuation of the properties.</p> <p>The ARCC reviewed the outputs from the financial year-end valuation process of the Group's investment properties and discussed the details of the valuation with Management, focusing on significant changes in fair value measurements and key drivers of the changes.</p> <p>The ARCC was satisfied with the valuation process, the methodologies used and the valuation for investment properties as adopted as at 30 September 2022.</p>

GOVERNANCE OF RISK AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls.

Enterprise Risk Management and Risk Tolerance

The Manager has established a sound system of risk management and internal controls comprising procedures and processes to safeguard FCT's assets and the interests of FCT and its Unitholders. The ARCC reviews and reports to the Board on the adequacy and effectiveness of such controls, including financial, operational, compliance and information technology controls, and risk management procedures and systems, taking into consideration the recommendations of both internal and external auditors.

Internal Controls

The ARCC, through the assistance of internal and external auditors, reviews and reports to the Board on the adequacy and effectiveness of the Manager's system of controls, including financial, operational, compliance and information technology controls. In assessing the effectiveness of internal controls, the ARCC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors (if any) in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

The ARCC and the Board have been monitoring the rising interest rates, cost inflation pressures and global geopolitical tensions, as well as the development of the new strain of the COVID-19 (XBB sub-variant) in Singapore which have an impact on FCT's financials and are working closely with Management on an ongoing basis. The ARCC and the Board are updated by Management regularly on the results of various scenario planning and stress testing to assess and track the possible impact on FCT's financials. Capital and liquidity management remain priorities for the Manager and FCT.

CORPORATE GOVERNANCE REPORT

Risk Management

The Board, through the ARCC, reviews the adequacy and effectiveness of the Manager's risk management framework to ensure that robust risk management and mitigating controls are in place. The Manager has adopted an enterprise-wide risk management ("**ERM**") framework to enhance its risk management capabilities. Key risks, control measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Financial and operational key risk indicators are in place to track key risk exposures. Apart from the ERM process, key business risks are thoroughly assessed by Management and each significant transaction is comprehensively analysed so that Management understands the risks involved before it is embarked upon. An outline of the Manager's ERM framework and progress report is set out on pages 81 to 83.

Periodic updates are provided to the ARCC on FCT's and the Manager's risk profiles. These updates would involve an assessment of FCT's and the Manager's key risks by risk categories, current status, the effectiveness of any mitigating measures taken, and the action plans undertaken by Management to manage such risks.

In addition to the ERM framework a comfort matrix of key risks, by which relevant material financial, compliance and operational (including information technology) risks of FCT and the Manager have been documented to assist the Board to assess the adequacy and effectiveness of the existing internal controls. The comfort matrix is prepared with reference to the strategies, policies, processes, systems and reporting processes connected with the management of such key risks and presented to the Board and the ARCC. Risk tolerance statements setting out the nature and extent of significant risks which the Manager is willing to take in achieving its strategic objectives and value creation have been formalised and adopted.

The Board has received assurance from the CEO and the CFO that as at 30 September 2022:

- (a) the financial records of FCT have been properly maintained and the financial statements for FY22 give a true and fair view of FCT's operations and finances;
- (b) the system of internal controls in place for FCT is adequate and effective to address financial, operational, compliance and information technology risks which the Manager considers relevant and material to FCT's operations; and
- (c) the risk management system in place for FCT is adequate and effective to address risks which the Manager considers relevant and material to FCT's operations.

Board's Comment on Internal Controls and Risk Management Framework

Based on the internal controls established and maintained by the Manager, work performed by internal and external auditors, reviews performed by Management and the ARCC and assurance from the CEO and the CFO, the Board is of the view that the internal controls in place for FCT were adequate and effective as at 30 September 2022 to address financial, operational, compliance and information technology risks, which the Manager considers relevant and material to FCT's operations.

Based on the risk management framework established and adopted by the Manager, review performed by Management and assurance from the CEO and the CFO, the Board is of the view that the risk management system in place for FCT was adequate and effective as at 30 September 2022 to address risks which the Manager considers relevant and material to FCT's operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that FCT will not be adversely affected by any event that could be reasonably foreseen as the Manager works to achieve its business objectives for FCT.

In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The ARCC concurs with the Board's view that as at 30 September 2022, the internal controls of FCT (including financial, operational, compliance and information technology controls) and risk management systems in place for FCT were adequate and effective to address risks which the Manager considers relevant and material to FCT's operations.

CORPORATE GOVERNANCE REPORT

Internal Audit

The internal audit function of the Manager is performed by FPL Group's internal audit department ("**FPL Group IA**"). FPL Group IA is responsible for conducting objective and independent assessments on the adequacy and effectiveness of the Manager's system of internal controls, risk management and governance practices. The Head of FPL Group IA reports directly to the ARCC and administratively, to FPL's Group Chief Corporate Officer. The appointment and removal of FPL Group IA as the service provider of the Manager's internal audit function requires the approval of the ARCC.

The ARCC ensures that FPL Group IA complies with the standards set by nationally or internationally recognised professional bodies. In this regard, in performing internal audit services, FPL Group IA has adopted and complies with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors, Inc.

The ARCC is also responsible for ensuring that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience. As at 30 September 2022, FPL Group IA comprised 24 professional staff. The Head of FPL Group IA and the Singapore-based FPL Group IA staff are members of The Institute of Internal Auditors, Singapore. To ensure that the internal audit activities are effectively performed, FPL Group IA recruits suitably qualified audit professionals with the requisite skills and experience. FPL Group IA staff are given relevant training and development opportunities to update their technical knowledge and auditing skills. This includes attending relevant technical workshops and seminars organised by The Institute of Internal Auditors, Singapore and other professional bodies.

FPL Group IA operates within the framework of a set of terms of reference as contained in the Internal Audit Charter approved by the ARCC. It adopts a risk-based audit methodology to develop its audit plan, and its activities are aligned with the key strategies of FCT. Risk assessments are carried out on all key business processes, the results of which are used to determine the extent and the frequencies of the reviews to be performed. Higher risk areas are subject to more extensive and frequent reviews. FPL Group IA conducts its reviews based on the internal audit plan approved by the ARCC. FPL Group IA has unfettered access to FCT's and the Manager's documents, records, properties and personnel, including the ARCC members, and has appropriate standing with FCT and the Manager. All audit reports detailing audit findings and recommendations are provided to Management, who would respond with the actions to be taken.

Each quarter, FPL Group IA submits reports to the ARCC on the status of completion of the audit plan, audit findings noted from reviews performed, and status of Management's action plans to address such findings, including implementation of the audit recommendations. The ARCC is satisfied that FPL Group IA is independent, effective, adequately resourced, and has appropriate standing within FCT and the Manager to perform its functions effectively. Quality assurance reviews on FPL Group's internal audit function are periodically carried out by qualified professionals from an external organisation. The last review was performed in FY22. Where required, the ARCC will make recommendations to the Board to ensure that FPL Group IA remains an adequate, effective and independent internal audit function.

Related/Interested Person Transactions

The Manager has established internal processes such that the Board, with the assistance of the ARCC, is required to be satisfied that all Related/Interested Person Transactions are undertaken on normal commercial terms, and are not prejudicial to the interests of FCT and the Unitholders. This may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining one or more valuations from independent professional valuers (in accordance with the Property Funds Appendix). Directors who are interested in any proposed Related/Interested Person Transaction to be entered into by FCT are required to abstain from any deliberations or decisions in relation to that Related/Interested Person Transaction.

All Related/Interested Person Transactions are entered in a register maintained by the Manager. The Manager incorporates into its internal audit plan a review of the Related/Interested Person Transactions recorded in the register to ascertain that internal procedures and requirements of the SGX-ST Listing Manual and Property Funds Appendix have been complied with. The ARCC reviews the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related/Interested Person Transactions have been complied with. The review includes the examination of the nature of the Related/Interested Person Transactions and its supporting documents or such other data deemed necessary by the ARCC. In addition, the Trustee also has the right to review any such relevant internal audit reports to ascertain that the Property Funds Appendix has been complied with.

Any Related/Interested Person Transaction proposed to be entered into between FCT and an interested person, would require the Trustee to satisfy itself that such Related/Interested Person Transaction is conducted on normal commercial terms, is not prejudicial to the interests of FCT and its Unitholders, and is in accordance with all applicable requirements of the CIS Code and the SGX-ST Listing Manual.

CORPORATE GOVERNANCE REPORT

Whistle-Blowing Policy

The Manager has put in place a whistle-blowing policy (the “**Whistle-Blowing Policy**”). The Whistle-Blowing Policy provides an independent feedback channel through which matters of concern about possible improprieties, misconduct or wrongdoing relating to FCT, the Manager and its officers in matters of financial reporting, suspected fraud and corruption or other matters may be raised by employees and any other persons in confidence and in good faith, without fear of reprisal. Whistle-Blowers may report any matters of concern by mail, email or calling a hotline, details of which are provided in the Whistle-Blowing Policy, which is available on FCT’s website. Any report submitted through this channel would be received by the Head of the internal audit function and the Manager has designated FPL Group IA, an independent function, to investigate all whistle-blowing reports made in good faith. FPL is committed to ensuring that whistle-blowers will be treated fairly, and protected from reprisals, victimisation or any otherwise detrimental or unfair treatment for whistle-blowing in good faith. The Manager will treat all information received confidentially and protect the identity of all whistle-blowers.

The improprieties, misconduct or wrongdoing that are reportable under the Whistle-Blowing Policy include: (a) financial or professional misconduct; (b) improper conduct, dishonest, fraudulent or unethical behaviour; (c) any irregularity or non-compliance with laws/regulations or the Manager’s policies and procedures, and/or internal controls; (d) violence at the workplace, or any conduct that may threaten health and safety; (e) corruption or bribery; (f) conflicts of interest; and (g) any other improprieties or matters that may adversely affect Unitholders’/shareholders’ interests in, and assets of, FCT/the Manager as well as FCT’s/the Manager’s reputation. The Whistle-Blowing Policy is covered and explained in detail during staff training, including the procedures for raising concerns. All whistle-blowing complaints raised are independently investigated and if appropriate, an investigation committee will be constituted. The outcome of each investigation and any action taken is reported to the ARCC. The ARCC, which is responsible for oversight and monitoring of whistle-blowing, reviews and ensures that independent investigations and any appropriate follow-up actions are carried out.

UNITHOLDER MATTERS

The Manager treats all Unitholders fairly and equitably in order to enable them to exercise their Unitholders’ rights and have the opportunity to communicate their views on matters affecting FCT. Unitholders are also given accurate, objective and timely and assessment of FCT’s performance, financial position and prospects. The Manager provides regular updates via SGXNET announcements and on its websites and via participation in outreach retail investors events hosted by the Securities Investors Association (Singapore), securities brokers or the SGX-ST. Unitholders and investors can also contact the investor relations contact person at FCT to provide their feedback or submit enquiries. The AGMs provide a platform for Unitholders to communicate their views to FCT Board and Management on various matters affecting FCT.

Investor Relations

The Manager prides itself on its high standards of disclosure and corporate transparency. The Manager aims to provide accurate, objective and timely information regarding FCT’s performance and progress and matters concerning FCT and its business which are likely to materially affect the price or value of the Units or are likely to influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell the Units, to Unitholders and the investment community, to enable them to make informed investment decisions.

The Manager’s dedicated Investor Relations (“**IR**”) manager is tasked with, and focuses on, facilitating communications between FCT and its Unitholders, as well as with the investment community, analysts and media. Contact details of the IR manager (“**IR Contact**”) are available on FCT’s website at <https://www.frasersproperty.com/reits/fct> for Unitholders, investors and other stakeholders to channel their comments and queries. The IR policy also sets out the mechanism through which Unitholders may contact the Manager with questions and through which the Manager may respond to such questions.

Continuous and informed dialogue between the Manager and Unitholders is a central tenet of good corporate governance. Regular engagement between these parties will promote greater transparency. Material and other pertinent information such as press releases and presentation slides are released to the SGX-ST via SGXNET and FCT’s website. Announcements through SGXNET and FCT’s website are the principal media of communication with Unitholders. In the interim business updates for the first and third quarters of each financial year, the Manager provides, *inter alia*, a discussion of the significant factors that affected FCT’s interim performance as well as relevant market trends, including the risks and opportunities that may have a material impact on FCT’s prospects. Such information provides Unitholders a better understanding of FCT’s performance in the context of the current business environment.

CORPORATE GOVERNANCE REPORT

The Management (including the IR manager), participates in investor conferences, roadshows, and one-on-one meetings (including virtual meetings) to keep the investment community informed of FCT's corporate developments, financial and operational performance and strategies and in order to solicit and understand the views of Unitholders and investors. Analysts' briefings, conference calls and/or investors' post-results calls were conducted after the announcements of FY22 financial results/business updates for each quarter. Audio casts of the Manager's presentations of FCT's half year and full year results are available on FCT's website on the day of release of the respective results.

Details of the IR activities during the year can be found in the Investor Relations section of this Annual Report on pages 22 to 24.

An electronic copy of this Annual Report is available on FCT's website at <https://fct.frasersproperty.com/publications.html>. Unitholders can also request for printed copies of this Annual Report via IR Contact.

The Trust Deed is also available for inspection upon request at the Manager's office⁴.

Conduct of general meetings

In view of the COVID-19 pandemic, the 13th Annual General Meeting ("**AGM 2022**") was convened and held by way of electronic means on 18 January 2022, pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**COVID-19 Temporary Measures Order**"). While Unitholders were not able to attend AGM 2022 physically and participate in-person, they were able to submit questions to the Chairman of the Meeting "live" at AGM 2022 through the electronic platform for AGM 2022 and have their questions addressed at AGM 2022 itself. All the Directors attended AGM 2022 either in-person or via electronic means.

In view of the progressive easing of the COVID-19 community safe management measures in Singapore, the forthcoming 14th Annual General Meeting ("**AGM 2023**") will be held in a wholly physical format on 17 January 2023 pursuant to the COVID-19 Temporary Measures Order and Unitholders (themselves or through duly appointed proxies) will be able to vote and ask questions in person at AGM 2023. The format of AGM 2023 may be subject to further changes as may be necessitated due to the COVID-19 situation in Singapore.

The Board supports and encourages active Unitholder participation at AGMs as it believes that general meetings serve as an opportune forum for Unitholders to meet the Board and senior Management, and to interact with them. As and when an extraordinary general meeting is convened, a circular is sent to Unitholders, containing details of the matters proposed for Unitholders' consideration and approval. To encourage participation, FCT's general meetings are held at convenient locations. Unitholders are given the opportunity to participate effectively and vote at FCT's general meetings, where relevant rules and procedures governing such meetings (for instance, how to vote) are clearly communicated prior to the start of the meeting. Unitholders such as nominee companies which provide custodial services for securities are not constrained by the two proxy limitation, and are able to appoint more than two proxies to attend, speak and vote at general meetings of FCT.

The Manager generally provides Unitholders with longer than the minimum notice period required for general meetings. The Manager tries its best not to schedule AGMs during peak periods when these might coincide with the AGMs of other listed companies. The Manager gives our Unitholders the necessary information on each resolution so as to enable them to exercise their votes on an informed basis.

At general meetings, the Manager sets out separate resolutions on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. In the event where resolutions are bundled, the Manager will explain the reasons and material implications in the relevant notice of meeting. Unitholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions sought to be passed.

For greater transparency, the Manager has implemented electronic poll voting at general meetings. This entails Unitholders being invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hands), thereby allowing all Unitholders present or represented at the meeting to vote on a one Unit, one vote basis. The voting results of all votes cast for, against, or abstaining from each resolution is then screened at the meeting and announced via SGXNET after the meeting. An independent external party is appointed as scrutineer for the electronic voting process to count and validate the votes at general meetings. As the authentication of Unitholder identity and other related security and integrity issues remain a concern, for FY22, the REIT Manager did not implement absentia voting methods such as voting via mail, email or fax.

⁴ Prior appointment with the Manager is appreciated.

CORPORATE GOVERNANCE REPORT

At the AGM, the Manager will make a presentation to update Unitholders on FCT's financial and operational performance for the financial year. The presentation materials are made available on SGXNET and FCT's website before the commencement of the AGM for the benefit of Unitholders.

Board members and senior Management are present at, and for the entire duration of, each Unitholders' meeting to respond to any questions from Unitholders, unless they are unable to attend due to exigencies. Certain external consultants including FCT's external auditors are also present to address queries about the conduct of audit and the preparation and content of the auditors' report.

The Chairman of the meeting is tasked with facilitating constructive dialogue between the Unitholders and the Board, Management and the external auditors. Where appropriate, the Chairman allows specific Directors, such as the respective Board Committee chairpersons, to answer queries on matters related to their roles. Unitholders are also given an opportunity to interact with the Directors before and/or after general meetings.

The minutes of Unitholders' meetings which include the attendance of Board members at the meetings, matters approved by Unitholders, voting results and substantial and relevant comments or queries from Unitholders relating to the agenda of the general meeting together with responses from the Board and Management, are prepared by the Manager. The minutes will be available on FCT's website after the Board's approval and within one month from the date of the meeting.

Distributions

FCT's distribution policy is to distribute at least 90.0% of its taxable income, comprising substantially its income from the letting of its properties and related property maintenance services income after deduction of allowable expenses and such distributions are typically paid on a half-yearly basis. For FY22, the distribution for the first half-year (for the period from 1 October 2021 to 31 March 2022) was made on 30 May 2022. The distribution for the second half-year (for the period from 1 April 2022 to 30 September 2022) was made on 29 November 2022.

STAKEHOLDER ENGAGEMENT

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of FCT are served. Stakeholders are parties who may be affected by FCT's or the Manager's activities or whose actions can affect the ability of FCT or the Manager to conduct its activities.

Sustainability

In order to review and assess the material factors relevant to FCT's business activities, the Manager from time to time proactively engages with various stakeholders, including employees, vendors and tenants, and the investment community, to gather feedback on the sustainability matters which have significant impact to the business and operations of FCT and its stakeholders. Please refer to the Sustainability Report on pages 84 to 124 of this Annual Report, which sets out information on the Manager's arrangements to identify and engage with its material stakeholder groups and to manage its relationships with such groups, and the Manager's strategy and key areas of focus in relation to the management of stakeholder relationships during FY22.

Code of Business Conduct

The conduct of employees of the Manager is governed by the FPL Code of Business Conduct. The FPL Group's business practices are governed by integrity, honesty, fair dealing and compliance with applicable laws. To guide FPL Group's employees across its multi-national network to uphold these values, FPL has established the FPL Code of Business Conduct to provide clear guidelines on ethics and relationships to safeguard the interests and reputation of the FPL Group, including the Manager, as well as its stakeholders.

CORPORATE GOVERNANCE REPORT

The Code of Business Conduct covers key aspects such as avoiding conflicts of interest, working with external stakeholders (including customers, suppliers, business partners, governments and regulatory officials), protecting company's assets, social media engagement, data privacy and upholding laws in countries where the FPL Group has geographical presence in. The Code of Business Conduct also emphasises the importance of upholding FPL's core values to build a respectful culture. Employees are encouraged to be respectful to the elements that make people similar or different from one another, including background, views, experiences, capabilities, values, beliefs, physical differences, ethnicity and culture, gender, age, thinking styles, preferences and behaviours.

The Code of Business Conduct sets out the policies and procedures dealing with various issues such as conflicts of interests, the maintenance of records and reports, equal employment opportunities and sexual harassment. It includes requirements relating to the keeping of accurate and sufficiently detailed accounting records for financial transactions, internal financial reporting and financial reporting to stakeholders, sets out the standards to which employees must adhere in their business relationships with third parties and personal business undertakings and their obligations to the FPL Group, and provides for the need to obtain approval in certain situations where a conflict of interest may arise. It also covers an employee's obligations in protecting the FPL Group's confidential information and intellectual property and reiterates the FPL Group's zero tolerance approach to bribery and corruption.

Where applicable/appropriate, the Code of Business Conduct is also made available to other stakeholders such as the Manager's agents, suppliers, business associates and customers.

Anti-Money Laundering and Countering the Financing of Terrorism Measures

The Manager has a policy and procedures in place to comply with applicable anti-money laundering, counter-terrorism financing laws and regulations, including the notice and guidelines issued by the MAS to capital intermediaries on the prevention of money laundering and countering the financing of terrorism. The Manager's policy and procedures include, but are not limited to, risk assessment and mitigation, customer due diligence, reporting of suspicious transactions, and record keeping. Training on anti-money laundering, counter-terrorism financing laws and regulations are also conducted for employees, officers and representatives periodically and as and when needed.

Business Continuity Management

FCT has in place a Group Business Continuity Management ("**BCM**") Policy which references the requirements of ISO 22301 management system. The policy sets the directives and guides the Manager in implementing and maintaining a BCM management programme to protect against, reduce the likelihood of the occurrence of, prepare for, respond to and recover from disruptions when they arise.

The Manager has in FY21, enhanced its BCM programme which has boosted its resilience and capability in responding, managing, and recovering from adverse business disruptions and unforeseen catastrophic events. Management has strengthened its Crisis Management Plan, Business Continuity Plans and Emergency Response Plans to prepare itself in case of disruptions that may negatively impact on the business of FCT. Under the programme, critical business functions, key processes, resource requirements and business recovery strategies are identified. Annual tests, exercises (tabletop or simulated) and drills, simulating different scenarios, will be carried out to assess the effectiveness of the abovementioned plans. The Manager's Crisis Management Team and staff are trained periodically, and the plans under the BCM are updated regularly. The BCM programme ensures FCT stays resilient in the face of a crisis. It is a holistic approach to minimise adverse business impact and to safeguard FCT's reputation and business operations.

The Code of Business Conduct, the BCM Policy and the other policies mentioned above, are accessible to all employees on the FPL Group intranet.

CORPORATE GOVERNANCE REPORT

POLICY ON DEALINGS IN SECURITIES

The Manager has established a dealing policy on securities trading (“**Dealing Policy**”) setting out the procedure for dealings in FCT’s securities by its Directors, officers and employees. In compliance with Rule 1207(19) of the SGX-ST Listing Manual on best practices on dealing in securities, the Group issues reminders to its Directors, officers and employees on the restrictions in dealings in listed securities of the Group during the period commencing (a) two weeks prior to the announcement of the interim business updates of the first and third quarters of the financial year, and (b) one month before the announcement of the half-year and full year results, and ending on the date of such announcements (the “**Prohibition Period**”). Directors, officers and employees are also reminded not to trade in listed securities of FCT at any time while in possession of unpublished price sensitive information and to refrain from dealing in FCT’s securities on short-term considerations. Pursuant to the SFA, Directors and the CEO are also required to report their dealings in FCT’s securities within two business days.

Every quarter, each Director, officer and employee is required to complete and submit a declaration form to the designated compliance officer to report any trades he/she made in Units in the previous quarter and confirm that no trades were made during the Prohibition Period. A quarterly report will be provided to the ARCC. Any non-compliance with the Dealing Policy will be reported to the ARCC for its review and instructions.

In compliance with the Dealing Policy in relation to the Manager, prior approval from the Board is required before the Manager deals or trades in Units. The Manager has undertaken that it will not deal in Units:

- (i) during the Prohibition Period; or
- (ii) whenever it is in possession of unpublished price sensitive information/material in relation to those securities.

ADDITIONAL DISCLOSURE ON FEES PAYABLE TO THE MANAGER

Pursuant to the Trust Deed, the Manager is entitled to receive the following fees:

Type of Fee	Computation and Form of Payment	Rationale and Purpose
Base Fee	<p>Pursuant to Clause 15.1.1 of the Trust Deed, the Manager is entitled to receive a Base Fee not exceeding the rate of 0.3% per annum of the Value of FCT’s Deposited Property.</p> <p>The Base Fee is payable quarterly in the form of cash and/or Units as the Manager may elect.</p>	<p>The Base Fee compensates the Manager for the costs incurred in managing FCT, which includes overheads, day-to-day operational costs, compliance, monitoring and reporting costs as well as administrative expenses.</p> <p>The Base Fee is calculated at a fixed percentage of asset value as the scope of the Manager’s duties is commensurate with the size of FCT’s asset portfolio.</p>
Performance Fee	<p>Pursuant to Clause 15.1.2 of the Trust Deed, the Manager is entitled to receive a Performance Fee equal to a rate of 5.0% per annum of the Net Property Income of FCT (calculated before accounting for the Performance Fee in that financial year) or (as the case may be) Special Purpose Vehicles for each Financial Year accrued to the Manager and remaining unpaid.</p> <p>The Performance Fee is payable in the form of cash and/or Units as the Manager may elect.</p> <p>With effect from 1 October 2016, the Performance Fee shall be paid annually, in compliance with the Property Funds Appendix.</p>	<p>The Performance Fee, which is based on Net Property Income, aligns the interests of the Manager with Unitholders as the Manager is incentivised to proactively focus on improving rentals and optimising the operating costs and expenses of FCT’s properties. Linking the Performance Fee to Net Property Income will also motivate the Manager to ensure the long-term sustainability of the assets instead of taking on excessive short-term risks to the detriment of Unitholders.</p>

CORPORATE GOVERNANCE REPORT

Type of Fee	Computation and Form of Payment	Rationale and Purpose
Acquisition Fee	<p>Pursuant to Clause 15.2.1(i) of the Trust Deed, the Manager is entitled to receive an Acquisition Fee not exceeding the rate of 1.0% of the acquisition price upon the completion of an acquisition.</p> <p>Subject to the Property Funds Appendix, the Acquisition Fee is payable as soon as practicable after completion of the acquisition in the form of cash and/or Units as the Manager may elect.</p>	<p>The Acquisition Fee and Divestment Fee seek to motivate and compensate the Manager for the time, cost and effort spent (in the case of an acquisition) in sourcing, evaluating and executing potential opportunities to acquire new properties to further grow FCT's asset portfolio or, (in the case of a divestment) in rebalancing and unlocking the underlying value of the existing properties.</p> <p>The Manager provides these services over and above the provision of ongoing management services with the aim of enhancing long-term returns, income sustainability and achieving the investment objectives of FCT.</p> <p>The Acquisition Fee is higher than the Divestment Fee because there is additional work required to be undertaken in terms of sourcing, evaluating and conducting due diligence for an acquisition, as compared to a divestment.</p>
Divestment Fee	<p>Pursuant to Clause 15.2.1(ii) of the Trust Deed, the Manager is entitled to receive a Divestment Fee not exceeding the rate of 0.5% of the sale price upon the completion of a sale or disposal.</p> <p>Subject to the Property Funds Appendix, the Divestment Fee is payable as soon as practicable after completion of the sale or disposal in the form of cash and/or Units as the Manager may elect.</p>	

Note:

Capitalised terms used in this section shall have the same meanings ascribed to them in the Trust Deed.

CORPORATE GOVERNANCE REPORT

SUMMARY OF COMPLIANCE WITH EXPRESS DISCLOSURE REQUIREMENTS IN PRINCIPLES AND PROVISIONS OF CG CODE

PRINCIPLES AND PROVISIONS OF THE 2018 CODE OF CORPORATE GOVERNANCE		PAGE REFERENCE OF ANNUAL REPORT 2022
BOARD'S CONDUCT OF AFFAIRS		
Provision 1.2	Induction, training and development provided to new and existing Directors	133 to 134
Provision 1.3	Matters requiring Board approval	131 to 133
Provision 1.4	Names of Board Committee members, terms of reference of Board Committees, any delegation of Board's authority to make decisions and a summary of each Board Committee's activities	127 to 133
Provision 1.5	Number of Board and Board Committee meetings and each individual Directors' attendances at such meeting	131
BOARD COMPOSITION AND GUIDANCE		
Provision 2.2	The Board diversity policy and progress made towards implementation of the policy, including objectives	136
BOARD MEMBERSHIP		
Provision 4.3	Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new Directors and channels used in searching for appropriate candidates	130 and 134 to 136
Provision 4.4	Relationships that independent Directors have with FCT, its related corporations, its substantial Unitholders or its officers, if any, which may affect their independence, and the reasons why the Board, having taken into account the views of the NRC, has determined that such Directors are still independent	137 to 140
Provision 4.5	Listed company directorships and principal commitments of each Director, and where a Director holds a significant number of such directorships and commitments, the NRC's and Board's reasoned assessment of the ability of the Director to diligently discharge his or her duties	16 to 19 and 137 to 140
BOARD PERFORMANCE		
Provision 5.2	How the assessments of the Board, its Board Committees and each Director have been conducted, including the identity of any external facilitator and its connection, if any, with the Manager or any of its Directors	141

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		PAGE REFERENCE OF ANNUAL REPORT 2022
PRINCIPLES AND PROVISIONS OF THE 2018 CODE OF CORPORATE GOVERNANCE		
PROCEDURES FOR DEVELOPING REMUNERATION POLICIES		
Provision 6.4	Engagement of any remuneration consultants and their independence	142 and 145
DISCLOSURE ON REMUNERATION		
Provision 8.1	Policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: <ul style="list-style-type: none"> (a) each individual Director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel 	141 to 148
Provision 8.2	Names and remuneration of employees who are substantial shareholders of the Manager or substantial Unitholders, or are immediate family members of a Director, the CEO or such a substantial shareholder or substantial Unitholder, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000. The employee's relationship with the relevant Director or the CEO or substantial shareholder or substantial Unitholder should also be stated.	148
Provision 8.3	All forms of remuneration and other payments and benefits, paid by the Manager and its subsidiaries to Directors and Key Management Personnel	142 to 148
RISK MANAGEMENT AND INTERNAL CONTROLS		
Provision 9.2	Board's assurance from: <ul style="list-style-type: none"> (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the REIT's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the REIT's risk management and internal control systems. 	150

CORPORATE GOVERNANCE REPORT

PRINCIPLES AND PROVISIONS OF THE 2018 CODE OF CORPORATE GOVERNANCE		PAGE REFERENCE OF ANNUAL REPORT 2022
UNITHOLDER RIGHTS AND ENGAGEMENT		
UNITHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS		
Provision 11.3	Directors' attendance at general meetings of Unitholders held during the financial year	131 and 153 to 154
ENGAGEMENT WITH UNITHOLDERS		
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REPORT OF THE TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Frasers Centrepoint Trust (the "Trust") and its subsidiaries (collectively, the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act 2001 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Frasers Centrepoint Asset Management Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 5 June 2006 (as amended by a first supplemental deed dated 4 October 2006, a first amending and restating deed dated 7 May 2009, a second supplemental deed dated 22 January 2010, a third supplemental deed dated 17 December 2015, a fourth supplemental deed dated 19 January 2017 and a fifth supplemental deed dated 24 January 2018) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements set out on pages 168 to 233, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Authorised Signatory

Singapore
15 November 2022

STATEMENT BY THE MANAGER

In the opinion of the directors of Frasers Centrepoint Asset Management Ltd., the accompanying financial statements set out on pages 168 to 233, comprising the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position of the Trust as at 30 September 2022, and the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies are drawn up so as to present fairly, in all material respects, the consolidated financial position and the consolidated portfolio holdings of the Group and the financial position of the Trust as at 30 September 2022, the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the movements in unitholders' funds of the Trust for the year then ended, in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Frasers Centrepoint Asset Management Ltd.

Dr Cheong Choong Kong
Director

Low Chee Wah
Director

Singapore
15 November 2022

INDEPENDENT AUDITORS' REPORT

To the Unitholders
Fraser's Centrepoint Trust
(Constituted under a Trust Deed (as amended, restated and supplemented) in the Republic of Singapore)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Fraser's Centrepoint Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position of the Trust as at 30 September 2022, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 168 to 233.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position and the consolidated portfolio holdings of the Group and the financial position of the Trust as at 30 September 2022 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the movements in unitholders' funds of the Trust for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 ("RAP 7") *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants (the "ISCA").

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

To the Unitholders
Fraser's Centrepoint Trust
(Constituted under a Trust Deed (as amended, restated and supplemented) in the Republic of Singapore)

Valuation of investment properties

(Refer to Portfolio Statement and Note 4 to the financial statements)

Risk

The Group owns retail malls and an office building located all around Singapore that are leased to third parties under operating leases. As at 30 September 2022, the investment properties, with carrying amount of \$5.52 billion, represent the single largest asset category on the consolidated statement of financial position of the Group.

The investment properties are stated at their fair values based on independent external valuations. The valuation process is considered a key audit matter because it involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are sensitive to key assumptions applied and a change in the assumptions may have a significant impact on the valuations.

Our response

We evaluated the qualifications and competence of the external valuers. We considered the valuation methodologies used against those applied by other valuers for similar property types. We evaluated the appropriateness of the key assumptions used in the valuations by comparing them against available industry data, taking into consideration comparability and market factors. Where the assumptions were outside the expected range, we undertook further procedures to understand the effect of additional factors taken into account in the valuations.

Our findings

The external valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies used were in line with generally accepted market practices and the key assumptions used were generally comparable to available market data. Where the assumptions were outside the expected range, the additional factors considered by the external valuers were consistent with other corroborative evidence.

Other information

Fraser's Centrepoint Asset Management Ltd., the Manager of the Trust (the "Manager"), is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the Sustainability Report and the Statistics of Unitholdings which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Sustainability Report and the Statistics of Unitholdings, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager and take appropriate actions in accordance with SSAs.

INDEPENDENT AUDITORS' REPORT

To the Unitholders
Fraser's Centrepoint Trust
(Constituted under a Trust Deed (as amended, restated and supplemented) in the Republic of Singapore)

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the ISCA, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

To the Unitholders
Fraser's Centrepoint Trust
(Constituted under a Trust Deed (as amended, restated and supplemented) in the Republic of Singapore)

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Sarina Lee.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

15 November 2022

STATEMENTS OF FINANCIAL POSITION

As at 30 September 2022

	Note	Group		Trust	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Non-current assets					
Investment properties	4	5,516,000	5,506,500	2,460,000	2,441,500
Fixed assets	5	126	175	126	175
Investment in subsidiaries	6	-	-	1,447,600	1,447,600
Investment in associate	7	40,808	46,494	44,565	46,494
Investment in joint ventures	9	312,341	294,399	287,366	287,436
Financial derivatives	13	21,740	-	21,740	-
		<u>5,891,015</u>	<u>5,847,568</u>	<u>4,261,397</u>	<u>4,223,205</u>
Current assets					
Financial derivatives	13	3,331	-	3,331	-
Trade and other receivables	10	8,857	8,995	358,944	463,205
Cash and cash equivalents	11	38,165	42,234	16,613	14,661
		<u>50,353</u>	<u>51,229</u>	<u>378,888</u>	<u>477,866</u>
Total assets		<u>5,941,368</u>	<u>5,898,797</u>	<u>4,640,285</u>	<u>4,701,071</u>
Current liabilities					
Trade and other payables	12	70,583	71,664	114,204	115,973
Financial derivatives	13	-	1,281	2,897	1,281
Current portion of security deposits		45,647	43,160	19,228	15,155
Interest-bearing borrowings	14	390,668	204,827	199,951	204,827
Provision for taxation		463	1,266	-	-
		<u>507,361</u>	<u>322,198</u>	<u>336,280</u>	<u>337,236</u>
Non-current liabilities					
Financial derivatives	13	-	1,855	11,189	1,855
Interest-bearing borrowings	14	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	15	-	6,640	-	-
		<u>1,469,930</u>	<u>1,657,791</u>	<u>489,031</u>	<u>569,581</u>
Total liabilities		<u>1,977,291</u>	<u>1,979,989</u>	<u>825,311</u>	<u>906,817</u>
Net assets		<u>3,964,077</u>	<u>3,918,808</u>	<u>3,814,974</u>	<u>3,794,254</u>
Represented by:					
Unitholders' funds		<u>3,964,077</u>	<u>3,918,808</u>	<u>3,814,974</u>	<u>3,794,254</u>
Units in issue ('000)	16	<u>1,702,057</u>	<u>1,699,268</u>	<u>1,702,057</u>	<u>1,699,268</u>
Net asset value / Net tangible asset per Unit (\$)	17	<u>2.33</u>	<u>2.30</u>	<u>2.24</u>	<u>2.23</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF TOTAL RETURN

For the financial year ended 30 September 2022

	Note	Group	
		2022 \$'000	2021 \$'000
Gross revenue	18	356,931	341,149
Property expenses	19	(98,334)	(94,582)
Net property income		258,597	246,567
Finance income		43	119
Other income	20	-	341
Interest income from joint venture		-	801
Finance costs	21	(46,832)	(45,938)
Asset management fees	22	(32,608)	(32,389)
Valuation fees		(164)	(109)
Trustee's fees		(953)	(1,023)
Audit fees		(246)	(240)
Professional fees		(1,531)	(1,684)
Other charges		(743)	(664)
Net income		175,563	165,781
Share of results of associates	7	(1,096)	(1,386)
Share of results of joint ventures	9	24,599	16,886
Impairment loss on investment in associate	7	-	(11,976)
Loss from the dilution of interest in associate	7	(1,143)	-
Net change in fair value of investment properties	4	2,744	(3,298)
Gain from fair valuation of derivatives		528	2,948
Net gain on step acquisition	8	-	11,470
Expenses in relation to acquisitions of subsidiaries and associate	8	-	(25,318)
Net foreign exchange loss		(8)	(21)
Gain on disposal of investment properties		-	17,156
Total return before tax		201,187	172,242
Taxation	23	6,092	(3,609)
Total return for the year		207,279	168,633
Earnings per Unit (cents)	24		
Basic		12.18	10.10
Diluted		12.17	10.08

DISTRIBUTION STATEMENT

For the financial year ended 30 September 2022

	Group	
	2022 \$'000	2021 \$'000
Income available for distribution to Unitholders at beginning of year	103,573	48,942
Net income	175,563	165,781
Net tax and other adjustments (Note A)	12,234	15,784
Distributions from associates	2,130	7,017
Distributions from joint ventures	19,957	16,092
Distributable income for the year	209,884	204,674
Income available for distribution to Unitholders	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
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	-
	207,979	150,043
Income available for distribution to Unitholders at end of year	105,478	103,573
Distributions to Unitholders ^{(1), (2)}	208,190	204,674
Distribution per unit for the year (cents) ^{(1), (2)}	12.227	12.085
Note A - Net tax and other adjustments relate to the following items:		
- Asset management fees paid/payable in Units	6,522	6,478
- Amortisation of transaction costs	2,439	3,217
- Amortisation of lease incentives	(1,906)	1,582
- Other items	5,179	4,507
Net tax and other adjustments	12,234	15,784

(1) In financial year ended 30 September 2022, FCT had retained \$1.7 million of its tax-exempt income available for distribution to Unitholders.

(2) The distribution relating to period from 1 April 2022 to 30 September 2022 will be paid on 29 November 2022.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the financial year ended 30 September 2022

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'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 \$'000	2021 \$'000	2022 %	2021 %
Investment properties in Singapore							
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 (Note 7)				40,808	46,494	1.0	1.2
Investment in joint ventures (Note 9)				312,341	294,399	7.9	7.5
				5,869,149	5,847,393	148.1	149.2
Other assets and liabilities (net)				(1,905,072)	(1,928,585)	(48.1)	(49.2)
Net assets attributable to Unitholders				3,964,077	3,918,808	100.0	100.0

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENT

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 analysis ^(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.

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 financial year ended 30 September 2022 amounted to \$17,560,000 (2021: \$15,218,000) (Note 18).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2022

	Note	2022 \$'000	Group 2021 \$'000
Operating activities			
Total return before tax		201,187	172,242
Adjustments for:			
Net (written back)/allowance for doubtful receivables	19	(656)	601
Finance costs	21	46,832	45,938
Asset management, divestment and acquisition fees paid/payable in Units		6,522	26,362
Finance income		(43)	(119)
Depreciation of fixed assets	5	49	58
Share of results of associates	7	1,096	1,386
Share of results of joint ventures	9	(24,599)	(16,886)
Impairment loss on investment in associate	7	-	11,976
Loss from the dilution of interest in associate		1,143	-
Net change in fair value of investment properties	4	(2,744)	3,298
Gain on disposal of investment properties		-	(17,156)
Net gain on step acquisition	8	-	(11,470)
Gain from fair valuation of derivatives		(528)	(2,948)
Amortisation of lease incentives	4	(1,906)	1,582
Fixed assets written off		-	37
Operating income before working capital changes		226,353	214,901
Changes in working capital:			
Trade and other receivables		794	8,729
Trade and other payables		36	(6,820)
Security deposits		7,752	(7,350)
Cash flows generated from operating activities		234,935	209,460
Income tax paid		(1,351)	(11,015)
Net cash flows generated from operating activities		233,584	198,445
Investing activities			
Gross proceeds from disposal of investment properties		-	438,000
Distributions received from associates	7	2,130	7,017
Distributions received from joint ventures	9	19,686	16,092
Adjustment of consideration paid for investment in joint venture	9	70	-
Finance income received		43	119
Capital expenditure on investment properties		(5,901)	(5,785)
Acquisition of fixed assets	5	-	(41)
Acquisition of subsidiaries, net of cash	8	-	(925,950)
Cash flows generated from/(used in) investing activities		16,028	(470,548)

STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2022

	Note	Group	
		2022	2021
		\$'000	\$'000
Financing activities			
Proceeds from issue of new units		-	1,334,657
Payment of issue expenses		-	(3,885)
Proceeds from borrowings	14	387,000	636,620
Repayment of borrowings	14	(387,000)	(1,487,240)
Interest expense paid	14	(43,712)	(41,960)
Distributions to Unitholders		(207,979)	(150,043)
Payment of transaction costs	14	(1,990)	(2,395)
Cash flows (used in)/generated from financing activities		(253,681)	285,754
Net (decrease)/increase in cash and cash equivalents		(4,069)	13,651
Cash and cash equivalents at beginning of year		42,234	28,583
Cash and cash equivalents at end of year	11	38,165	42,234

Significant Non-Cash Transactions

During the financial year, 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 disposal of Bedok Point.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

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

The financial statements were authorised for issue by the Manager and the Trustee on 15 November 2022.

1. GENERAL

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" and individually as "Group entities") and the Group's interest in equity-accounted investees 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.

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 activity of the subsidiaries is set out in Note 6.

For financial reporting purposes, the Trust 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.

The Group has entered into several service agreements in relation to management of the Group and its property operations. The fee structures of these services are as follows:

1.1 Property management fees

Under the property management agreements, the fees charged for all properties within the portfolio, excluding Central Plaza, are as follows:

- (i) 2.0% per annum of the gross revenue of the properties;
- (ii) 2.0% per annum of the net property income of the properties (calculated before accounting for the property management fees); and
- (iii) 0.5% per annum of the net property income of the properties (calculated before accounting for the property management fees), in lieu of leasing commissions, otherwise payable to the Property Manager and/or third party agents.

For Central Plaza, property management fees are charged based on 3.0% per annum of the net property income of the property.

The property management fees are payable monthly in arrears.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

1. GENERAL (CONT'D)

1.2 Asset management fees

Pursuant to the Trust Deed, asset management fees comprise the following:

- (i) a base fee equal to a rate of 0.3% per annum of the value of Deposited Property (being all assets, as stipulated in the Trust Deed) of the Trust and any Special Purpose Vehicles of the Group; and
- (ii) an annual performance fee equal to a rate of 5.0% per annum of the Net Property Income (as defined in the Trust Deed) of the Trust and any Special Purpose Vehicles of the Group (as defined in the Trust Deed) for each financial year.

Any increase in the rate or any change in the structure of the asset management fees must be approved by an Extraordinary Resolution of Unitholders passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

The Manager may elect to receive the fees in cash or Units or a combination of cash and Units (as it may in its sole discretion determine). For the year ended 30 September 2022, the Manager has opted to receive 20% (2021: 20%) of the asset management fees in the form of Units with the balance in cash. The portion of the base management fees is payable on a quarterly basis in arrears and the portion of the performance management fees is payable on an annually basis in arrears.

The Manager is also entitled to receive acquisition fee at the rate of 1% of the acquisition price and a divestment fee of 0.5% of the sale price on all acquisitions or disposals of properties or investments.

1.3 Trustee's fees

Pursuant to the Trust Deed, the Trustee's fees payable by the Trust shall not exceed 0.1% per annum of the value of Deposited Property of the Trust, subject to a minimum of \$9,000 per month, excluding out-of-pocket expenses and GST. The Trustee's fees payable by the sub-trusts shall not exceed 0.0135% per annum of the respective proportionate share of the value of Deposited Property, subject to a minimum of \$6,000 per month, excluding out-of-pocket expenses and GST.

Any increase in the maximum permitted or any change in the structure of the Trustee's fee must be approved by an Extraordinary Resolution of Unitholders passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

The Trustee's fees are payable monthly in arrears.

2. BASIS OF PREPARATION

2.1 Basis of preparation

The financial statements have 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. RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under the Financial Reporting Standards in Singapore ("FRSs").

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

These financial statements are 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.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

2. BASIS OF PREPARATION (CONT'D)

2.1 Basis of preparation (cont'd)

The preparation of the financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and associated assumptions are based on historical experience and relevant factors, including expectation of further events that are believed to be reasonable under the circumstances and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- (i) Note 3.1(i) – Business combinations;
- (ii) Note 7 – Investment in associate; and
- (iii) Note 9 – Investment in joint ventures.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in Note 4 – Valuation of investment properties.

2.2 Changes in accounting policies

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 statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied by the Group entities consistently to all the periods presented in these financial statements, except as explained in Note 2.2, which addresses changes in accounting policies arising from the adoption of new standards.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in the statement of total return.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of total return.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within unitholders' funds. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in the statement of total return.

NCI (if any) that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiaries

A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

In the Trust's statement of financial position, investment in subsidiary is accounted for at cost less any accumulated impairment losses.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the statement of total return. Any interest retained in the former subsidiary is measured at fair value when control is lost.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(iii) Investments in associate and joint ventures (equity-accounted investees)

An associate is an entity over which the Group has significant influence over the financial and operating policy decisions of the investee but does not have control or joint control of those policies. Significant influence is presumed to exist when the Group has 20% or more of the voting power of another entity.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associate and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its investment in equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

The financial statements of the associate and joint ventures are prepared as the same reporting date as the Trust. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Trust's separate financial statements, interests in joint ventures and associate are carried at cost less accumulated impairment losses.

A list of the associate and joint ventures is shown in Notes 7 and 9, respectively.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Property acquisitions and business combinations

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary.

When the acquisition does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Earnings per unit

The Group presents basic and diluted earnings per unit data for its units. Basic earnings per unit is calculated by dividing the total return attributable to Unitholders of the Group by the weighted-average number of units outstanding during the year. Diluted earnings per unit is determined by adjusting the total return attributable to Unitholders and the weighted-average number of units outstanding, for the effects of all dilutive potential units.

3.3 Expenses

(i) Property expenses

Property expenses are recognised on an accrual basis. Included in property expenses are property management fees which are based on the applicable formula stipulated in Note 1.1.

(ii) Asset management fees

Asset management fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1.2.

(iii) Trustee's fees

Trustee's fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1.3.

3.4 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of total return. Any gain or loss on derecognition is recognised in the statement of total return.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Directly attributable transaction costs are recognised in the statement of total return as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of total return.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statements of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(iii) Derecognition (cont'd)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of total return.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(vi) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of total return.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in unitholders' funds and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in unitholders' funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(vi) Derivative financial instruments and hedge accounting (cont'd)

Cash flow hedges (cont'd)

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in unitholders' funds until it is reclassified to the statement of total return in the same period or periods as the hedged expected future cash flows affect the statement of total return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the statement of total return.

Hedges directly affected by interest rate benchmark reform

Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the contractual cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(vi) Derivative financial instruments and hedge accounting (cont'd)

Cash flow hedges (cont'd)

The Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in the discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

3.5 Fixed assets

(i) Recognition and measurement

Items of fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

If significant parts of an item of fixed asset have different useful lives, they are accounted for as separate items (major components) of fixed asset.

The gain or loss on disposal of an item of fixed asset is recognised in the statement of total return.

(ii) Subsequent costs

The cost of replacing a component of an item of fixed asset is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of fixed asset are recognised in the statement of total return as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in the statement of total return on a straight-line basis over the estimated useful lives of each component of an item of fixed asset, unless it is included in the carrying amount of another asset.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Fixed assets (cont'd)

(iii) Depreciation (cont'd)

Depreciation is recognised from the date that the fixed assets are installed and are ready for use. The estimated useful lives for the current and comparative years are 2 years to 10 years.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are measured and recorded on initial recognition in Singapore dollars, the functional currency of the Trust and subsidiaries, at exchange rates at the dates of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in statement of total return. However, foreign currency differences arising from the translation of the following items are recognised in unitholders' fund:

- an equity investment designated as at fair value through other comprehensive income ("FVOCI");
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to statement of total return as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to statement of total return.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in unitholders' fund.

NOTES TO THE FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies FRS 115 to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

3.8 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost and lease receivables.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables (including lease receivables). The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held), or when the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statements of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of total return.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in the statement of total return. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.9 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities;
- hedge ineffectiveness in statement of total return; and
- amortisation of transaction costs.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Finance income and finance costs (cont'd)

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Finance costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in statement of total return using the effective interest method.

3.10 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value thereafter. Valuation is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers.

- In such manner and frequency required under the CIS Code issued by the MAS; and
- At least in each period of 12 months following the acquisition of each parcel of real estate property.

Any increase or decrease on revaluation is credited or charged to the statement of total return as a net change in fair value of the investment properties.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of total return.

Investment properties are not depreciated. Investment properties are subject to continual maintenance and regularly revalued on the basis set out above. For taxation purposes, the Group entities may claim capital allowances on assets that qualify as plant and machinery under the Singapore Income Tax Act.

3.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

3.12 Revenue recognition

Gross rental income

Gross rental income is recognised on a straight-line basis over the lease term commencing on the date from which the lessee is entitled to exercise its right to use the leased asset.

Gross turnover rental income

Contingent rentals, which include gross turnover rental income, are recognised as income in the accounting period in which it is earned and the amount can be reliably measured.

Car park income

Car park income consists of season and hourly parking income. Season parking income is recognised on a straight-line basis over the non-cancellable lease term. Hourly parking income is recognised at a point of time upon the utilisation of car parking facilities.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Security deposits and deferred income

Security deposits mainly comprise of rental deposits and utility deposits received from tenants at the Group's investment properties. The accounting policy for security deposits as financial liabilities is set out in Note 3.4.

Deferred income relates to the difference between consideration received for security deposits and its fair value at initial recognition and is credited to the statement of total return as gross rental income on a straight-line basis over individual lease term.

3.14 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors of the Manager to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors of the Manager include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance costs and asset management fees.

Segment capital expenditure is the total cost incurred to acquire investment properties and fixed assets.

3.15 Taxation

Tax expense comprises current and deferred tax. Current tax and deferred tax expense are recognised in the statement of total return except to the extent that it relates to an item recognised directly in unitholders' funds.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is not recognised for temporary differences that:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Taxation (cont'd)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Tax transparency

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the income tax treatment of the Trust. Subject to meeting the terms and conditions of the tax ruling which includes a distribution of at least 90% of the taxable income of the Trust, the Trustee will not be assessed to tax on the taxable income of the Trust. Instead, the distributions made by the Trust out of such taxable income are subject to tax in the hands of Unitholders, unless they are exempt from tax on the Trust's distributions (the "tax transparency ruling"). Accordingly, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate from the distributions made to Unitholders that are made out of the taxable income of the Trust, except:

- where the beneficial owners are individuals and the units are not held through a partnership in Singapore or Qualifying Unitholders, who are not acting in the capacity of a trustee, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax; and
- where the beneficial owners are Qualifying Foreign Non-Individual Investors or Qualifying Non-Resident Fund or where the Units are held by nominee Unitholders who can demonstrate that the Units are held for beneficial owners who are Qualifying Foreign Non-Individual Investors or Qualifying Non-Resident Fund, the Trustee and the Manager will deduct/withhold tax at a reduced rate of 10% from the distributions.

A Qualifying Foreign Non-Individual Investor refers to a non-resident non-individual Unitholder or foreign fund who:

- (i) does not have any permanent establishment in Singapore (other than a fund manager in Singapore); or
- (ii) carries on any operation through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used by that person to acquire the units in the Trust are not obtained from that operation.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Taxation (cont'd)

Tax transparency (cont'd)

A Qualifying Unitholder is a Unitholder who is:

- (i) an individual (including those who purchased units in the Trust through agent banks or Supplementary Retirement Scheme ("SRS") operators which act as a nominee under the CPF Investment Scheme or the SRS respectively);
- (ii) a company incorporated and resident in Singapore;
- (iii) a Singapore branch of a foreign company;
- (iv) a body of persons (excluding companies or partnerships) incorporated or registered in Singapore, including charities registered under Charities Act 1994 or established by any written law, town councils, statutory boards, co-operative societies registered under the Co-operatives Societies Act 1979 or trade unions registered under the Trade Unions Act 1940;
- (v) an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act 1948; or
- (vi) real estate investment trust exchange-traded funds ("REIT ETFs") which have been accorded the tax transparency treatment.

A Qualifying Non-Resident Fund is a non-resident fund that qualifies for tax exemption under Section 13D, 13U or 13V of the Income Tax Act 1947 and who:

- (i) does not have a permanent establishment in Singapore (other than a fund manager in Singapore); or
- (ii) carries on an operation through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used by that qualifying fund to acquire units of the Trust are not obtained from that operation.

The above tax transparency ruling does not apply to gains from the sale of real properties. Such gains, when determined by the IRAS to be trading gains, are assessable to tax on the Trustee. Where the gains are capital gains, the Trustee will not be assessed to tax and may distribute the capital gains without tax being deducted at source.

3.16 Unitholders' funds

Unitholders' funds represent the Unitholders' residual interest in the Group's net assets upon termination and are classified as equity. Incremental costs directly attributable to the issuance of Units are deducted against unitholders' funds.

3.17 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and the Group will comply with the conditions associated with the grant. Government grants related to income are recognised in the statement of total return as 'Other Income' on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 October 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Group's consolidated financial statements and the Trust's statement of financial position.

- *FRS 117 Insurance Contracts and amendments to FRS 117 Insurance Contracts*
- *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to FRS 116)*
- *Onerous Contracts – Costs of Fulfilling a Contract (Amendments to FRS 37)*
- *Classification of Liabilities as Current or Non-current (Amendments to FRS 1)*
- *Annual Improvements to FRSs 2018 – 2020*
- *Disclosure of Accounting Policies (Amendments to FRS 1 and FRS Practice Statement 2)*
- *Definition of Accounting Estimates (Amendments to FRS 8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to FRS 12)*

4. INVESTMENT PROPERTIES

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At beginning	5,506,500	2,749,500	2,441,500	2,749,500
Acquisition of subsidiaries (Note 8)	-	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	5,516,000	5,506,500	2,460,000	2,441,500

The investment properties owned by the Group are set out in the Portfolio Statement on pages 172 to 173.

On 23 December 2020, the Trust entered into a sale and purchase agreement with a third party for the disposal of Anchorpoint. The disposal was completed for a consideration of \$110 million on 22 March 2021.

On 31 January 2021, YewTee Point was valued at \$200 million by Savills Valuation and Professional Services (S) Pte Ltd and a revaluation surplus of \$10 million was recognised. The valuation methods used to derive its fair value include the Capitalisation Approach and Discounted Cash Flow Analysis, with the Direct Comparison Method used as a cross-check. On 19 March 2021, the Trust entered into a sale and purchase agreement with a third party for the disposal of YewTee Point. The disposal was completed for a consideration of \$220 million on 28 May 2021.

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 banking facilities granted (Note 14).

Direct operating expenses (including repairs and maintenance) arising from rental generating properties are disclosed on Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

4. INVESTMENT PROPERTIES (CONT'D)

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.

Fair value hierarchy

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 30 September 2022				
Group				
<u>Non-financial assets</u>				
Investment properties	-	-	5,516,000	5,516,000
Trust				
<u>Non-financial assets</u>				
Investment properties	-	-	2,460,000	2,460,000
At 30 September 2021				
Group				
<u>Non-financial assets</u>				
Investment properties	-	-	5,506,500	5,506,500
Trust				
<u>Non-financial assets</u>				
Investment properties	-	-	2,441,500	2,441,500

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

4. INVESTMENT PROPERTIES (CONT'D)

Level 3 fair value measurements

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.

The key unobservable inputs correspond to:

- discount rate, based on the risk-free rate for 10-year bonds issued by the government of Singapore, adjusted for a risk premium to reflect the increased risk of investing in the asset class;
- terminal yield reflects the uncertainty, functional/economic obsolescence and the risk associated with the investment properties; and
- capitalisation rate which corresponds to a rate of return on investment properties based on the expected income that the property will generate.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

5. FIXED ASSETS

	Equipment, furniture and fittings, and others Group and Trust	
	2022	2021
	\$'000	\$'000
Cost		
At beginning	316	466
Additions	-	41
Disposals/write-offs	(4)	(191)
At end	312	316
Accumulated depreciation		
At beginning	141	237
Charge for the year	49	58
Disposals/write-offs	(4)	(154)
At end	186	141
Carrying amount		
At beginning	175	229
At end	126	175

6. INVESTMENT IN SUBSIDIARIES

	Trust	
	2022	2021
	\$'000	\$'000
Unquoted equity investments, at cost	1,447,600	1,447,600

Details of the significant subsidiaries are as follows:

Name of subsidiary	Place of incorporation/ business	Principal activity	Effective equity interest held by the Trust	
			2022 %	2021 %
FCT MTN Pte. Ltd. ⁽¹⁾	Singapore	Provision of treasury services	100	100
FCT Holdings (Sigma) Pte. Ltd. ⁽¹⁾	Singapore	Investment holding	100	100
Tiong Bahru Plaza LLP ^{(1), (2)}	Singapore	Property investment	100	100
White Sands LLP ^{(1), (2)}	Singapore	Property investment	100	100
Hougang Mall LLP ^{(1), (2)}	Singapore	Property investment	100	100
Tampines 1 LLP ^{(1), (2)}	Singapore	Property investment	100	100
Central Plaza LLP ^{(1), (2)}	Singapore	Property investment	100	100
Century Square LLP ^{(1), (2), (3)}	Singapore	Property investment	100	100

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the significant subsidiaries are as follows: (cont'd)

Name of subsidiary	Place of incorporation/ business	Principal activity	Effective equity interest held by the Trust	
			2022 %	2021 %
Tiong Bahru Plaza Trust 1 ⁽¹⁾	Singapore	Investment holding	100	100
Tiong Bahru Plaza Trust 2 ^{(1), (2)}	Singapore	Investment holding	100	100
White Sands Trust 1 ⁽¹⁾	Singapore	Investment holding	100	100
White Sands Trust 2 ^{(1), (2)}	Singapore	Investment holding	100	100
Hougang Mall Trust 1 ⁽¹⁾	Singapore	Investment holding	100	100
Hougang Mall Trust 2 ^{(1), (2)}	Singapore	Investment holding	100	100
Tampines 1 Trust 1 ⁽¹⁾	Singapore	Investment holding	100	100
Tampines 1 Trust 2 ^{(1), (2)}	Singapore	Investment holding	100	100
Central Plaza Trust 1 ⁽¹⁾	Singapore	Investment holding	100	100
Central Plaza Trust 2 ^{(1), (2)}	Singapore	Investment holding	100	100
Century Square Trust 1 ⁽¹⁾	Singapore	Investment holding	100	100
Century Square Trust 2 ⁽¹⁾	Singapore	Investment holding	100	100
The Management Corporation Strata Title Plan No. 2634 ⁽²⁾	Singapore	Management and maintenance of property	100	100
AsiaRetail Fund Limited ^{(2), (4)}	Bermuda	Investment holding	100	100

(1) Audited by KPMG LLP, Singapore.

(2) Indirectly held by FCT.

(3) Converted from Century Square Holding Pte Ltd to a limited liability partnership on 27 January 2022.

(4) Formerly known as "PGIM Real Estate AsiaRetail Fund Limited". The entity is in the process of being liquidated by way of a member's voluntary liquidation and the liquidators were appointed on 17 January 2022.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

7. INVESTMENT IN ASSOCIATE

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Investment in associate	59,543	65,229	74,584	74,584
Allowance for impairment	(18,735)	(18,735)	(30,019)	(28,090)
	<u>40,808</u>	<u>46,494</u>	<u>44,565</u>	<u>46,494</u>

Details of the associate are as follows:

Name of associate	Place of incorporation/ business	Effective equity interest held by the Group and Trust	
		2022 %	2021 %
Hektar Real Estate Investment Trust ⁽¹⁾	Malaysia	<u>30.53</u>	<u>31.15</u>

(1) Audited by BDO, Malaysia.

Hektar Real Estate Investment Trust ("H-REIT") is a real estate investment trust constituted in Malaysia by a trust deed dated 5 October 2006. H-REIT units are listed on the Main Board of Bursa Malaysia Securities Berhad. The principal investment objective of H-REIT is to invest in income-producing real estate in Malaysia used primarily for retail purposes.

On 24 December 2021 and 29 December 2021, H-REIT conducted a private placement exercise. 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.

The Group assesses at each reporting date whether there is any objective evidence that its investment in H-REIT is impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based on the higher of its value in use and its fair value less costs to sell. For the financial year ended 30 September 2022, the Group and the Trust provided for an impairment loss of \$Nil (2021: \$11,976,000) and \$1,929,000 (2021: \$16,291,000) respectively to write down the carrying amount of the investment in H-REIT to the estimated recoverable amount.

As the results of H-REIT are not expected to be announced in sufficient time to be included in the Group's results for the quarter ended 30 September 2022, the Group has estimated the results of H-REIT for the quarter ended 30 September 2022 based on its results for the preceding quarter, adjusted for significant transactions and events occurring up to the reporting date of the Group, if any.

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

The fair value of H-REIT based on published price quotations was \$23,620,000 (2021: \$26,501,000).

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

7. INVESTMENT IN ASSOCIATE (CONT'D)

The following summarised financial information relating to the associate has not been adjusted for the percentage of ownership interest held by the Group:

	2022	2021
	\$'000	\$'000
Assets and liabilities ⁽²⁾		
Non-current assets	367,073	394,548
Current assets	13,017	15,617
Total assets	<u>380,090</u>	<u>410,165</u>
Current liabilities	21,679	24,589
Non-current liabilities	183,102	196,401
Total liabilities	<u>204,781</u>	<u>220,990</u>

	2022	2021
	\$'000	\$'000
Results ⁽³⁾		
Revenue	33,193	35,536
Expenses	(25,337)	(31,055)
Net change in fair value of investment properties	(13,931)	(12,489)
Tax credit	956	81
Loss after taxation	<u>(5,119)</u>	<u>(7,927)</u>

(2) The "Assets and liabilities" is based on the latest available unaudited management accounts as at 30 June 2022 and 30 June 2021, respectively.

(3) The "Results" is based on the latest available unaudited management accounts for the six months ended 30 June 2022 and 30 June 2021 respectively and six-month results from the audited financial statements for the years ended 31 December 2021 and 31 December 2020, respectively.

As at 30 September 2022, the associate's property portfolio comprises Subang Parade in Selangor, Mahkota Parade in Melaka, Wetex Parade and Segamat Central in Johor, Central Square and Kulim Central in Kedah.

	2022	2021
	\$'000	\$'000
Group's interest in associate at beginning of the year	46,494	696,406
Group's share of:		
- Loss after taxation	(1,096)	(1,386)
- Other comprehensive income	-	566
Total comprehensive income	(1,096)	(820)
Reclassification to investment in subsidiaries (Note 8)	-	(629,037)
Dividends received during the year	(2,130)	(7,017)
Loss from the dilution of interest in associate	(744)	-
Provision for impairment	-	(11,976)
Translation difference	(1,716)	(1,062)
Group's interest in associate at end of the year	<u>40,808</u>	<u>46,494</u>

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

8. ACQUISITION OF SUBSIDIARIES

On 27 October 2020, the Group acquired an additional 252,158 shares in the capital of ARF from Frasers Property Investments (Bermuda) Limited, a related company of the Group for a total consideration of approximately \$1,060.3 million. As a result, the Group's equity interest in ARF increased from 36.89% to 100%, making it a wholly-owned subsidiary.

On the same date, ARMF (Mauritius) Limited, a wholly-owned subsidiary of ARF divested 100% of the total issued share capital of Mallco Pte. Ltd. for a consideration of approximately \$39.7 million to Frasers Property Gold Pte. Ltd., a related company of the Group.

From the date ARF became a subsidiary, ARF contributed revenue of \$171.8 million and total return for the period (excluding net change in fair value of investment properties) of \$65.7 million to the Group in the financial year ended 30 September 2021. If the business combination had taken place at the beginning of the financial year ended 30 September 2021, ARF's contribution to the Group's revenue and total return for the year (excluding net change in fair value of investment properties) would have been \$186.9 million and \$69.8 million respectively.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

	2021 \$'000
Cash	1,060,318
Total consideration transferred	<u>1,060,318</u>

Acquisition-related costs

The Group incurred acquisition-related costs of \$25,318,000 on acquisition fee, legal fees and due diligence costs. These costs had been included in 'Expenses in relation to acquisitions of subsidiaries and associate'.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition.

	Note	2021 \$'000
Investment properties	4	3,065,000
Cash and cash equivalents		106,363
Trade and other receivables		48,451
Interest-bearing borrowings	14	(1,406,470)
Financial derivatives		(1,732)
Trade and other payables		(42,921)
Security deposits		(52,935)
Provision for taxation		(10,344)
Deferred tax liabilities	15	(4,587)
Total identifiable net assets		<u>1,700,825</u>
Less: Amounts previously accounted for as investment in associate	7	(629,037)
Net gain recognised on step acquisition		<u>(11,470)</u>
Consideration paid in cash		1,060,318
Proceeds from disposal of Mallco		(39,749)
Cash and cash equivalents of subsidiaries acquired		(106,363)
Distributions to former shareholders of ARF		11,744
Net cash outflow on acquisition of subsidiaries, net of cash and cash equivalents acquired		<u>925,950</u>

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

8. ACQUISITION OF SUBSIDIARIES (CONT'D)

Net gain recognised on step acquisition

Net gain arising from the acquisition was recognised as follows:

	2021 \$'000
Total consideration transferred	1,060,318
Carrying amount of pre-existing interest in the acquiree	629,037
Fair value of identifiable net assets	<u>(1,700,825)</u>
Net gain recognised on step acquisition	<u>11,470</u>

9. INVESTMENT IN JOINT VENTURES

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Investment in joint ventures	313,473	295,531	288,498	288,568
Allowance for impairment	<u>(1,132)</u>	<u>(1,132)</u>	<u>(1,132)</u>	<u>(1,132)</u>
	<u>312,341</u>	<u>294,399</u>	<u>287,366</u>	<u>287,436</u>

Details of the joint ventures are as follows:

Name of joint ventures	Place of incorporation/ business	Effective equity interest held by the Group and Trust	
		2022 %	2021 %
Changi City Carpark Operations LLP	Singapore	43.68	43.68
Sapphire Star Trust	Singapore	40.00	40.00
FC Retail Trustee Pte. Ltd.	Singapore	<u>40.00</u>	<u>40.00</u>

The Group has 43.68% interest in the ownership and voting rights in a joint venture, Changi City Carpark Operations LLP. This joint venture is incorporated in Singapore and is a strategic venture in the management and operation of car park in Changi City Point.

The Group has 40.00% interest in the ownership and voting rights in a joint venture, Sapphire Star Trust ("SST"), a private trust that owns Waterway Point, a suburban shopping mall located in Punggol. The Group jointly controls the venture with other partners under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities.

On 12 September 2022, the Trust entered into a conditional unit sale and purchase agreement with Sekisui House, Ltd. (the "Vendor") to acquire 10.00% of the total issued units of 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 10.00% 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 audited financial statements. Upon the completion of the transaction, the Group's interest in SST will increase from 40.00% to 50.00%.

No disclosure of fair value is made for the joint ventures as they are not quoted on any market.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

9. INVESTMENT IN JOINT VENTURES (CONT'D)

The following summarised financial information relating to a material joint venture has not been adjusted for the percentage of ownership interest held by the Group.

	2022 \$'000	2021 \$'000
Assets and liabilities ⁽¹⁾		
Non-current assets	1,349,844	1,304,604
Current assets ^(a)	46,897	42,276
Total assets	<u>1,396,741</u>	<u>1,346,880</u>
Current liabilities	43,664	38,467
Non-current liabilities ^(b)	579,428	580,151
Total liabilities	<u>623,092</u>	<u>618,618</u>
Results ⁽²⁾		
Revenue	78,158	71,126
Expenses ^(c)	(28,231)	(31,125)
Net change in fair value of investment properties	10,669	(1,127)
Tax expense	(4,363)	(3,237)
Profit after taxation	<u>56,233</u>	<u>35,637</u>

(1) The "Assets and liabilities" is based on the latest available unaudited management accounts as at 30 September 2022 and 30 September 2021, respectively.

(2) The "Results" is based on the latest available unaudited management accounts for the year ended 30 September 2022 and 30 September 2021, respectively.

(a) Includes cash and cash equivalents of \$44,791,000 (2021: \$39,712,000)

(b) Includes non-current bank borrowings of \$571,961,000 (2021: \$571,674,000)

(c) Includes:

- depreciation of \$7,000 (2021: \$9,000)
- finance income \$244,000 (2021: \$26,000)
- finance costs \$10,571,000 (2021: \$14,075,000)

	2022 \$'000	2021 \$'000
Group's interest in joint ventures at beginning of the year	294,399	291,007
Group's share of:		
- Profit after taxation	24,599	16,886
- Other comprehensive income	13,099	2,598
Total comprehensive income	37,698	19,484
Adjustment of consideration paid for investment in joint venture	(70)	-
Dividends received during the year	(19,686)	(16,092)
Group's interest in joint ventures at end of the year	<u>312,341</u>	<u>294,399</u>

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

10. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables	6,232	7,789	3,215	3,800
Allowance for doubtful receivables	(154)	(942)	(111)	(751)
Net trade receivables	6,078	6,847	3,104	3,049
Deposits	695	724	33	45
Prepayments	175	184	14	16
Amounts due from subsidiaries (non-trade)	-	-	354,155	459,962
Amounts due from related parties (non-trade)	35	20	33	-
Other receivables	1,874	1,220	1,605	133
	8,857	8,995	358,944	463,205

Trade receivables are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Non-trade amounts due from subsidiaries and related parties are unsecured, interest-free and repayable on demand, except for non-trade amounts due from subsidiaries of \$Nil (2021: \$55,000,000) which bore interest at Nil% (2021: 1.196%) per annum.

11. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash at bank and on hand	38,165	42,234	16,613	14,661

12. TRADE AND OTHER PAYABLES

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade payables and accrued operating expenses	35,852	37,067	20,212	19,940
Amounts due to related parties	20,520	22,539	18,169	18,232
Amounts due to subsidiaries (non-trade)	-	-	72,100	74,775
Interest payable	7,685	7,004	1,098	853
Other payables	122	52	27	15
	64,179	66,662	111,606	113,815
GST payables	4,997	4,263	2,271	1,950
Advance rent received	1,407	739	327	208
	70,583	71,664	114,204	115,973

Included in trade payables and accrued operating expenses is an amount due to the Trustee of \$240,000 (2021: \$240,000).

Included in amounts due to related parties are amounts due to the Manager of \$15,047,000 (2021: \$14,568,000) and the Property Manager of \$5,266,000 (2021: \$7,844,000) respectively. The amounts due to related parties are unsecured, interest free and payable within the next 3 months.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

13. FINANCIAL DERIVATIVES

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Derivative assets				
Interest rate swaps used for hedging				
- Current	3,331	-	3,331	-
- Non-current	21,740	-	21,740	-
	<u>25,071</u>	<u>-</u>	<u>25,071</u>	<u>-</u>
Derivative liabilities				
Interest rate swaps used for hedging				
- Current	-	1,281	2,897	1,281
- Non-current	-	1,855	11,189	1,855
	<u>-</u>	<u>3,136</u>	<u>14,086</u>	<u>3,136</u>
Financial derivatives as a percentage of net assets	<u>0.63%</u>	<u>0.08%</u>	<u>0.29%</u>	<u>0.08%</u>

The Group has entered into contracts to exchange, at specified intervals, the difference between floating rate and fixed rate interest amounts calculated by reference to agreed notional amounts.

As at 30 September 2022, the total notional amount of the interest rate swaps entered by the Group is \$720 million (2021: \$430 million). Under the contracts, the Group pays fixed interest rate in the range of 0.463% to 2.420% (2021: 0.450% to 1.905%) per annum.

The fair value of the interest rate swaps is determined using the valuation technique as disclosed in Note 26(b).

As at 30 September 2022, where the interest rate swaps are designated as the hedging instruments in qualifying cash flow hedges, the effective portion of the changes in fair value of the interest rate swaps amounting to \$27,679,000 gain (2021: \$2,722,000 gain) (net of tax) was recognised in the hedging reserve. There was no ineffectiveness recognised from the hedge.

NOTES TO THE FINANCIAL STATEMENTS

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14. INTEREST-BEARING BORROWINGS

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current liabilities				
Bank loan (secured)	-	120,000	-	120,000
Bank 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)
	<u>390,668</u>	<u>204,827</u>	<u>199,951</u>	<u>204,827</u>
Non-current liabilities				
Bank loans (secured)	794,000	834,000	-	40,000
Bank 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)
	<u>1,419,458</u>	<u>1,604,089</u>	<u>457,677</u>	<u>547,731</u>

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).

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

Medium Term Notes (unsecured) Programme

On 7 May 2009, the Group through its subsidiary, FCT MTN Pte Ltd ("FCT MTN"), established a \$500,000,000 Multicurrency Medium Term Note Programme ("FCT MTN Programme"). With effect from 14 August 2013, the maximum aggregate principal amount of notes that may be issued under the FCT MTN Programme was increased from \$500,000,000 to \$1,000,000,000. Under the FCT MTN Programme, FCT MTN may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes (the "Notes") in Singapore dollars or any other currency. The Notes may be issued in various amounts and tenors, and may bear interest at fixed, floating, hybrid or variable rates of interest. Hybrid notes or zero-coupon notes may also be issued under the FCT MTN Programme.

The Notes shall constitute direct, unconditional, unsubordinated and unsecured obligations of FCT MTN ranking pari passu, without any preference or priority among themselves, and pari passu with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of FCT MTN. All sums payable in respect of the Notes are unconditionally and irrevocably guaranteed by the Trustee.

NOTES TO THE FINANCIAL STATEMENTS

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14. INTEREST-BEARING BORROWINGS (CONT'D)

As at 30 September 2022, the aggregate balance of the Notes issued by the Group under the FCT MTN Programme amounted to \$70 million (2021: \$100 million), consisting of:

- (i) \$Nil (2021: \$30 million) Fixed Rate Notes which matured in June 2022 and bore a fixed interest rate of 2.645% per annum payable semi-annually in arrear; and
- (ii) \$70 million (2021: \$70 million) Fixed Rate Notes which mature in November 2024 and bear a fixed interest rate of 2.770% per annum payable semi-annually in arrears.

Multicurrency Debt (unsecured) Issuance Programme

On 8 February 2017, the Group established a \$3 billion Multicurrency Debt Issuance Programme ("Debt Issuance Programme"). Under the Debt Issuance Programme, the Issuers may, subject to compliance with all relevant laws, regulations and directives from time to time, issue notes (the "Notes") and perpetual securities (the "Perpetual Securities", and together with the Notes the "Securities") in Singapore dollars or any other currency as may be agreed between the relevant dealers of the Programme and the Issuers.

Each series or tranche of Notes may be issued in various amounts and tenors, and may bear interest at fixed, floating, hybrid or variable rates as may be agreed between the relevant dealers of the Debt Issuance Programme and the relevant Issuer or may not bear interest. The Notes and the coupons of all series shall constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and shall at all times rank pari passu, without any preference or priority among themselves, and pari passu with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the relevant Issuer.

As at 30 September 2022, \$200 million (2021: \$200 million) Fixed Rate Notes which mature in May 2023 and bear a fixed interest rate of 3.200% per annum payable semi-annually in arrears has been issued under this programme.

Terms and debt repayment schedule

	Year of maturity	Group		Trust	
		Face value \$'000	Carrying value \$'000	Face value \$'000	Carrying value \$'000
2022					
Bank loans	2023 - 2027	1,545,000	1,540,222	389,000	387,724
Medium Term Notes	2023 - 2024	270,000	269,904	-	-
Loans from subsidiary	2023 - 2024	-	-	270,000	269,904
		<u>1,815,000</u>	<u>1,810,126</u>	<u>659,000</u>	<u>657,628</u>
2021					
Bank loans	2022 - 2026	1,460,000	1,454,193	399,000	397,835
Medium Term Notes	2022 - 2024	300,000	299,792	-	-
Loans from subsidiary	2022 - 2024	-	-	300,000	299,792
Short term loan	2022	55,000	54,931	55,000	54,931
		<u>1,815,000</u>	<u>1,808,916</u>	<u>754,000</u>	<u>752,558</u>

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

14. INTEREST-BEARING BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Interest-bearing borrowings \$'000	Interest payable \$'000	Liabilities Derivative liabilities/ (assets) \$'000	Accrued transaction costs \$'000	Total \$'000
Group					
Balance at 1 October 2020	1,252,308	5,582	7,367	-	1,265,257
Changes from financing cash flows					
Proceeds from borrowings	636,620	-	-	-	636,620
Repayment of borrowings	(1,487,240)	-	-	-	(1,487,240)
Interest paid	-	(41,960)	-	-	(41,960)
Payment of transaction costs	(2,395)	-	-	-	(2,395)
Total changes from financing cash flows	(853,015)	(41,960)	-	-	(894,975)
Change in fair value	-	-	(5,963)	-	(5,963)
Other changes					
Acquisition of subsidiaries (Note 8)	1,406,470	661	1,732	1,759	1,410,622
Interest expense (Note 21)	-	42,721	-	-	42,721
Amortisation of transaction costs	3,153	-	-	-	3,153
Total other changes	1,409,623	43,382	1,732	1,759	1,456,496
Balance at 30 September 2021	1,808,916	7,004	3,136	1,759	1,820,815
Balance at 1 October 2021	1,808,916	7,004	3,136	1,759	1,820,815
Changes from financing cash flows					
Proceeds from borrowings	387,000	-	-	-	387,000
Repayment of borrowings	(387,000)	-	-	-	(387,000)
Interest expense paid	-	(43,712)	-	-	(43,712)
Payment of transaction costs	(1,229)	-	-	(761)	(1,990)
Total changes from financing cash flows	(1,229)	(43,712)	-	(761)	(45,702)
Change in fair value	-	-	(28,207)	-	(28,207)
Other changes					
Interest expense (Note 21)	-	44,393	-	-	44,393
Amortisation of transaction costs (Note 21)	2,439	-	-	-	2,439
Total other changes	2,439	44,393	-	-	46,832
Balance at 30 September 2022	1,810,126	7,685	(25,071)	998	1,793,738

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

15. DEFERRED TAX LIABILITY

	At 1 October 2021 \$'000	Acquisition of subsidiaries (Note 8) \$'000	Recognised in the statement of total return (Note 23) \$'000	Recognised in hedging reserve \$'000	At 30 September 2022 \$'000
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Group

Investment properties	6,640	-	(6,640)	-	-
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	At 1 October 2020 \$'000	Acquisition of subsidiaries (Note 8) \$'000	Recognised in the statement of total return (Note 23) \$'000	Recognised in hedging reserve \$'000	At 30 September 2021 \$'000
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Group

Investment properties	-	4,882	1,758	-	6,640
Interest rate swaps	-	(295)	-	295	-
	-	4,587	1,758	295	6,640

16. UNITS IN ISSUE

	Group and Trust	
	2022	2021
	No. of Units '000	No. of Units '000

Units in issue

At beginning	1,699,268	1,119,447
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Issue of Units

- private placement and preferential offering	-	569,321
- issued as satisfaction of asset management fees	2,789	2,037
- issued as satisfaction of acquisition and divestment fee	-	8,463
At end	1,702,057	1,699,268

Units to be issued

- asset management fees payable in Units	1,708	1,591
Total issued and issuable Units at end	1,703,765	1,700,859

NOTES TO THE FINANCIAL STATEMENTS

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16. UNITS IN ISSUE (CONT'D)

Each Unit represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the rights to:

- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or of any estate or interest in any assets (or part thereof) of the Trust;
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth number of the Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- one vote per Unit.

The restrictions of a Unitholder include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem his Units while the Units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Units in the Trust. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

17. NET ASSET VALUE / NET TANGIBLE ASSET PER UNIT

	Group		Trust	
	2022	2021	2022	2021
Net asset value / Net tangible asset per Unit is based on:				
Net assets/Net tangible assets (\$'000)	3,964,077	3,918,808	3,814,974	3,794,254
Total issued and issuable Units ('000) (Note 16)	1,703,765	1,700,859	1,703,765	1,700,859

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18. GROSS REVENUE

	Group	
	2022	2021
	\$'000	\$'000
Gross rental income	325,626	311,447
Gross turnover rental income	17,560	15,218
Carpark income	6,167	5,120
Others	7,578	9,364
	<u>356,931</u>	<u>341,149</u>

Gross rental income

In financial year ended 30 September 2021, the Group had granted rental relief to a number of its tenants in light of challenges arising from COVID-19. Each rental relief request had been reviewed and considered on a case-by-case basis.

19. PROPERTY EXPENSES

	Group	
	2022	2021
	\$'000	\$'000
Property tax	33,430	32,028
Maintenance and utilities	27,537	27,106
Property management fees	13,763	13,241
Net (written back)/allowance for doubtful receivables	(656)	601
Bad debts recovered	(3)	-
Depreciation of fixed assets	49	58
Fixed assets written off	-	37
Others ⁽¹⁾	24,214	21,511
	<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.

20. OTHER INCOME

Other income of the Group include the following:

	Group	
	2022	2021
	\$'000	\$'000
Government grant income	-	4,819
Government grant expense	-	(4,819)
		<u></u>

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

21. FINANCE COSTS

	Group	
	2022	2021
	\$'000	\$'000
Interest expense	44,393	42,721
Amortisation of transaction costs	2,439	3,217
	<u>46,832</u>	<u>45,938</u>

22. ASSET MANAGEMENT FEES

Asset management fees comprise \$18,479,000 (2021: \$18,898,000) of base fee and \$14,129,000 (2021: \$13,491,000) of performance fee computed in accordance with the fee structure as disclosed in Note 1.2 to the financial statements.

An aggregate of 2,906,185 (2021: 2,745,397) units were issued or are issuable to the Manager as satisfaction of the asset management fees payable for the financial year ended 30 September 2022.

23. TAXATION

	Group	
	2022	2021
	\$'000	\$'000
Current tax expense		
Current year	906	1,835
(Over)/Under provision in prior years	(358)	16
	<u>548</u>	<u>1,851</u>
Deferred tax expense		
Origination and reversal of temporary differences	(6,640)	1,849
Over provision in prior years	-	(91)
	<u>(6,640)</u>	<u>1,758</u>
Total taxation	<u>(6,092)</u>	<u>3,609</u>
Reconciliation of effective tax		
Total return before tax	<u>201,187</u>	<u>172,242</u>
Income tax using Singapore tax rate of 17% (2021: 17%)	34,202	29,282
Effects of different tax rates in foreign jurisdictions	9	(193)
Expenses not deductible	2,499	8,405
Income not subject to tax	(4,879)	(2,950)
Reversal of temporary differences	(6,640)	-
Tax transparency	(30,925)	(30,860)
Over provision in prior years	(358)	(75)
	<u>(6,092)</u>	<u>3,609</u>

NOTES TO THE FINANCIAL STATEMENTS

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24. 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 year and total return for the year.

	2022	Group 2021
Total return for the year (\$'000)	207,279	168,633
Weighted average number of Units in issue ('000)	1,701,468	1,670,234

(ii) Diluted earnings per Unit

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

	2022	Group 2021
Total return for the year (\$'000)	207,279	168,633
Weighted average number of Units in issue in arriving at basic earnings per Unit ('000)	1,701,468	1,670,234
Effect of Units to be issued as payment of asset management fees in Units ('000)	2,298	2,157
Weighted average number of Units in issue (diluted) ('000)	1,703,766	1,672,391

25. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, other than the transactions disclosed in the financial statements, the following related party transactions were carried out in the normal course of business on arm's length commercial terms:

	2022 \$'000	Group 2021 \$'000
Related Corporations		
Property management fees, project management fee, service fees and reimbursement of expenses paid/payable to the Property Manager ⁽¹⁾	36,041	35,485
Acquisition fees paid in units to the Manager	-	19,344
Divestment fees paid to the Manager	-	2,190
Reimbursement of expenses paid/payable to the Manager	122	22
Adjustment of consideration paid for investment in joint venture from a related company of the Manager	(70)	-
Reimbursement of expenses/capital expenditure paid/payable to related companies of the Manager	210	1,058
Recovery of expenses paid on behalf of related companies of the Manager	(140)	(250)
Income from related companies of the Manager	(356)	(266)
Purchase of services from a related company of the Manager	418	201
Reimbursement of carpark income received on behalf of a related company of the Manager	1,830	1,714
Net carpark expenses paid/payable to the Property Manager	-	2

(1) In accordance with service agreements in relation to management of the Trust and its property operations.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

25. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

	Group	
	2022	2021
	\$'000	\$'000
Joint Ventures		
Interest income received/receivable from a Joint Venture	-	(801)
Car park expenses paid/payable to a Joint Venture	40	35

26. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Assets and liabilities measured at fair value

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Group				
At 30 September 2022				
<u>Financial assets</u>				
Interest rate swaps	-	25,071	-	25,071
At 30 September 2021				
<u>Financial liabilities</u>				
Interest rate swaps	-	3,136	-	3,136
Trust				
At 30 September 2022				
<u>Financial assets</u>				
Interest rate swaps	-	25,071	-	25,071
<u>Financial liabilities</u>				
Interest rate swaps	-	14,086	-	14,086
At 30 September 2021				
<u>Financial liabilities</u>				
Interest rate swaps	-	3,136	-	3,136

During the financial years ended 30 September 2022 and 30 September 2021, there have been no transfers between the respective levels.

(b) Level 2 fair value measurements

Interest rate swap contracts are valued using present value calculations by applying market observable inputs existing at each reporting date into swap models. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

NOTES TO THE FINANCIAL STATEMENTS

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26. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) Fair value of financial liabilities that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair values

The following fair values, which are determined for disclosure purposes, are estimated by discounting expected future cash flows at market incremental lending rates for similar types of lending or borrowing arrangements at the reporting date:

	2022		2021	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Group				
Financial liabilities				
Interest-bearing borrowings (non-current)	1,419,458	1,414,883	1,604,089	1,628,431
Security deposits (non-current)	50,472	46,809	45,207	44,178
	<u>1,469,930</u>	<u>1,461,692</u>	<u>1,649,296</u>	<u>1,672,609</u>
Trust				
Financial liabilities				
Interest-bearing borrowings (non-current)	457,677	453,598	547,731	555,362
Security deposits (non-current)	20,165	18,775	19,995	19,527
	<u>477,842</u>	<u>472,373</u>	<u>567,726</u>	<u>574,889</u>

(d) Fair value of financial assets and liabilities that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values

The carrying amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables, current portion of security deposits and current portion of interest-bearing borrowings) are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

27. FINANCIAL RISK MANAGEMENT

(a) Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains a strong and healthy capital structure in order to support its business and maximise Unitholder value.

The Group is subject to the aggregate leverage limit as defined in the Property Fund Guidelines of the CIS Code. The CIS Code stipulates that borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 50.0% of the fund's deposited property before 1 January 2022 and on or after 1 January 2022, should not exceed 45.0% of the fund's deposited property. The aggregate leverage of a property fund may exceed 45.0% of the fund's deposited property (up to a maximum of 50.0%) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

As at 30 September 2022, the Group's Aggregate Leverage stood at 33.0% (2021: 33.3%) of its deposited property, which is within the limit set by the Property Fund Guidelines and externally imposed capital requirements. The Trust has affirmed its corporate ratings of "BBB" from S&P Global Ratings and "Baa2" from Moody's Investors Service.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies

Exposure to credit, interest rate and liquidity risks arises in the normal course of the Group's business. The Manager continually monitors the Group's exposure to the above risks. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures risks.

(i) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Manager has established credit limits for tenants and monitors their balances on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with tenants. Credit risk is also mitigated by the security deposits held for each of the tenants. In addition, receivables are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Trade receivables

The Manager has established an allowance account for doubtful receivables that represents its estimate of losses in respect of trade receivables due from specific customers. Subsequently when the Group is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

The maximum exposure to credit risk is represented by the carrying value of each financial asset on the statements of financial position. At the reporting date, approximately 26.2% (2021: 31.1%) of the Group's trade receivables were due from 5 tenants who are reputable companies located in Singapore.

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual tenants, which comprise a very large number of tenants.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off based on actual credit loss experience over the last three years.

Trade receivables that are past due but not impaired

The Group and the Trust have trade receivables amounting to \$6,078,000 (2021: \$6,847,000) and \$3,104,000 (2021: \$3,049,000) respectively that are past due at the reporting date but not impaired. The aging of receivables at the reporting date is as follows:

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables past due but not impaired:				
Less than 30 days	5,060	5,061	2,474	2,428
31 to 60 days	362	1,276	246	421
61 to 90 days	132	139	127	12
More than 90 days	524	371	257	188
	<u>6,078</u>	<u>6,847</u>	<u>3,104</u>	<u>3,049</u>

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Trade receivables (cont'd)

Trade receivables that are impaired

Trade receivables of the Group and the Trust that are impaired at the reporting date and the movements of the allowance account used to record the impairment are as follows:

	Group		Trust	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables	154	942	111	751
Allowance for doubtful receivables	(154)	(942)	(111)	(751)
	-	-	-	-
Movement in allowance account:				
At beginning of the year	942	209	751	209
Acquisition of subsidiaries (Note 8)	-	217	-	-
Net (written back)/allowance for doubtful receivables	(656)	601	(640)	588
Write-off of trade receivables against provision	(132)	(85)	-	(46)
At end of the year	154	942	111	751

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant difficulties and have defaulted on payments. The allowance for doubtful receivables recorded in relation to these receivables represents the amount in excess of the security deposits held as collateral.

Based on the Group's historical experience of the collection of trade receivables, the Manager believes that there is no additional credit risk beyond those which have been provided for.

Deposits and other receivables

Impairment on these balances has been measured on the 12-month expected loss basis which reflects the short maturity and low credit risks of the exposure. The amount of the allowance on these balances is insignificant.

Amounts due from related parties and subsidiaries

Outstanding balances with related party are unsecured and repayable on demand. ECL is assessed from estimated cash flows recoverable from the related parties and subsidiaries based on the review of their financial strength as at the reporting date. There is no allowance for doubtful receivables arising from these outstanding balances as the ECL is not material.

Cash and cash equivalents

Cash is placed with financial institutions which are regulated. The maximum exposure to credit risk is represented by the carrying value on the statements of financial position. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposure. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk is in respect of debt obligations with financial institutions.

The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate debts with varying tenors. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. To manage this mix in a cost-efficient manner, the Group uses hedging instruments such as interest rate swaps to minimise its exposure to interest rate volatility.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group assesses whether the derivative designated in each hedge relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the critical terms method, dollar offset method or regression method.

Hedge ineffectiveness may occur due to changes in the critical terms of either the interest rate swaps or borrowings.

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as "interest rate benchmark reform"). As at 30 September 2022, the Group has exposures to SOR on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. In Singapore, the Steering Committee for SOR and SIBOR transition to SORA ("SC-STs") together with the Association of Banks in Singapore ("ABS") and Singapore Foreign Exchange Market Committee ("SFEMC"), has identified the Singapore Overnight Rate Average ("SORA") as the alternative interest rate benchmark to replace SIBOR and SOR in Singapore. The timeline for SORA to replace SOR is by the end of June 2023.

The Group monitors and manages the transition to alternative rates. The Group evaluates the extent to which contracts reference SOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties.

The Group monitors the progress of transition from SOR to SORA by reviewing the total amounts of contracts that have yet to transition to SORA and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to SORA when interest under the contract is indexed to SOR, even if it includes a fallback clause that deals with the cessation of the existing SOR (referred to as an "unreformed contract").

Non-derivative financial liabilities

Historically, the Group's IBOR exposures to non-derivative financial liabilities included secured and unsecured bank loans indexed to SOR. The Group has modified certain non-derivative financial liabilities indexed to SOR to reference SORA during the year ended 30 September 2022. In respect of its remaining SOR exposures, the Group is still in the process of communication with the counterparties and specific changes have yet to be agreed. The Group expects to complete the transition for all non-derivative financial liabilities to SORA by June 2023.

The following table shows the total amounts of the unreformed non-derivative financial liabilities as at 30 September 2022 and 30 September 2021. The amounts shown in the table are the carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(ii) Interest rate risk (cont'd)

Non-derivative financial liabilities (cont'd)

	SOR Total amount of unreformed contracts \$'000
Group	
30 September 2022	
Interest-bearing borrowings	<u>372,364</u>
30 September 2021	
Interest-bearing borrowings	<u>1,219,716</u>
Trust	
30 September 2022	
Interest-bearing borrowings	<u>118,782</u>
30 September 2021	
Interest-bearing borrowings	<u>452,766</u>

Derivatives

The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to SOR. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association ("ISDA")'s master agreements. The Group continues to plan the transition with respective counterparties of the contracts. The Group expects to complete the transition for all derivative instruments to SORA by June 2023.

The following table shows the amounts of unreformed derivative instruments and amounts that include appropriate fallback language as at 30 September 2022 and 30 September 2021. For interest rate swaps, the Group used the notional amount of the receive leg of the swap. The Group expects both legs of interest rate swaps to be reformed simultaneously.

	SOR	
	Total amount of unreformed contracts \$'000	Amount with appropriate fallback clause \$'000
Group		
30 September 2022		
Interest rate swaps	<u>310,000</u>	<u>310,000</u>
30 September 2021		
Interest rate swaps	<u>430,000</u>	<u>430,000</u>
Trust		
30 September 2022		
Interest rate swaps	<u>119,000</u>	<u>119,000</u>
30 September 2021		
Interest rate swaps	<u>430,000</u>	<u>430,000</u>

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(ii) Interest rate risk (cont'd)

Hedge accounting

The Group's hedged items and hedging instruments as at the reporting date are indexed to SORA and SOR. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with counterparties as usual.

The Group continues to have other hedged items and hedging instruments used in cash flow hedging relationships indexed to SOR. These SOR cash flows hedging relationships extend beyond the anticipated cessation dates of SOR. The Group has evaluated the extent to which its hedging relationships are subject to uncertainty driven by interest rate benchmark reform as at 30 September 2022. The Group continues to apply the amendments to FRS 109 issued in December 2019 (Phase 1) to those hedging relationships directly affected by interest rate benchmark reform.

Hedging relationships impacted by interest rate benchmark reform may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur for the relevant hedged items and hedging instruments. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instruments indexed to SOR using available quoted market rates for SOR-based instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in SOR on a similar basis.

Sensitivity analysis for interest rate risk

It is estimated that every 100 basis points increase in interest rate at the reporting date, with all other variables held constant, would increase the Group's total return for the year and Unitholders' funds by approximately \$Nil (2021: \$202,000) and \$12,924,000 (2021: \$4,294,000) respectively and every 100 basis points decrease in interest rate, with all other variables held constant, would decrease the Group's total return for the year and Unitholders' funds by approximately \$Nil (2021: \$203,000) and \$13,341,000 (2021: \$4,363,000) respectively, arising mainly as a result of change in the fair value of interest rate swap instruments.

On outstanding borrowings not covered by financial derivatives at the reporting date, it is estimated that every 100 basis points increase in interest rate, with all other variables held constant, would decrease the Group's total return for the year by approximately \$5,300,000 (2021: \$7,950,000) and every 100 basis points decrease in interest rate, with all other variables held constant, would increase the Group's total return for the year by approximately \$5,300,000 (2021: \$7,950,000), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

NOTES TO THE FINANCIAL STATEMENTS

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27. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's objective is to maintain sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations. The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Manager monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

The table below summarises the maturity profile of the Group's and the Trust's financial liabilities at the reporting date based on contractual undiscounted payments.

	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
			Within 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
As at 30 September 2022					
Group					
Non-derivative financial liabilities					
Trade and other payables *	64,179	64,179	64,179	-	-
Security deposits	96,119	96,119	45,647	49,335	1,137
Interest-bearing borrowings	1,810,126	1,977,774	461,060	1,516,714	-
	<u>1,970,424</u>	<u>2,138,072</u>	<u>570,886</u>	<u>1,566,049</u>	<u>1,137</u>
Trust					
Derivative financial liabilities					
Financial derivatives	14,086	14,900	7,573	7,327	-
Non-derivative financial liabilities					
Trade and other payables *	111,606	111,606	111,606	-	-
Security deposits	39,393	39,393	19,228	19,632	533
Interest-bearing borrowings	657,628	725,751	223,155	502,596	-
	<u>808,627</u>	<u>876,750</u>	<u>353,989</u>	<u>522,228</u>	<u>533</u>
As at 30 September 2021					
Group					
Derivative financial liabilities					
Financial derivatives	3,136	3,545	3,170	375	-
Non-derivative financial liabilities					
Trade and other payables *	66,662	66,662	66,662	-	-
Security deposits	88,367	88,367	43,160	44,859	348
Interest-bearing borrowings	1,808,916	1,912,512	239,285	1,589,678	83,549
	<u>1,963,945</u>	<u>2,067,541</u>	<u>349,107</u>	<u>1,634,537</u>	<u>83,897</u>
Trust					
Derivative financial liabilities					
Financial derivatives	3,136	3,545	3,170	375	-
Non-derivative financial liabilities					
Trade and other payables *	113,815	113,815	113,815	-	-
Security deposits	35,150	35,150	15,155	19,995	-
Interest-bearing borrowings	752,558	789,665	217,843	571,822	-
	<u>901,523</u>	<u>938,630</u>	<u>346,813</u>	<u>591,817</u>	<u>-</u>

* Excludes advance rent received and GST payables.

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28. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

28. SEGMENT REPORTING (CONT'D)

	Causeway Point \$'000	Northpoint City North Wing and Yishun 10 Retail Podium \$'000	Changi City Point \$'000
Year ended 30 September 2022			
<i>Revenue and expenses</i>			
Gross rental income	80,252	50,075	21,040
Others	8,755	4,772	2,895
Gross revenue	89,007	54,847	23,935
Segment net property income	68,447	40,891	14,570
Finance income			
Finance costs			
Non-property expenses			
Net income			
Share of results of associate			
Share of results of joint ventures			
Loss from the dilution of interest in associate			
Net change in fair value of investment properties	8,375	6,904	(1,189)
Gain from fair valuation of derivatives			
Net foreign exchange loss			
Total return before tax			
Taxation	-	-	-
Unallocated taxation			
Total return for the year			

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

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

28. SEGMENT REPORTING (CONT'D)

	Causeway Point \$'000	Northpoint City North Wing and Yishun 10 Retail Podium \$'000	Changi City Point \$'000
Year ended 30 September 2021			
<i>Revenue and expenses</i>			
Gross rental income	75,180	46,707	19,808
Others	7,403	4,130	2,585
Gross revenue	82,583	50,837	22,393
Segment net property income	60,905	37,743	13,435
Finance income			
Other income			
Interest income from joint venture			
Finance costs			
Non-property expenses			
Net income			
Share of results of associates			
Share of results of joint ventures			
Impairment loss on investment in associate			
Net change in fair value of investment properties	1,700	(2,226)	(13,159)
Gain from fair valuation of derivatives			
Net gain on step acquisition			
Expenses in relation to acquisitions of subsidiaries and associate			
Net foreign exchange loss			
Gain on disposal of investment properties			
Total return before tax			
Taxation	-	-	-
Unallocated taxation			
Total return for the year			

* 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.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

28. SEGMENT REPORTING (CONT'D)

	Causeway Point \$'000	Northpoint City North Wing and Yishun 10 Retail Podium \$'000	Changi City Point \$'000
As at 30 September 2022			
<i>Assets and liabilities</i>			
Segment assets	1,328,583	813,922	327,723
Investment in associate			
Investment in joint ventures			
Unallocated assets			
- Financial derivatives			
- Others			
Total assets			
Segment liabilities	29,923	20,133	11,771
Unallocated liabilities			
- Interest-bearing borrowings			
- Others			
Total liabilities			
Year ended 30 September 2022			
<i>Other segmental information</i>			
Net (written back)/allowance for doubtful receivables	(644)	-	5
Bad debts recovered	(1)	-	-
Amortisation of lease incentives	(565)	(275)	(209)
Depreciation of fixed assets	22	8	19
Capital expenditure			
- Investment properties	2,060	320	981

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

Tampines 1 \$'000	Tiong Bahru Plaza \$'000	Century Square \$'000	Hougang Mall \$'000	White Sands \$'000	Central Plaza \$'000	Group \$'000
771,053	661,875	561,142	435,643	432,058	217,655	5,549,654 40,808 312,341
						25,071 13,494
						<u>5,941,368</u>
24,153	14,582	15,325	12,032	11,705	3,694	143,318
						1,810,126 23,847
						<u>1,977,291</u>
(15)	-	9	(11)	-	-	(656)
(1)	(1)	-	-	-	-	(3)
(611)	310	(310)	(221)	29	(54)	(1,906)
-	-	-	-	-	-	49
331	141	113	565	127	212	4,850

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

28. SEGMENT REPORTING (CONT'D)

	Causeway Point \$'000	Northpoint City North Wing and Yishun 10 Retail Podium \$'000	Changi City Point \$'000
As at 30 September 2021			
<i>Assets and liabilities</i>			
Segment assets	1,316,081	807,852	328,383
Investment in associate			
Investment in joint ventures			
Unallocated assets			
- Others			
Total assets			
Segment liabilities	28,011	17,794	9,429
Unallocated liabilities			
- Financial derivatives			
- Interest-bearing borrowings			
- Others			
Total liabilities			
Year ended 30 September 2021			
<i>Other segmental information</i>			
Net allowance/(written back) for doubtful receivables	707	(110)	(1)
Amortisation of lease incentives	51	(210)	108
Depreciation of fixed assets	26	9	18
Fixed assets written off	-	-	-
Capital expenditure			
- Investment properties	5,351	17	266
- Fixed assets	7	-	30

* 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.

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

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
767,702	659,198	579,642	436,383	431,340	219,191	1,430	5,547,202 46,494 294,399 <u>10,702</u> 5,898,797
23,256	14,298	22,589	11,253	11,325	4,120	427	142,502 3,136 1,808,916 25,435 <u>1,979,989</u>
116 (195) - -	(18) 216 - -	(96) 1,728 - -	17 (118) - -	(6) 69 - -	- (67) - -	(8) - 5 37	601 1,582 58 37
684 -	267 -	61 -	176 -	- -	32 -	26 4	6,880 41

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

29. COMMITMENTS

	Group		Trust	
	2022	2021	2022	2021
Capital expenditure contracted but not provided for	458	1,383	458	931

30. CONTINGENT LIABILITY

Pursuant to the tax transparency ruling from the IRAS, the Trustee and the Manager have provided a tax indemnity for certain types of tax losses, including unrecovered late payment penalties, that may be suffered by the IRAS should the IRAS fail to recover from Unitholders tax due or payable on distributions made to them without deduction of tax, subject to the indemnity amount agreed with the IRAS. The amount of indemnity, as agreed with the IRAS, is limited to the higher of \$500,000 or 1.0% of the taxable income of the Trust each year. Each yearly indemnity has a validity period of the earlier of seven years from the relevant year of assessment and three years from the termination of the Trust.

31. LEASES

Leases as lessor

The Group leases out its investment property consisting of its owned retail malls and an office building (Note 4). All leases are classified as operating leases from a lessor perspective.

Operating lease

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Portfolio Statement set out information about the operating leases of investment property.

Gross rental income from investment properties recognised by the Group for the year ended 30 September 2022 was \$325,626,000 (2021: \$311,447,000) (Note 18).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2022 \$'000	2021 \$'000
Operating leases under FRS 116		
Less than one year	283,173	274,730
One to two years	182,730	170,520
Two to three years	78,382	79,191
Three to four years	24,197	10,438
Four to five years	8,832	3,833
More than five years	1,717	2,033
Total	579,031	540,745

NOTES TO THE FINANCIAL STATEMENTS

30 September 2022

32. 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 weighted average net asset value.

33. SUBSEQUENT EVENTS

On 26 October 2022, the Manager has declared an aggregate distribution of \$103,776,000 (or 6.091 cents per unit) to Unitholders which includes a distribution which was earlier retained by the Manager for the period from 1 October 2021 to 31 March 2022 of \$4,797,000 (or 0.282 cents per unit).

On 28 October 2022, the Trust has issued 1,708,096 new units issued at a price of \$2.2022 per unit as payment of the following: -

- 20% of the performance fee component of its management fee for the period from 1 October 2021 to 30 June 2022; and
- 20% of the base fee component and performance fee component of its management fee for the period from 1 July 2022 to 30 September 2022.

STATISTICS OF UNITHOLDINGS

ISSUED AND FULLY PAID-UP UNITS

There were 1,703,765,660 Units (voting rights: one vote per Unit) outstanding as at 28 November 2022. There is only one class of Units.

The market capitalisation was approximately S\$3,459 million based on closing unit price of S\$2.03 on 28 November 2022.

TOP TWENTY UNITHOLDERS

AS AT 28 NOVEMBER 2022

As shown in the Register of Unitholders

S/No	Unitholders	Number of Units	% of Total units in Issue
1.	FRASERS PROPERTY RETAIL TRUST HOLDINGS PTE LTD	624,684,552	36.66
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	239,112,319	14.03
3.	HSBC (SINGAPORE) NOMINEES PTE LTD	180,662,216	10.60
4.	DBS NOMINEES (PRIVATE) LIMITED	132,481,702	7.78
5.	DBSN SERVICES PTE. LTD.	92,798,364	5.45
6.	RAFFLES NOMINEES (PTE.) LIMITED	89,812,626	5.27
7.	FRASERS CENTREPOINT ASSET MANAGEMENT LTD.	77,511,310	4.55
8.	BPSS NOMINEES SINGAPORE (PTE.) LTD.	23,996,110	1.41
9.	DB NOMINEES (SINGAPORE) PTE LTD	12,405,718	0.73
10.	IFAST FINANCIAL PTE LTD	8,928,896	0.52
11.	PHILLIP SECURITIES PTE LTD	8,147,513	0.48
12.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	7,385,613	0.43
13.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	6,635,334	0.39
14.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	5,341,189	0.31
15.	OCBC SECURITIES PRIVATE LIMITED	4,521,038	0.27
16.	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	4,334,059	0.25
17.	ABN AMRO CLEARING BANK N.V.	3,834,693	0.23
18.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	3,793,128	0.22
19.	UOB KAY HIAN PRIVATE LIMITED	3,040,733	0.18
20.	MAYBANK SECURITIES PTE. LTD.	2,779,892	0.16
	Total	1,532,207,005	89.92

UNITHOLDINGS OF DIRECTORS OF THE MANAGER

AS AT 21 OCTOBER 2022

Name of Director	Number of FCT Units held	
	Direct Interest	Deemed Interest
Dr Cheong Choong Kong	186,597	-
Mr Ho Chee Hwee Simon ⁽¹⁾	-	200,000

Note:

(1) The section of FCT's Annual Report 2021 relating to "Unitholdings of Directors of the Manager as at 21 October 2021" on page 224 should be corrected to similarly show that Mr Ho Chee Hwee Simon had a deemed interest in 200,000 FCT Units, which was disclosed in the issuer's SGX announcement dated 29 October 2020 (Announcement Reference: SG2010290THRVR9V).

STATISTICS OF UNITHOLDINGS

SUBSTANTIAL UNITHOLDERS

AS AT 28 NOVEMBER 2022

Substantial Unitholders	Direct Interest		Deemed Interest		Total Number of Units Held	
	Number of Units	%	Number of Units	%		%
Frasers Property Retail Trust Holdings Pte. Ltd.	624,684,552	36.66	-	-	624,684,552	36.66
Frasers Property Limited ⁽¹⁾	-	-	702,195,862	41.21	702,195,862	41.21
Thai Beverage Public Company Limited ⁽²⁾	-	-	702,195,862	41.21	702,195,862	41.21
International Beverage Holdings Limited ⁽³⁾	-	-	702,195,862	41.21	702,195,862	41.21
InterBev Investment Limited ⁽⁴⁾	-	-	702,195,862	41.21	702,195,862	41.21
Siriwana Company Limited ⁽⁵⁾	-	-	702,195,862	41.21	702,195,862	41.21
Shiny Treasure Holdings Limited ⁽⁶⁾	-	-	702,195,862	41.21	702,195,862	41.21
TCC Assets Limited ⁽⁷⁾	-	-	702,195,862	41.21	702,195,862	41.21
Charoen Sirivadhanabhakdi ⁽⁸⁾	-	-	702,195,862	41.21	702,195,862	41.21
Khunying Wanna Sirivadhanabhakdi ⁽⁹⁾	-	-	702,195,862	41.21	702,195,862	41.21

Notes:

- (1) Frasers Property Limited ("FPL") holds a 100% direct interest in each of Frasers Centrepoint Asset Management Ltd. ("FCAM") and Frasers Property Retail Trust Holdings Pte. Ltd. ("FPRTH"); and each of FCAM and FPRTH directly holds units in FCT. FPL therefore has a deemed interest in the units in FCT in which each of FCAM and FPRTH has an interest, by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore (the "SFA").
- (2) Thai Beverage Public Company Limited ("ThaiBev") holds a 100% direct interest in International Beverage Holdings Limited ("IBHL");
- IBHL holds a 100% direct interest in InterBev Investment Limited ("IBIL");
 - IBIL holds a greater than 20% interest in FPL;
 - FPL holds a 100% direct interest in each of FCAM and FPRTH; and
 - Each of FCAM and FPRTH directly holds units in FCT.
- ThaiBev therefore has a deemed interest in the units in FCT in which FPL has an interest, by virtue of the Section 4 of the SFA.
- (3) IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in FPL;
 - FPL holds a 100% direct interest in each of FCAM and FPRTH; and
 - Each of FCAM and FPRTH directly holds units in FCT.
- IBHL therefore has a deemed interest in the units in FCT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (4) IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FCAM and FPRTH; and
 - Each of FCAM and FPRTH directly holds units in FCT.
- IBIL therefore has a deemed interest in the units in FCT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (5) Siriwana Co., Ltd ("SCL") holds, directly and indirectly, through its wholly-owned subsidiary, Siriwanan Co., Ltd, a majority interest in ThaiBev;
- ThaiBev holds a 100% direct interest in IBHL;
 - IBHL holds a 100% direct interest in IBIL;
 - IBIL holds a greater than 20% interest in FPL;
 - FPL holds a 100% direct interest in each of FCAM and FPRTH; and
 - Each of FCAM and FPRTH directly holds units in FCT.
- SCL therefore has a deemed interest in the units in FCT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (6) Shiny Treasure Holdings Limited ("STHL") holds a greater than 20% interest in SCL;
- SCL holds, directly and indirectly, a majority interest in ThaiBev;
 - ThaiBev holds a 100% direct interest in IBHL;
 - IBHL holds a 100% direct interest in IBIL;
 - IBIL holds a greater than 20% interest in FPL;
 - FPL holds a 100% direct interest in each of FCAM and FPRTH; and
 - Each of FCAM and FPRTH directly holds units in FCT.
- STHL therefore has a deemed interest in the units in FCT in which FPL has an interest, by virtue of Section 4 of the SFA.

STATISTICS OF UNITHOLDINGS

SUBSTANTIAL UNITHOLDERS (CONT'D)

AS AT 28 NOVEMBER 2022

- (7) TCC Assets Limited ("TCCA") holds a majority interest in FPL;
- FPL holds a 100% direct interest in each of FCAM and FPRTH; and
 - Each of FCAM and FPRTH directly holds units in FCT.
- TCCA therefore has a deemed interest in the units in FCT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (8) Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;
- TCCA holds a majority interest in FPL;
 - FPL holds a 100% direct interest in each of FCAM and FPRTH; and
 - Each of FCAM and FPRTH directly holds units in FCT.
- Charoen Sirivadhanabhakdi therefore has a deemed interest in the units in FCT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (9) Khunying Wanna Sirivadhanabhakdi and her spouse, Charoen Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;
- TCCA holds a majority interest in FPL;
 - FPL holds a 100% direct interest in each of FCAM and FPRTH; and
 - Each of FCAM and FPRTH directly holds units in FCT.
- Khunying Wanna Sirivadhanabhakdi therefore has a deemed interest in the units in FCT in which FPL has an interest, by virtue of Section 4 of the SFA.

DISTRIBUTION OF HOLDINGS

Size of Holdings	Number of Unitholders	Percentage of Unitholders (%)	Number of Units	Percentage of Units in Issue (%)
1 to 99	96	0.66	4,096	0.00
100 to 1,000	2,135	14.65	1,566,461	0.09
1,001 to 10,000	9,198	63.11	42,309,233	2.49
10,001 to 1,000,000	3,118	21.39	114,884,775	6.74
1,000,001 and above	27	0.19	1,545,001,095	90.68
Total	14,574	100.00	1,703,765,660	100.00

LOCATION OF UNITHOLDERS

Country	Number of Unitholders	Percentage of Unitholders (%)	Number of Units	Percentage of Units in Issue (%)
Singapore	14,088	96.67	1,697,144,197	99.61
Malaysia	353	2.42	4,998,974	0.29
Others	133	0.91	1,622,489	0.10
Total	14,574	100.00	1,703,765,660	100.00

FREE FLOAT

Based on information made available to the Manager as at 28 November 2022, approximately 58.8% of the Units are held in the hands of the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has accordingly been complied with.

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

The transactions entered into with interested persons during the financial year under review, which fall within the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Property Funds Appendix of the Code on Collective Investment Schemes (excluding transactions of less than S\$100,000 each) are as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all Interested Person Transactions during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$'000
Frasers Property Limited and its subsidiaries or associate			
- Asset management fees ⁽¹⁾	Associates of controlling shareholder of Manager and controlling unitholder of FCT	32,608	-
- Property management, project management and service fees ^{(1), (2), (3), (4), (5)}		15,580	-
- Reimbursement of expenses and capital expenditure ^{(1), (2), (3), (4), (5)}		20,797	-
- Recovery of expenses		140	-
- Purchase of services		162	-
Fraser & Neave Group and its subsidiaries or associate			
- Rental income and license fee from lease of space		243	-
- Purchase of services ⁽¹⁾		255	-
HSBC Institutional Trust Services (Singapore) Limited			
- Trustee's and Custodian's fees	Trustee	972	-

(1) Includes FCT's interest in a joint venture.

(2) During the financial year, the property management agreements ("PMA") with Frasers Property Retail Management Pte. Ltd. (the "Property Manager") for Century Square, Tampines 1, White Sands, Tiong Bahru Plaza, Central Plaza and Hougang Mall have been entered for a tenure of five years. The total fees payable and expenses reimbursable to the Property Manager pursuant to the PMA are estimated at S\$108.1 million.

(3) During the financial year, the managing agent agreement with Frasers Property Retail Management Pte. Ltd. (the "Managing Agent") for The Management Corporation Strata Title Plan No. 4682 in respect of Waterway Point has been renewed for a tenure of three years. FCT's share of the managing agent fees payable and expenses reimbursable to the Managing Agent are estimated at S\$0.3 million (40.00% interest).

(4) During the financial year, the managing agent agreement with the Managing Agent for The Management Corporation Strata Title Plan No. 2634 in respect of Central Plaza and Tiong Bahru Plaza has been renewed for a tenure of three years. The managing agent fees payable and expenses reimbursable to the Managing Agent are estimated at S\$2.1 million.

(5) During the financial year, the managing agent agreement with the Managing Agent for The Management Corporation Strata Title Plan No. 2193 in respect of Century Square has been renewed for a tenure of one year. The managing agent fees payable and expenses reimbursable to the Managing Agent are estimated at S\$1.4 million.

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS (CONT'D) FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

Saved as disclosed above, there were no additional interested person transactions (excluding transactions of less than S\$100,000 each) entered into during the financial year under review nor any material contracts entered into by the Trust that involved the interests of the CEO, any Director or any controlling shareholder of the Trust.

Please refer to **Note 25 Significant Related Party Transactions** to the Financial Statements.

Fees payable to the Manager and the Property Manager on the basis of, and in accordance with, the terms and conditions set out in the Trust deed dated 5 June 2006 (as amended, restated and supplemented) and/or the prospectus dated 27 June 2006 are not subject to Rules 905 and 906 of the SGX-ST's Listing Manual. Accordingly, such fees are not subject to aggregation and other requirements under Rules 905 and 906 of the SGX-ST's Listing Manual.

Manager's Asset Management Paid and Payable in Units

A summary of Units issued for payment of the Manager's management fees in respect of the financial year are as follows:-

	Issue Date	Units Issued	Issue Price
Manager's Base Fee Component			
1 October to 31 December 2021	28 January 2022	410,202	\$2.2692 ⁽¹⁾
1 January to 31 March 2022	29 April 2022	379,811	\$2.3935 ⁽¹⁾
1 April to 30 June 2022	29 July 2022	408,075	\$2.2550 ⁽¹⁾
1 July to 30 September 2022	28 October 2022	424,948	\$2.2022 ⁽¹⁾
Manager's Performance Fee Component			
1 October 2021 to 30 September 2022	28 October 2022	1,283,148	\$2.2022 ⁽²⁾

(1) Based on the volume weighted average traded price of a Unit in the ordinary course of trading on the SGX-ST for the last 10 business days of the relevant period in which the management fees were accrued.

(2) Based on the volume weighted average traded price of a Unit in the ordinary course of trading on the SGX-ST for the last 10 business days immediately preceding the end date of the financial year ended 30 September 2022.

SUBSCRIPTION OF FCT UNITS

For the financial year ended 30 September 2022, an aggregate of 2,788,981 Units were issued and as at 30 September 2022, 1,702,057,564 Units were in issue. On 28 October 2022, the Trust issued 1,708,096 new Units to the Manager as the base fee component of the Manager's management fees for the quarter ended 30 September 2022 and the performance fee component of the Manager's management fees for the financial year ended 30 September 2022.

NON-DEAL ROADSHOW EXPENSES

No non-deal roadshow expenses (2021: S\$Nil) were incurred during the year ended 30 September 2022.

ADDITIONAL DISCLOSURE FOR OPERATING EXPENSES

The total operating expenses incurred by FCT Group and FCT's proportionate share of the operating expenses incurred by its joint ventures and associate amounted to S\$148.4 million in FY2022, which was equivalent to 3.7% of FCT Group's net asset value as at 30 September 2022. The amount included all fees and charges paid to the Manager and interested parties.

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CORPORATE INFORMATION

FRASERS CENTREPOINT TRUST

Trustee's Registered Address

HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre Tower 2 #48-01
Singapore 018983

Website and email address:

www.frasersproperty.com/reits/fct
ir@fraserscentrepointtrust.com

SGX Stock code: J69U

Bloomberg Stock code: FCT SP

TRUSTEE'S MAILING ADDRESS

HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre Tower 2 #45-01
Singapore 018983

AUDITOR

KPMG LLP
12 Marina View, #15-01 Asia Square Tower 2
Singapore 018961
Partner-in-charge: Ms Sarina Lee
(With effect from financial year ended 30 September 2021)
Phone: (65) 6213 3388
Fax: (65) 6225 0984
Website address: www.kpmg.com.sg

BANKERS

BNP Paribas
Citibank, N.A.
Credit Industriel et Commercial
DBS Bank Ltd.
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
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Singapore 098632
Phone: (65) 6536 5355
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THE MANAGER

Registered Address
Frasers Centrepoint Asset Management Ltd.
438 Alexandra Road, #21-00 Alexandra Point
Singapore 119958
Phone: (65) 6276 4882
Fax: (65) 6272 8776

DIRECTORS OF THE MANAGER

Dr Cheong Choong Kong (Chairman)
Non-Executive and Independent Director

Mr Ho Chai Seng
Non-Executive and Independent Director

Mr Ho Chee Hwee Simon
Non-Executive and Non-Independent Director

Ms Koh Choon Fah
Non-Executive and Independent Director

Mr Low Chee Wah
Non-Executive and Non-Independent Director

Ms Soon Su Lin
Non-Executive and Non-Independent Director

AUDIT, RISK AND COMPLIANCE COMMITTEE

Ms Koh Choon Fah (Chairperson)
Dr Cheong Choong Kong
Mr Ho Chai Seng
Mr Ho Chee Hwee Simon

NOMINATING AND REMUNERATION COMMITTEE

Mr Ho Chai Seng (Chairperson)
Dr Cheong Choong Kong
Ms Koh Choon Fah
Mr Ho Chee Hwee Simon

COMPANY SECRETARY

Ms Catherine Yeo

FRASERS CENTREPOINT ASSET MANAGEMENT LTD.

As Manager of Frasers Centrepoint Trust
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