

AGILITY & TENACITY

ANNUAL REPORT
2020

THE COVE





▲ Waterway Point

AGILITY & TENACITY

At Frasers Centrepoint Trust, we believe having the right focus, relevant scale, and local expertise are critical success factors for retail real estate. This will give us a sustained competitive advantage, while placing us in a stronger position to deliver long-term unitholder value. As we navigate through a volatile, uncertain, complex and ambiguous operating environment, we must be agile and tenacious as an organisation to be able to be sustainable over the long term.

In the face of adversity, we are investing with agility to strengthen our organisational culture and structure, ensuring quality and consistent systems and processes across our businesses. We demonstrate tenacity by strengthening FCT's well-diversified portfolio with earnings underpinned by a resilient base of retail properties generating recurring income.

We will continue to evolve, reinvent and thrive as a Retail REIT in the post COVID-19 world, as we remain committed to sustainable value creation and delivering steady returns for our stakeholders.

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ABOUT FRASERS CENTREPOINT TRUST



▲ Changi City Point

Frasers Centrepoint Trust ("FCT") is a leading developer-sponsored retail real estate investment trust ("REIT"). After acquiring the remaining interest in AsiaRetail Fund Limited ("ARF") on 27 October 2020¹, FCT has become one of the largest suburban retail mall owners in Singapore with total assets of approximately S\$6.7 billion. FCT's enlarged Singapore portfolio comprises 11 retail malls and an office building located in the suburban regions of Singapore. These properties are near homes and within minutes to transportation amenities. The Singapore retail portfolio has over 2.3 million square feet of net lettable area with over 1,500 leases with a strong focus on necessity spending, food & beverage and essential services.

The Singapore portfolio comprises 11 retail properties, namely, Causeway Point, Northpoint City North Wing (including Yishun 10 Retail Podium), Anchorpoint, YewTee Point, Changi City Point, Waterway Point (40%-interest), Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square and Tampines 1 and an office property, Central Plaza. FCT's malls enjoy stable and recurring shopper footfall supported by commuter traffic and residential population in the catchment areas.

FCT also holds a 31.15% stake in Hektar Real Estate Investment Trust, a retail-focused REIT in Malaysia listed on the Main Market of Bursa Malaysia Securities Berhad.

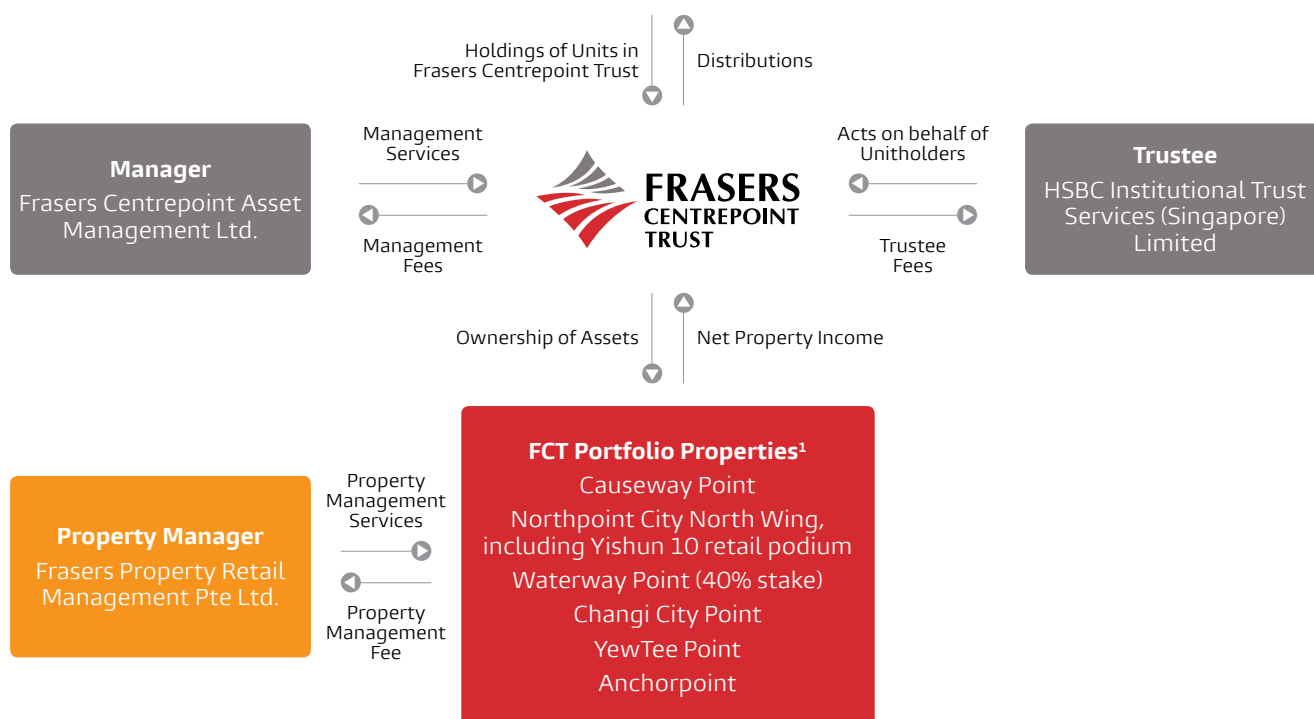
FCT is an index constituent of several benchmark indices including the FTSE EPRA/ NAREIT Global Real Estate Index Series (Global Developed Index), the FTSE ST Real Estate investment Trust Index, the MSCI Singapore Small Cap Index and the SGX iEdge S-REIT Leaders Index.

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

¹ FCT announced on 3 September 2020 the acquisition of the remaining 63.11% interest in AsiaRetail Fund Limited (the "ARF Acquisition") which it does not own. The ARF Acquisition was approved at an Extraordinary General Meeting on 28 September 2020. The ARF Acquisition was completed on 27 October 2020 and FCT now owns 100% interest in ARF whose property portfolio comprises Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square, Tampines 1 and Central Plaza.

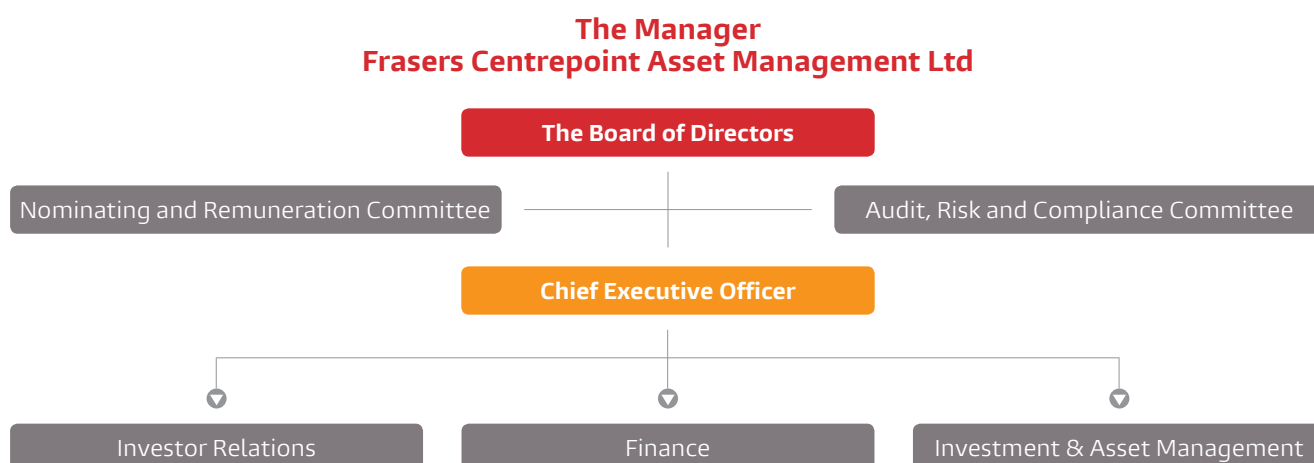
STRUCTURE OF FRASERS CENTREPOINT TRUST

Fraser's Centrepoint Trust Unitholders



1 The divestment of Bedok Point, which was approved by Unitholders at an extraordinary general meeting convened on 28 September 2020, has been completed on 9 November 2020.

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.

Frasers Centrepoint Asset Management Ltd. ("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.



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.



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.



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 Asset Enhancement Initiative ("AEI") to improve the income producing capability of the properties.



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.

FY2020 HIGHLIGHTS



**GROSS
REVENUE**
S\$164.4 million
↓ 16.3% year-on-year



**NET PROPERTY
INCOME**
S\$110.9 million
↓ 20.4% year-on-year

FY2020 revenue and net property income fell 16.3% and 20.4% year-on-year, respectively. The financial performance was impacted by rental rebates dispensed in 2H20 to help tenants cope with challenges arising from COVID-19. The total amount of rental rebates dispensed was S\$27.4 million. Excluding the impact from the rental rebates, FY2020 revenue and NPI would have decreased 2.4% and 0.7% year-on-year, respectively.



**DISTRIBUTION
PER UNIT**
9.042 S cents
↓ 25.1% year-on-year

Distribution per unit ("DPU") for FY2020 was 9.042 S cents, which is 25.1% lower than the 12.07 S cents DPU in FY2019. The lower DPU was mainly due to the decline in financial performance which was impacted by the rental rebates to help tenants cope with challenges from COVID-19.



**APPRAISED VALUE OF
PROPERTY PORTFOLIO**
S\$2,857 million
↑ 0.4% year-on-year

Total appraised value of FCT's portfolio of investment properties as at 15 September 2020¹ stood at S\$2,857 million, compared with S\$2,846 million a year ago. The appraised values of Causeway Point, Northpoint City North Wing, Changi City Point, and YewTee Point were relatively stable compared to a year ago. The smaller properties Anchorpoint and Yishun 10 saw declines of 3.1% and 7.9% to their respective appraised value. Bedok Point registered a S\$14 million or 14.9% gain in appraised value, based on the divestment price of the property announced on 3 September 2020¹. The appraised value of Waterway Point remained unchanged at S\$1,300 million².



**NET ASSET VALUE AND
NET TANGIBLE ASSET PER UNIT**
S\$2.27
↑ 2.7% year-on-year

FCT's NAV and NTA as at 30 September 2020 stood at S\$2.27 per unit³ which is 2.7% higher than the NAV and NTA of S\$2.21 a year ago. The gain was attributed to the increased stake in AsiaRetail Fund Limited ("ARF") and revaluation gain of the FCT portfolio properties.



**GEARING
LEVEL**
35.9%⁴
↑ 3.0%-point year-on-year

FCT's gearing stood at a healthy level of 35.9%⁴, compared to average of 37.6%⁵ in the S-REITs industry.

- 1 Bedok Point's appraised value was based on the sale price of Bedok Point in the proposed divestment of Bedok Point as announced on 3 September 2020. The sale price was arrived at after taking into account the independent valuations conducted by Jones Lang LaSalle Property Consultants Pte. Ltd. ("JLL") (commissioned by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of FCT)) and Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. ("Colliers") (commissioned by the Company). JLL, in its report dated 1 August 2020, had stated that the open market value of Bedok Point as at 1 August 2020 was S\$108.9 million and Colliers, in its report dated 1 August 2020, had stated that the open market value of Bedok Point as at 1 August 2020 was S\$107.2 million.
- 2 FCT owns 40.0% of Sapphire Star Trust which holds Waterway Point. S\$1,300 million is the total value of the retail property and FCT's 40.0% interest amounts to S\$520 million.
- 3 Includes the distribution to be paid for the second half of the financial year 2020.
- 4 In accordance with Property Funds Appendix, the gearing ratio included FCT's proportionate share (40%) of deposited property value and borrowings in Sapphire Star Trust (which owns Waterway Point).
- 5 Weekly S-REITs Tracker, 16 November 2020, OCBC Investment Research.

KEY EVENTS



▲ Changi City Point



▲ Northpoint City

OCTOBER 2019

- FCT announced the increase in shareholding in ARF from approximately 21.13% to approximately 24.82%, due to shares in the capital of ARF being redeemed pursuant to ARF's bye-laws on 30 September 2019
- FCT announced full year results for FY2019 with total DPU at a new high of 12.07 S cents

JANUARY 2020

- Mr Philip Eng retired as Non-executive and Non-Independent Director on the Board and as a member of the Audit, Risk and Compliance Committee as part of planned transition
- Mr Low Chee Wah was appointed as Non-Executive and Non-Independent Director of the Manager
- FCT held its 11th Annual General Meeting on 13 January 2020 and all resolutions proposed were duly passed
- 1Q20 results announcement: 1Q20 DPU up 1.3% year-on-year to 3.06 S cents

FEBRUARY 2020

- FCT and Frasers Property Retail announced Tenant Support Package to help tenants across Frasers Property Group's combined retail portfolio of 14 malls to overcome the business impact of COVID-19

MARCH 2020

- Moody's downgraded FCT's issuer rating to Baa2 from Baa1 and changed the outlook on the rating from stable to negative
- FCT and Frasers Property Retail announced extended Tenant Support Package with additional S\$45 million in rental rebates for tenants to help ease the business impact of COVID-19

APRIL 2020

- Standard & Poor's downgraded FCT's issuer credit rating and senior unsecured notes issued by FCT MTN Pte. Ltd. and guaranteed by FCT to BBB from BBB+ and placed the ratings on CreditWatch with negative implications
- FCT announced financial results for 2Q20 and DPU of 1.61 S cents, down 48.7% year-on-year due to retention of 50% of distributable income to preserve financial flexibility due to uncertainties arising from COVID-19
- FCT announced issue of S\$200 million 3.20 per cent. Fixed Rate Notes Due 2023

MAY 2020

- FCT announced the change to half-yearly reporting of financial results and to half-yearly distributions, following the amendments to Rule 705(2) of the SGX-ST Listing Manual which took effect from 7 February 2020

JUNE 2020

- FCT announced the acquisition of an additional 12% interest in ARF for S\$197.2 million. The acquisition would raise FCT's interest in ARF to 36.89% from 24.82%

JULY 2020

- FCT announced the completion of the acquisition of the additional 12% interest in ARF
- FCT announced business updates for 3Q20

SEPTEMBER 2020

- FCT announced the proposed acquisition of approximately 63.11% of the total issued share capital of ARF for approximately S\$1.06 billion ("Proposed ARF Acquisition") and the proposed divestment of Bedok Point for S\$108 million ("Proposed Bedok Point Divestment")
- Moody's affirmed FCT's Baa2 rating and changed outlook to stable from negative
- S&P Global Ratings affirmed FCT's "BBB" long-term issuer rating with stable outlook and "BBB" issue ratings on the outstanding senior unsecured notes issued by FCT MTN Pte. Ltd. and guaranteed by FCT and removed the ratings from CreditWatch where they were placed with negative implications in April 2020
- FCT announced the valuation of its portfolio properties



▲ Causeway Point



▲ Yew Tee Point

- FCT and the Securities Investors Association (Singapore) (SIAS) organised a virtual dialogue session for Unitholders of FCT in relation to the Proposed ARF Acquisition and Proposed Bedok Point Divestment
- FCT announced the responses to the substantial and relevant questions from Unitholders and presentation by CEO on 26 September 2020, prior to the Extraordinary General Meeting ("EGM") on 28 September 2020
- FCT held its EGM on 28 September 2020 and all resolutions in relation to, inter alia, the Proposed ARF Acquisition and the Proposed Bedok Point Divestment were duly passed
- FCT announced the launch of an equity fund raising ("EFR") to raise gross proceeds of no less than approximately S\$1,327.3 million by way of private placement and preferential offering. The Manager intends to use the net proceeds from the EFR to part-finance the total cost of the Proposed ARF Acquisition and to pare down existing indebtedness
- FCT announced that it raised S\$575 million from the private placement which was 2.8 times subscribed amid strong demand from new and existing institutional and other accredited investors. The issue price of the new FCT units under the private placement was S\$2.35 per new FCT unit

SUBSEQUENT EVENTS

October 2020

- 244,681,000 new FCT units were issued pursuant to the private placement under the EFR
- FCT announced the launch of the non-renounceable preferential offering ("Preferential Offering"). The issue price of each new FCT unit under the Preferential Offering was S\$2.34
- FCT announced the results of the Preferential Offering. The Preferential Offering raised gross proceeds of approximately S\$759.7 million. Together with the gross proceeds from the private placement, the EFR raised total gross proceeds of approximately S\$1,334.7 million
- FCT released the minutes of the EGM held on 28 September 2020
- 324,639,666 new FCT units were issued pursuant to the Preferential Offering under the EFR
- FCT announced the completion of the Proposed ARF Acquisition

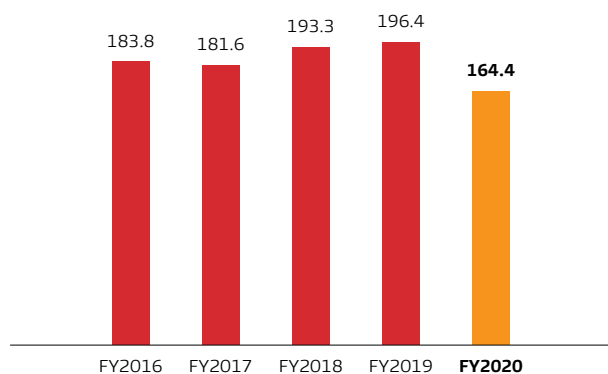
November 2020

- FCT announced the full year financial results for FY2020: FY2020 DPU decreased 25.1% year-on-year to 9.042 S cents due to COVID-19 pandemic
- FCT announced the completion of the Bedok Point Divestment

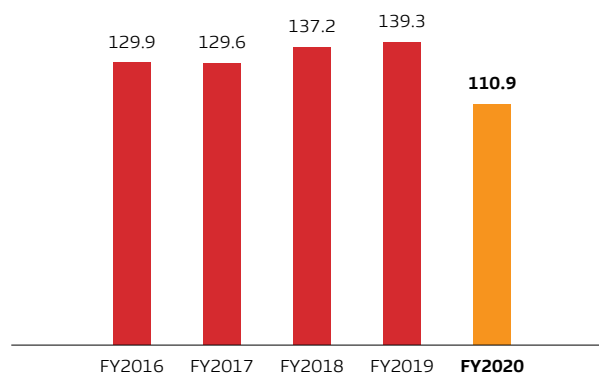


5-YEAR PERFORMANCE AT A GLANCE

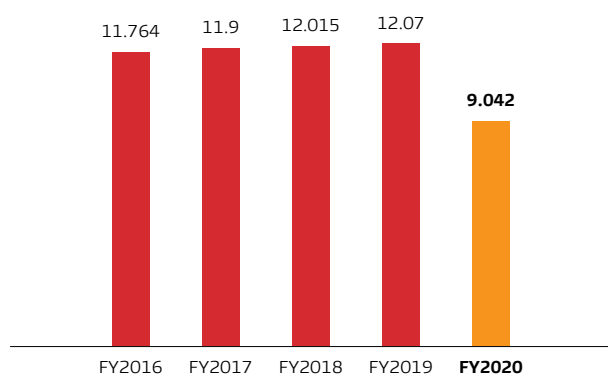
Revenue (S\$ million)



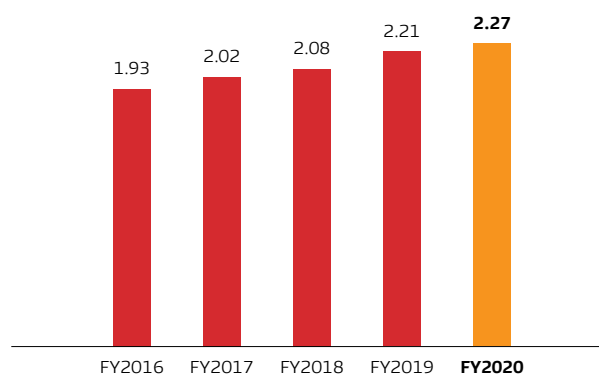
Net Property Income (S\$ million)



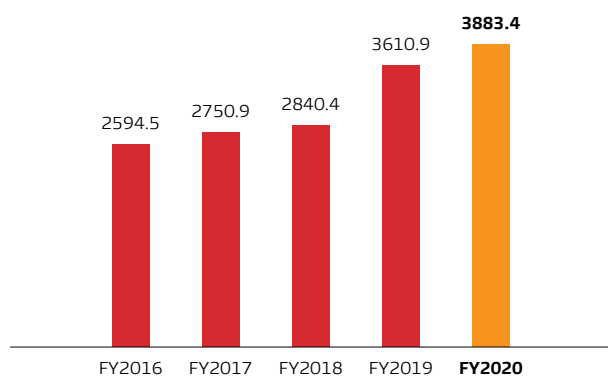
Distribution per Unit (S cents)



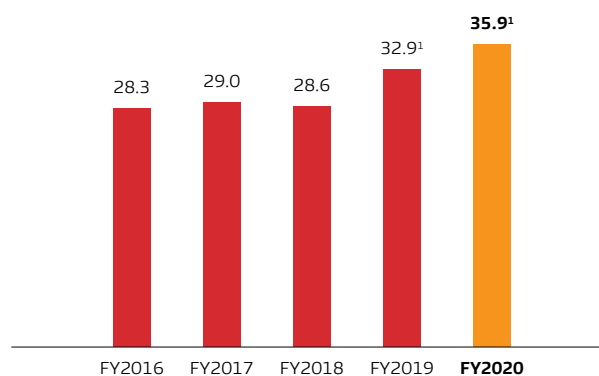
Net Asset Value per Unit (S\$)



Total Assets (S\$ million)

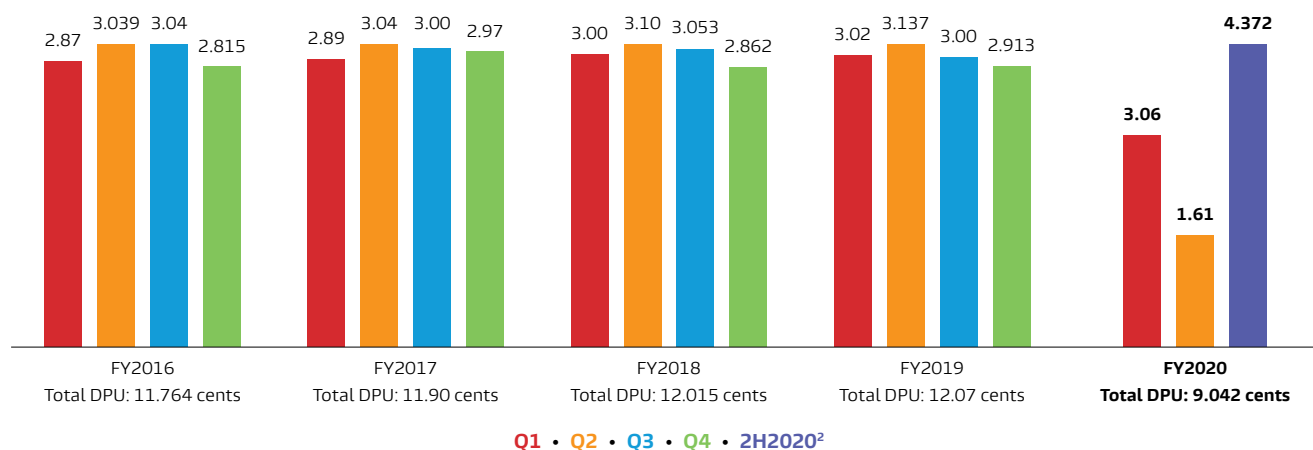


Gearing (%)



1 In accordance with Property Funds Appendix, the gearing ratio included FCT's proportionate share (40%) of deposited property value and borrowings in Sapphire Star Trust (which owns Waterway Point)

Distribution per Unit by Quarters (S cents)



2 FCT has 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. Accordingly, there was no DPU announcement/payment for financial quarter 3Q2020 (April-June 2020).

Group For the Financial Year ended 30 September	FY2016	FY2017	FY2018	FY2019	FY2020
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Selected Income Statement and Distribution Data (\$'000)

Gross Revenue	183,816	181,595	193,347	196,386	164,377
Net Property Income	129,852	129,558	137,186	139,283	110,888
Distributable Income	108,101	110,615	111,316	118,718	101,146

Selected Balance Sheet Data (\$ Million)

Total Assets	2,594.5	2,750.9	2,840.4	3,610.9	3,883.4
Total Borrowings	734.0	798.0	813.0	1,042.0	1,255.0
Net Assets	1,775.6	1,872.2	1,933.8	2,471.0	2,538.3
Value of Portfolio Properties ¹	2,509.0	2,668.1	2,749.0	2,846.0	2,749.5²

Other Financial Indicators

Distribution per Unit (S cents)	11.764	11.90	12.015	12.070	9.042
Net Asset Value per Unit (\$)	1.93	2.02	2.08	2.21	2.27
Ratio of Total Borrowings to Total Assets (Gearing)	28.3%	29.0%	28.6%	32.9% ³	35.9%⁴
Interest Coverage (Times)	7.33	6.85	6.25	5.74	4.95
Market Capitalisation (\$ million)	2,021.2	1,946.4	2,102.9	3,058.6	2,675.5⁵

1 The investment properties are: Causeway Point, Northpoint City North Wing (including Yishun 10 retail podium), Anchorpoint, YewTee Point, Bedok Point and Changi City Point. The 40%-interest in Waterway Point is held as investment in joint venture.

2 Bedok Point was earmarked for divestment as announced on 3 September 2020 and Unitholders' approval was obtained at an extraordinary general meeting held on 28 September 2020. Accordingly, Bedok Point was reclassified from Investment Properties under non-current assets to Assets Held for Sale under current assets. The value of the investment properties shown here excludes the value of Bedok Point.

3 Included the distribution to be paid for the last quarter of the Financial Year.

4 In accordance with the Property Funds Appendix, the gearing ratio includes FCT's proportionate share (40%) of deposited property value and assets and underlying borrowings (40%) in Sapphire Star Trust (which owns holds the retail property Waterway Point).

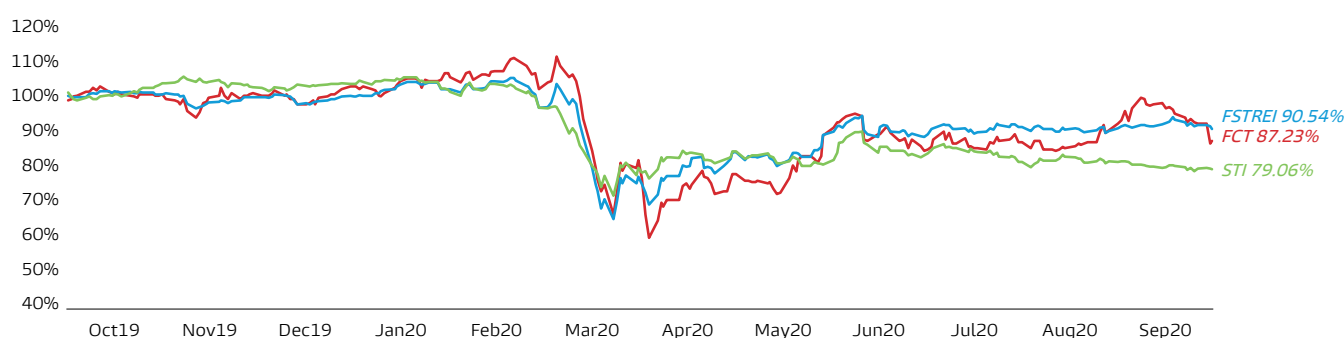
5 Based on total outstanding 1,119,447,127 issued units and FCT's closing price of \$2.39 as at 30 September 2020.

UNIT PRICE PERFORMANCE

FCT'S UNIT PRICE AND TOTAL RETURN WERE AFFECTED BY THE COVID-19 PANDEMIC

FCT unit price closed at S\$2.39 on 30 September 2020. This represents a unit price decline of 12.77% and a total return of -10.25% during the year under review. FCT's unit price fell in line with the key benchmark indices after the first week of March 2020 following the rapid rise in new COVID-19 cases worldwide and the declaration of COVID-19 as a pandemic by the World Health Organisation. FCT unit price hit a trough of S\$1.64 on 3 April 2020, falling 46.1% from the peak of S\$3.04 on 5 March 2020.

Table: 1 Year FCT Unit price performance versus FTSE REIT Index and FTSE Straits Times Index



Source: Bloomberg

During the year under review, FCT's total return underperformed the FTSE REIT Index by 482 basis points but outperformed the FTSE Straits Times Index by 733 basis points. Over a longer three- and five-year period, FCT's total returns stood at 29.64% and 61.06%, as shown in the table below:

	1 Year 1 October 2019 to 30 September 2020		3 years 1 October 2017 to 30 September 2020		5 years 1 October 2015 to 30 September 2020	
	Price Change %	Total Return ¹ %	Price Change %	Total Return ¹ %	Price Change %	Total Return ¹ %
FCT	-12.77%	-10.25%	13.37%	29.64%	25.57%	61.06%
FTSE REIT Index	-9.46%	-5.43%	4.10%	22.21%	20.72%	61.38%
FTSE Straits Times Index	-20.94%	-17.58%	-23.39%	-13.93%	-11.62%	6.67%
EGAS	-25.46%	-22.52%	-10.16%	0.38%	-5.36%	13.38%

Source: Bloomberg

1 Assumes the distributions are reinvested

INCREASE IN FCT'S TOTAL AND FREE-FLOAT MARKET CAPITALISATION AFTER THE COMPLETION OF THE EFR IN OCTOBER 2020

Following the announcements of the Acquisition of the remaining 63.11% interest in ARF on 3 September 2020 and the approval from Unitholders at an extraordinary meeting held on 28 September 2020, FCAM announced the launch of the EFR to raise gross proceeds through the offering of new units in FCT (the "New Units") by way of a private placement ("Private Placement") and Preferential Offering. The EFR raised gross proceeds of approximately S\$1,334.7 million through the issuance of approximately 569.32 million New Units, of which approximately 244.68 million New Units were issued and listed on the SGX on 7 October 2020 following the completion of the Private Placement, and approximately 324.64 million New Units were issued and listed on the SGX on 27 October 2020 following the completion of the Preferential Offering. Following the issuance of the New Units, FCT's total issued units as at

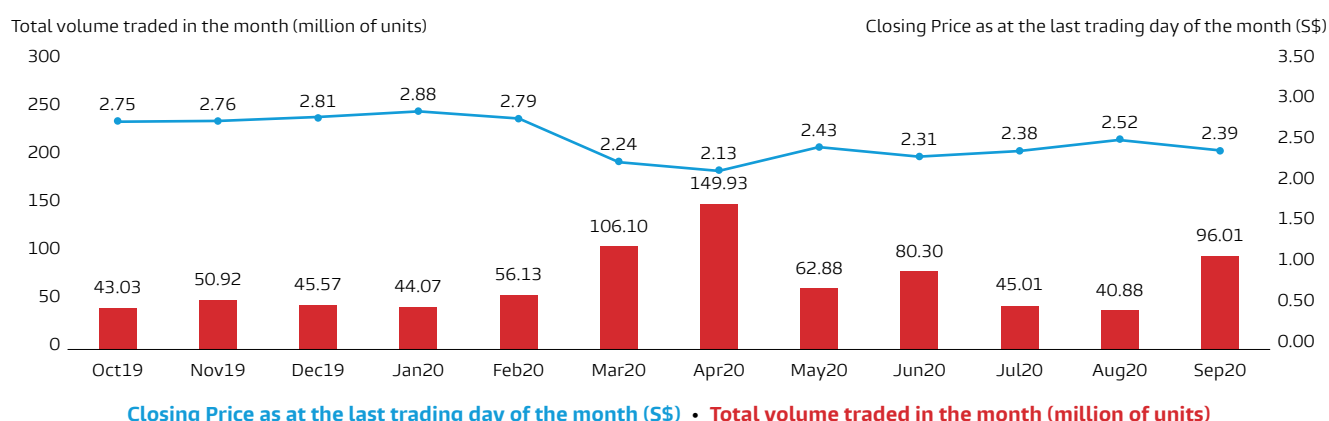
27 October 2020 was 1,688,767,793, which is approximately 51% larger than before the EFR. The larger issue unit base led to an improvement in total and free-float market capitalisation of FCT.

As at 27 October 2020, FCT's total and free-float market capitalisation were approximately S\$3.90 billion and S\$1.59 billion, respectively. FCT's total and free-float market capitalisation on 30 September 2020 was approximately S\$2.68 billion and S\$978 million, respectively. The increase in total and free-float market capitalisation is expected to raise FCT's index weightage in indices such as the FTSE EPRA/NAREIT Global Real Estate Index Series (Global Developed Index), of which FCT is an index constituent.

FCT MONTHLY TRADING PERFORMANCE IN FY2020

FCT's trading volume and the unit closing price for each month in FY2020 is shown in the chart below. The average daily trading volume in FY2020 was 3.28 million units, which is about 71% higher compared with the same period in the previous year.

Trading Performance in FY2020



TRADING PERFORMANCE IN THE PAST FIVE FINANCIAL YEARS

With the exception of the second half of FY2020 due to the impact from COVID-19, FCT units have generally traded well with higher unit closing prices in each of the preceding four financial years. FCT's average daily volume has also improved over the years, rising from less than 1 million units in FY2016 to 3.28 million in FY2020, a rise of almost 2.5 times. The table below shows the historical trading information of FCT units in the past five financial years.

	FY2016	FY2017	FY2018	FY2019	FY2020
Opening price (\$\$)	1.905	2.200	2.110	2.270	2.730
Closing price (\$\$) ¹	2.200	2.110	2.270	2.740	2.390
Highest closing price (\$\$)	2.210	2.190	2.360	2.850	3.040
Lowest closing price (\$\$)	1.800	1.870	2.120	2.140	1.640
Total volume traded (million units)	239.4	254.5	271.2	478.5	820.8
Average daily trading volume (million units)	0.950	1.014	1.085	1.916	3.283
Market capitalisation ² (\$\$ billion)	2.021	1.946	2.103	3.059	2.675

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



RICHARD NG
Chief Executive Officer

CHEONG CHOONG KONG
Chairman

LETTER TO UNITHOLDERS

Dear Unitholders,

We are pleased to present Frasers Centrepoint Trust ("FCT" and the "Trust")'s Annual Report and Sustainability Report for the financial year ended 30 September 2020 ("FY2020").

TENACITY AND AGILITY AMID COVID-19 UNCERTAINTIES

The scale and extent of impact from COVID-19 have left deep scars on our economy and nation. The retail sector is undoubtedly one of the hardest-hit sectors of the economy, especially during the Circuit Breaker period. Many businesses, except those in the essential trades, were ordered to shut; F&B outlets were only allowed to do takeaways and delivery orders; and strict safe distancing and crowd control measures were enforced. Within FCT's portfolio, only between 30% and 40% of the tenants stayed open during this period.

FCT, together with its sponsor, Frasers Property Limited, rolled out two tenant support packages in February and March 2020 to help tenants cope with operation and cashflow challenges. However, the unprecedented scale and extent of impact from the subsequent Circuit Breaker measures necessitated far more substantial assistance for the tenants through the provision of a total of four months of rental rebates. Half of the rebates, amounting to two months of rent, was provided by the landlords, while the remaining half was supported by the Singapore government through property tax rebates and cash grants. Apart from aiding tenants with rental rebates, FCT is actively working with tenants on a targeted approach to help them get back on track as the situation continues to improve.

On the ground, our frontline colleagues in the essential services such as mall management, security, customer service and hygiene maintenance, continue to work tirelessly under tremendous pressure to keep everybody safe while ensuring strict compliance with safe-distancing control measures. Together, we have emerged stronger, having been through unprecedented times battling stress and disruption during the Circuit Breaker and into the phased re-opening of the economy. We are thankful to all our colleagues and stakeholders, for their tenacity and their agility in times of uncertainty.

Notwithstanding the COVID-19 challenges, our team remained steadfast in following through on FCT's long-term growth strategy, completing a remarkable series of transactions that amounted to the closure of deals exceeding one billion Singapore dollars, all while working from home. In July 2020, FCT completed the acquisition of a 12.1% stake in ARF for S\$197.2 million to raise its stake in ARF to 36.9%. FCT subsequently announced on 3 September 2020 to acquire the remaining 63.1% stake in ARF for S\$1.06 billion ("ARF Acquisition") and an Equity Fund Raising ("EFR") to raise equity to, inter alia, fund the ARF Acquisition. The EFR raised about S\$1.33 billion in gross proceeds, the largest amount raised for a secondary offering in the S-REIT space. In connection with the ARF Acquisition, an extraordinary general meeting was convened on 28 September 2020 with all tabled resolutions duly approved by unitholders. FCT's full ownership of the ARF portfolio marks the completion of a journey that started in February 2019, with the acquisition of an initial 17.1% stake in ARF by FCT and 17.8% stake by Frasers Property Limited.

REVIEW OF FY2020 PERFORMANCE

Financial performance mainly impacted by landlord's rental rebates

FCT's financial performance in FY2020 was significantly impacted by rental rebates assistance granted to tenants in the second half of FY2020. These rebates were part of the tenant support packages rolled out by FCT and its sponsor, Frasers Property Limited, to help tenants cope with COVID-19 challenges. This is in addition to the various property tax rebates and cash grants which FCT has passed through to all eligible tenants.

Revenue for FY2020 fell 16.3% year-on-year ("y-o-y") to S\$164.4 million and net property income fell 20.4% y-o-y to S\$110.9 million, mainly due to the impact from S\$27.4 million in rental rebates provided to tenants. Excluding this impact, the y-o-y decline in revenue and net property income would have been more benign at 2.4% and 0.7%, respectively.



The distribution to unitholders for the full year was S\$101.1 million, 15.5% lower y-o-y. The decline in distribution was partially offset by the release of the retained distribution of S\$18.0 million from 1H20 and the full year contributions of dividend received from FCT's investments in ARF and Sapphire Star Trust ("SST")¹.

Distribution per Unit for the full year was 9.042 S cents, which is 25.1% lower than the previous year.

FCT has fulfilled all the mandatory obligations in rental rebates. While it is still extending rental help for tenants who are unable to resume business, such as family karaokes and travel agencies, these tenants currently account for less than 1% of FCT's net lettable area. Help is also extended to other tenants on a targeted basis, and in varied channels such as online marketing on Frasers' online retail platforms – the digital food and beverage concierge app Makan Master and the Frasers e-Store which will be launched soon.

FCT's financial position remains healthy

FCT's financial position remains healthy with a gearing level of 35.9%² as at 30 September 2020. Total borrowings stood at S\$1,255 million and average cost of borrowings at 2.4%. The pro forma gearing of the enlarged FCT portfolio post the ARF Acquisition is approximately 39.3% and the aggregate borrowing is approximately S\$2.4 billion with slightly lower average cost of borrowing of about 2.3%.

Despite the COVID-19 situation, FCT maintains healthy liquidity through successful debt financing including raising S\$200 million in bonds in May 2020 and various tranches of revolving credit facilities. FCT also remains compliant with its financial covenants.

Valuation of portfolio properties remains stable

The valuation of FCT's portfolio remains stable. The portfolio appraised value as at 30 September 2020 stood at S\$2,857 million, compared with S\$2,846 million a year ago. Apart from the properties Changi City Point, Anchorpoint and Yishun 10 which recorded declines in appraised values, the valuation of the remaining larger properties held steady. Bedok Point, which was earmarked for divestment subsequent to 30 September 2020, registered a S\$14 million gain in appraised value, based on the divestment price of the property³.

Resilient operating performance

The operating performance of FCT's portfolio remains resilient despite the mandatory COVID-19 safe distancing and control measures. Portfolio occupancy⁴ as at 30 September 2020 held steady at 94.9%, a slight decline from 96.5% a year ago. Since the start of Phase 2 of re-opening on 19 June 2020, all retailers have resumed business, with the exception of a few businesses such as family karaokes and travel agencies. Portfolio tenants' sales have recovered to near pre-COVID-19 level since Phase 2 re-opening, but the recovery rate is uneven among various trade sectors and tenants. Portfolio shopper traffic has remained relatively stable at 60% to 70% of pre-COVID-19 level. Easing of safe distancing measures in Phase 3 re-opening will likely support further recovery of shopper traffic and tenant sales.

Well-spread lease expiry

FCT has a well-spread portfolio lease expiry profile with low concentration risk. FCT has about 32% of its leases (by rental income) expiring in FY2021, of which one-fifth of the renewals have been renewed or committed. This leaves about 26% of the expiring leases to be renewed in FY2021.

In the near-term, FCT expects pressure on asking rents for new and renewal leases, taking into account market uncertainties, the uneven pace of recovery among the retail trade sectors, continuation of certain COVID-19 control measures and weak economic outlook, amongst others. This may in turn impact occupancy.

As such, we are adopting differentiated approaches in our lease negotiations. This could include concessionary rent rate for a specific period before returning back to market rate in the subsequent period. We are also offering short-term lease extensions to allow tenants more time to assess their situation before committing to a new lease. These approaches will in turn, allow FCT as a landlord to gain clarity on Singapore's phased re-opening and to price its rents accordingly.

Sustainability as an integral part of FCT's strategy

The Board views sustainability as an integral part of FCT's business strategy. As part of the Frasers Property Group (the "Group"), the management team works closely with the Group's sustainability leadership and working teams to attain net zero carbon, achieve Green Mark certification for our properties, and improve the health and well-being

1 FCT owns 40.0% of SST which holds Waterway Point.

2 In accordance with Property Funds Appendix, the gearing ratio included FCT's proportionate share of deposited property value and borrowings in SST.

3 Based on the sale price of Bedok Point in the proposed divestment of Bedok Point as announced on 3 September 2020. The sale price was arrived at after taking into account the independent valuations conducted by Jones Lang LaSalle Property Consultants Pte. Ltd. ("JLL") (commissioned by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of FCT)) and Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. ("Colliers") (commissioned by the Company). JLL, in its report dated 1 August 2020, had stated that the open market value of Bedok Point as at 1 August 2020 was S\$108.9 million and Colliers, in its report dated 1 August 2020, had stated that the open market value of Bedok Point as at 1 August 2020 was S\$107.2 million. The divestment of Bedok Point was completed on 9 November 2020.

4 Includes Waterway Point

of our people and stakeholders. Details are outlined in the Sustainability Report which is an integral part of this Annual Report.

FCT now one of Singapore's largest suburban mall owners and top-10 S-REITs by market capitalisation

FCT is now one of the largest suburban retail mall owners in Singapore. FCT is also among the top 10 largest S-REITs by total and free float market capitalisation.

We believe in the defensiveness of the suburban retail sector which will remain resilient and relevant to our shoppers, in particular dominant malls well-located in dense residential catchment areas, near transportation nodes and focused on essential goods and services. Our enlarged portfolio comprises substantially malls with such characteristics.

With the enlarged portfolio of 11 suburban malls after the ARF Acquisition, FCT has more than 2.3 million square feet of net lettable space, more than 1,500 retail leases, 800,000 Frasers Experience ("FRx") members and a catchment population of 3 million. This strengthens FCT's ability to offer more options and value to retailers and shoppers. It also provides FCT with the scale to drive omnichannel retail strategies and to enhance the role of its malls as "last-mile" fulfilment hubs in their immediate residential catchment, as working-from-home becomes more prevalent.

Omnichannel, the future of retail

Frasers Property Retail as a group (the "FPR Group"), has recently introduced a feature to provide aggregated delivery from multiple store orders on the enhanced version of its food ordering app called the Frasers Makan Master. This feature enables consumers to combine orders from several F&B stores within the same mall in one delivery, thus saving delivery time and fees for the consumers.

The FPR Group will also launch the Fraser e-Store, an omnichannel store-to-door service for our tenants. This platform helps our tenants to get on the omnichannel retail bandwagon, providing insights on consumer preferences and behaviour for tenants to better meet consumer needs through adapting their products and service offerings. This is particularly useful for small and medium enterprise ("SME") retailers who find it costly and difficult to invest in such infrastructure without economies of scale.

The new omnichannel platforms in the enhanced Makan Master and the Frasers e-Store, together with the scale of our portfolio of physical malls and the 800,000-strong FRx membership base form a strong combination of physical and digital

retail offerings that will strengthen the resilience of our malls and its relevance to our tenants and consumers.

Staying agile in the new normal

The post-COVID-19 "new normal" requires us to stay agile and flexible amid fast changing consumer trends. We also need closer collaboration with our tenants, to plan ahead and address challenges proactively in order to infuse resilience in our partnerships. A strong and sustainable relationship with our tenants and their businesses is a key success factor of our business.

We believe we have the agility and tenacity to think ahead as an individual, as a team and as a business, to thrive and succeed in delivering long-term returns and value for the Trust and our unitholders.

Keeping an eye on future growth

While the immediate focus of the management team is to improve the operations and financial performance of the enlarged portfolio, we will continue to explore and evaluate acquisition opportunities that are yield-accretive, strengthen FCT's business fundamentals and enhance its growth prospects. Potential opportunities include Northpoint City South Wing, which is owned by Frasers Property and the TCC Group, as well as opportunities from third party owners looking to divest their retail assets. At the same time, FCT will also continue to evaluate opportunities to re-constitute its portfolio, including the divestment of certain properties, to optimise its return objectives for the Trust and our unitholders.

Acknowledgements

In closing, we thank our board members for their stewardship and advice, the management and staff for their commitment and hard work despite the challenges amid the COVID-19, our Unitholders for their continued support for the EFR and confidence in FCT, and all our business partners, tenants and shoppers for their continued support.



CHEONG CHOONG KONG
Chairman



RICHARD NG
Chief Executive Officer

BOARD OF DIRECTORS



DR CHEONG CHOONG KONG, 79

Chairman, Non-Executive
and Independent Director

Date of appointment as Director
18 May 2016

Length of service as Director
(as at 30 September 2020)
4 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 2020

Listed companies

- Nil

Listed REITs/Trusts

- Nil

Others

- Director, Board of National Council of Social Services

Major appointments (other than Directorships)

- Chairman, NUS Mind Science Centre Advisory Board

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2017 to 30 September 2020)

- 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, 60

Non-Executive and
Independent Director

Date of appointment as Director
30 June 2017

Length of service as Director
(as at 30 September 2020)
3 years 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 2020)

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 1 October 2017 to 30 September 2020)

- Frasers Property (UK) Limited

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

**MR HO CHEE HWEE, SIMON, 59**

Non-Executive and
Non-Independent Director

Date of appointment as Director
9 February 2017

Length of service as Director
(as at 30 September 2020)
3 years 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 2020)

Listed companies

- Nil

Listed REITs/Trusts

- Nil

Others

- Allgreen Properties Limited
- ALPS Pte. Ltd. (formerly known as Agency for Healthcare Supply Chain Pte. Ltd.)
- Frasers Hospitality International Pte. Ltd.
- MOH Holdings Pte. Ltd. (as representative of ALPS 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 1 October 2017 to 30 September 2020)

- 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)

**MS KOH CHOON FAH, 62**

Non-Executive and
Independent Director

Date of appointment as Director
1 October 2019

Length of service as Director
(as at 30 September 2020)
1 year

Board committees served on

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

Academic & Professional Qualifications

- Bachelor of Science (Estate Management) (Honours), National University of Singapore
- Master of Art (Business Administration), University of Georgia (Athens) / United States of America
- Registered Salesperson, Council for Estate Agencies
- Fellow, Royal Institute of Chartered Surveyors
- Fellow, Singapore Institute of Surveyors & Valuers
- Licensed Valuer, Inland Revenue Authority of Singapore

Present Directorships in other companies
(as at 30 September 2020)

Listed companies

- Nil

Listed REITs/Trusts

- Nil

Others

- Edmund Tie & Company (SEA) Pte. Ltd.
- Edmund Tie & Company (Thailand) Co., Ltd.
- Edmund Tie & Company Hospitality Management Services Pte. Ltd.
- Edmund Tie & Company Property Management Services Pte. Ltd.
- Edmund Tie & Company Sdn. Bhd.
- Edmund Tie Holdings Pte. Ltd.
- ET Investment Holdings Pte. Ltd.
- ET Investment Management (Singapore) Pte. Ltd.
- New Horizon Holdings Pte. Ltd.
- OrangeTee & Tie (JV) Pte. Ltd.

Major appointments
(other than Directorships)

- Chief Executive Officer, Edmund Tie & Company (SEA) Pte. Limited

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2017 to 30 September 2020)

- Nil

Past major appointments

- Chief Operating Officer, DTZ Debenham Tie Leung (SEA) Pte. Ltd. (formerly known as Edmund N.S. Tie & Company Pte. Ltd.)

**MR LOW CHEE WAH, 55**

Non-Executive and
Non-Independent Director

Date of appointment as Director
3 January 2020

Length of service as Director
(as at 30 September 2020)
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 2020)

Listed companies
• Nil

Listed REITs/Trusts
• Nil

Others

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

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 1 October 2017 to 30 September 2020)

- 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

**MR CHRISTOPHER TANG KOK KAI, 59**

Non-Executive and
Non-Independent Director

Date of appointment as Director
27 January 2006

Length of service as Director
(as at 30 September 2020)
14 years 8 months

Board committees served on
• Nominating and Remuneration Committee (Member)

Academic & Professional Qualifications

- Bachelor of Science, National University of Singapore
- Master of Business Administration, National University of Singapore

Present Directorships in other companies
(as at 30 September 2020)

Listed companies
• Nil

Listed REITs/Trusts
• Nil

Others

- Ren Ci Hospital

Major appointments
(other than Directorships)

- Senior Adviser, Frasers Property (Singapore) Pte. Ltd.

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2017 to 30 September 2020)

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

Past major appointments

- Chief Executive Officer, Singapore, Frasers Property Limited
- Chief Executive Officer, Frasers Centrepont Commercial, Frasers Centrepont Limited
- Chief Executive Officer, China, Frasers Centrepont Limited
- Chief Executive Officer of Frasers Centrepont Asset Management Ltd, Manager of Frasers Centrepont Trust

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

TRUST MANAGEMENT TEAM



MR RICHARD NG
Chief Executive Officer

Richard is responsible for the overall business direction, investment strategies and the 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 28 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 asset management of portfolio 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 TAY HWEEO PIO
Chief Financial Officer

Hwee Pio is responsible for the financial, taxation, treasury and compliance functions of FCT. She has 25 years of financial experience in the real estate industry. Prior to joining FCT, Hwee Pio was based in Shanghai for 10 years, where she was the financial controller for Frasers Property Limited's business operations in China since 2006. Before joining Frasers Property Limited, Hwee Pio held financial positions at Keppel Land and Guocoland. She started her career as an external auditor with KPMG.

Hwee Pio is a Singapore Chartered Accountant (CA) with the Institute of Singapore Chartered Accountants and she is a Fellow with the Association of Chartered Certified Accountants.

**MS PAULINE LIM**

Head, Investment & Asset Management

Pauline Lim 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 an MBA degree from the University of Western Australia and a Bachelor's 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 10 years of experience in the field of investor relations and he is responsible for forging relations and the communications between FCT and its unitholders, the investment community and the media. He also provides market intelligence and research to the management team. Fung Leng holds a Master of Science degree in Industrial and Systems Engineering and a Bachelor's degree in Mechanical Engineering (Honours), both degrees from the National University of Singapore.

INVESTOR RELATIONS

OPEN AND TRANSPARENT COMMUNICATIONS WITH UNITHOLDERS

Frasers Centrepoint Asset Management Ltd ("FCAM"), as Manager of Frasers Centrepoint Trust ("FCT"), is committed to maintaining open and transparent communications with its unitholders ("Unitholders"), media and the 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 ("AGM") AND EXTRAORDINARY GENERAL MEETING ("EGM")

The AGM and EGM are important communication platforms between the board of directors, the management of FCAM and the Unitholders. FCT convened its 11th AGM on 13 January 2020. All resolutions tabled at the AGM were duly passed.

On 28 September 2020, FCT convened an EGM to seek Unitholders' approval for five ordinary resolutions relating to the proposed acquisition (the "ARF Acquisition") of approximately 63.11% of the total issued share capital of AsiaRetail Fund Limited ("ARF"); the proposed issue of new units in FCT under an equity fund raising ("EFR"); the proposed issue and placement of new units to Frasers Property Limited and its subsidiaries under a private placement; the proposed whitewash resolution; and the proposed divestment of Bedok Point.

Due to the COVID-19 restriction orders in Singapore, the EGM on 28 September 2020 was conducted via 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. Unitholders who wished to attend the EGM were requested to pre-register electronically for the EGM 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 EGM proceedings.

In place of the usual "live" question and answer session during an EGM in normal times, Unitholders were invited to submit questions related to the resolutions to be tabled for approval at the EGM to the Chairman of the EGM prior to the EGM. The responses to the substantial and relevant questions received from Unitholders were published on FCT's website and on SGXNET, prior to the EGM, on 26 September 2020. Some of the questions were also addressed during the EGM. All five resolutions were duly passed and the results were announced on the SGXNET and FCT's website on the same day of the EGM.

The minutes of the EGM and the responses to the substantial and relevant questions received from Unitholders were also published on FCT's website subsequently.

PROACTIVE OUTREACH TO INVESTORS THROUGH MANY CHANNELS

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

Due to the COVID-19 restriction orders in Singapore, all investor events which FCT participated in from March 2020 were organised on electronic platforms such as Zoom or Microsoft Teams. These include the investor roadshows and the dialogue session with Unitholders organised by Securities Investors Association (Singapore) ("SIAS") and FCT in September 2020. The adoption of virtual meetings has no significant compromise on the efficacy of investor engagements.

During FY2020, we participated in the following investor relations activities:

Time Frame	Key Investor Relations Events	Date
1QFY20		
1 October – 31 December 2019	Release of 4QFY19 and full year FY2019 results and post-results analysts' briefing	23 October 2019
	Post-results investors' luncheon	24 October 2019
2QFY20		
1 January – 31 March 2020	DBS Pulse of Asia Conference	7 January 2020
	11 th Annual General Meeting	13 January 2020
	Release of 1QFY20 results and post- results analysts' conference call	23 January 2020
	Post-results investors' luncheon	23 January 2020
	UBS Corporate Day (Virtual)	13 March 2020
	Credit Suisse ASEAN Corporate Day (Virtual)	18 March 2020
3QFY20		
1 April – 30 June 2020	Release of 2QFY20 results, post-results analysts' briefing and investor call (Virtual)	23 April 2020
	Post-results call with investors (Virtual)	24 April 2020
	Citi Pan-Asia Regional Investor Conference 2020 (Virtual)	20 May 2020
	SGX-Credit Suisse Singapore Corporate Day (Virtual)	18 June 2020
4QFY20		
1 July – 30 September 2020	3QFY20 Business Updates ¹	23 July 2020
	Announcement of the proposed acquisition of approximately 63.11% of the total issued share capital of ARF and the proposed divestment of Bedok Point	3 September 2020
	Dialogue with Unitholders, organised by SIAS and FCT (Virtual)	16 September 2020
	Investor Roadshow hosted by DBS/Citi/OCBC (Virtual)	7-18 September 2020
	Responses To The Substantial And Relevant Questions From Unitholders For The EGM On 28 September 2020	26 September 2020
	EGM (Virtual)	28 September 2020
	Launch of the EFR ²	28 September 2020

1 FCT announced on 13 May 2020 the change to half-yearly reporting of financial results and to half-yearly distributions. With this change, FCT's financial statements are announced on a half-yearly basis and business updates are provided for the first and third quarter performance of FCT. Distributions will be made at half-yearly intervals starting from 2H FY2020 (second half of FY2020 ended 30 September 2020).

2 The EFR was to part-finance the total acquisition cost of the ARF Acquisition. The EFR comprised a private placement (the "Private Placement") of new units in FCT (the "New Units") to institutional and other investors and a non-renounceable preferential offering (the "Preferential Offering") of New Units to the existing Unitholders on a pro rata basis. The books of orders for the Private Placement was closed on 29 September 2020 and gross proceeds of approximately S\$575.0 million was raised. The Preferential Offering, which was launched on 9 October 2020 and closed on 19 October 2020, raised gross proceeds of approximately S\$759.7 million. The aggregate gross proceeds raised from the EFR was approximately S\$1,334.7 million.

COVERAGE BY EQUITY RESEARCH HOUSES

As at 30 September 2020, there were 20 equity research firms which provided equity research coverage on FCT. The research firms which cover FCT (in alphabetical order) are:

1. Bank of America-Merrill Lynch
2. CGS-CIMB Research
3. Citi Investment Research
4. CLSA
5. Credit Suisse
6. Daiwa Capital Markets
7. DBS Vickers Securities
8. HSBC
9. J.P. Morgan
10. KGI Securities (Singapore)
11. Macquarie
12. Maybank Kim Eng Research
13. Mizuho Securities Asia Limited
14. MorningStar
15. OCBC Investment Research
16. Phillip Securities Research (Singapore)
17. RHB
18. Soochow CSSD Capital Markets (SCCM)
19. UBS
20. UOB Kay Hian Research

FY2021 FINANCIAL CALENDAR

(Dates are indicative and are subject to change)

21 January 2021	Annual General Meeting
21 January 2021	1Q FY2021 Business Updates
April 2021	1H FY2021 Results Announcement
End May 2021	1H FY2021 Distribution Payment
July 2021	3Q FY2021 Business Updates
October 2021	2HFY2021 and Full Year FY2021 Results Announcement
End November 2021	2H FY2021 Distribution Payment

ENQUIRIES

For general enquiries on FCT, please contact:
Mr Chen Fung Leng
Vice President, Investor Relations
Fraser's Centrepoint Asset Management Ltd
Tel: (65) 6277-2657
Email: ir@fraserscentrepointtrust.com

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
Phone: (65) 6536-5355
Fax: (65) 6536-1360
Website: www.boardroomlimited.com



OPERATIONS REVIEW

LEASE RENEWALS

A total of 235 leases were renewed in FY2020 (FY2019: 313). These leases accounted for 352,989 square feet or 24.3% of FCT's portfolio net lettable area¹ ("NLA"). The average rental reversion of these renewals was positive 4.2% (FY2019: 4.8%). Rental reversion refers to the variance between the average rental rate of the renewed leases and the preceding expired leases which were contracted typically three years ago. All malls recorded positive rental reversions of between 3.6% and 5.6% for the year under review. The data for Waterway Point, of which FCT owns a 40% interest, is included in the portfolio calculation.

Summary of Leases Renewed in FY2020 (Excluding newly-created and reconfigured area)

Property	Number of leases renewed	Aggregate area of renewed leases (square feet)	Renewed area as percentage of property's NLA	Increase / (Decrease) in average rental rates of renewed leases compared with rental rates of preceding leases
Causeway Point	59	112,316	26.8%	3.8%
Northpoint City North Wing ²	57	59,264	25.8%	3.6%
Waterway Point	51	77,432	20.8%	4.7%
Changi City Point	28	49,342	24.1%	4.8%
Bedok Point	12	12,066	14.6%	3.8%
YewTee Point	15	18,591	25.2%	5.6%
Anchorpoint	13	23,978	33.7%	4.1%
FCT Portfolio Average	235	352,989	24.3%	4.2%

LEASE EXPIRY PROFILE

The portfolio lease expiry from FY2021 to FY2026 and beyond, and the lease expiry by property in FY2021 are presented in tables on the next page. Our leases have an average lease duration of 3 years. Certain key or anchor tenants may be offered longer tenures, depending on the lease structure.

FCT has a well-spread portfolio lease expiry profile with low concentration risk. The leases due in the next two years in FY2021 and FY2022 account for 32.6% and 33.6% of FCT's Gross Rental Income ("GRI"), respectively. As at 30 September 2020, the weighted average lease expiry ("WALE"³) of FCT portfolio stood at 1.55 years by NLA and 1.51 years by GRI.

The WALE (by GRI) of the new leases entered during FY2020, based on duration to lease expiry as at 30 September 2020 was 2.27 years. The weighted average lease tenure (By NLA) of these new leases is 2.16 years. These new leases account for 31.5% of the total GRI of FCT portfolio as at 30 September 2020.

The aggregate NLA of the leases in FCT portfolio, including that of Waterway Point, due for renewal in FY2021 is 433,861 square feet, of which about 65% is attributed to the three largest malls - Causeway Point, Waterway Point, Northpoint City North Wing (including Yishun 10 retail podium). Excluding Bedok Point, which has been divested on 9 November 2020 following the approval by unitholders at an extraordinary general meeting on 28 September 2020, the aggregate NLA due for renewal in FY2021 is 408,777 square feet, representing approximately 31.4% of the total leased area of the portfolio and 32.4% of the total portfolio GRI.

1 Including Waterway Point, which FCT holds 40%-interest

2 Includes Yishun 10 Retail Podium

3 Computation of WALE is as follows:

WALE_{NLA} = Sum of (Remaining Lease Tenure x NLA of Individual leases) / Total Leased Area

WALE_{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

In the near-term, we expect tenants to take longer time in lease negotiations, taking into account market uncertainties, the uneven pace of recovery among the retail trade sectors, continuation of certain COVID-19 control measures and weak economic outlook, amongst others. The uncertainties in the market conditions would likely exert pressure on asking rents for new and renewal leases.

As such, we are adopting differentiated approaches in our lease negotiations. This could include concessionary rent rate for a specific period before returning back to market rate in the subsequent period. We are also offering short-term lease extensions to allow tenants more time to assess their situation before committing to a new lease. These approaches will in turn, allow FCT as a landlord to gain clarity on Singapore's phased re-opening and to price its rents accordingly.

Portfolio Lease Expiry⁴ as at 30 September 2020

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 and beyond	Total
Number of leases expiring	341	286	215	22	2	1	867
Leased area expiring (square feet)	433,861	505,344	333,453	82,832	2,699	21,248	1,379,437
Expiries as % of total leased area	31.5%	36.6%	24.2%	6.0%	0.2%	1.5%	100.0%
Expiries as % of total GRI	32.6%	33.6%	27.0%	6.4%	0.2%	0.2%	100.0%

Lease Expiry⁴ for FY2021 as at 30 September 2020

Property	Number of leases expiring	Leased area expiring (square feet)	Expiries as % of property's total leased area	GRI of expiring leases as % of the property's total GRI
Causeway Point	78	98,007	24.2%	30.0%
Northpoint City North Wing ⁵	72	73,394	33.6%	34.5%
Waterway Point	53	110,275	30.9%	29.5%
Changi City Point	62	84,341	45.5%	43.8%
Bedok Point	16	25,084	33.0%	43.4%
YewTee Point	36	22,238	31.1%	36.3%
Anchorpoint	24	20,522	31.1%	31.1%
Total FCT	341	433,861	31.5%⁶	32.6%⁷
Total FCT (excluding Bedok Point⁸)	325	408,777	31.4%⁶	32.4%⁷

PORTFOLIO TENANTS' SALES AND OCCUPANCY COST

FCT's total portfolio tenants' sales in FY2020 was severely impacted by the COVID-19 and the Circuit Breaker in 2HFY2020. Total portfolio tenants' sales in 2HFY2020 fell 24.3% y-o-y mainly due to the impact from the Circuit Breaker, during which many businesses, except those in the essential trades, were ordered to shut; F&B outlets were only allowed to do takeaways and delivery orders; and strict safe distancing and crowd control measures were enforced. Within FCT's portfolio, only about 30% of tenants stayed open during this period. Tenants' sales started to recover after the commencement of Phase 2 re-opening, when all businesses, with the exception of a

few, such as family karaokes, were permitted to resume business. The total portfolio tenants' sales recovered to near pre-COVID-19 level in July 2020 and had remained stable around 95% of last year's level. For the full year FY2020, total portfolio tenants' sales was approximately 13.1% lower than the previous corresponding year.

The decline in sales and the disruptions to the tenants' businesses during the Circuit Breaker period resulted in an increase in the average portfolio occupancy cost. The average occupancy cost for FCT portfolio for the 12-month period between October 2019 and September 2020 stood at 19.2%, compared with 17.0% in FY2019.

⁴ Excluding vacancy

⁵ Includes Yishun 10 Retail Podium

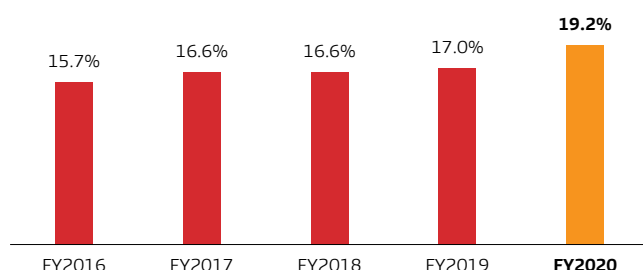
⁶ As percentage of leased area of FCT portfolio, excluding vacancy, as at 30 September 2020

⁷ As percentage of GRI of FCT portfolio for the month of September 2020, excluding gross turnover rent

⁸ The Manager announced on 3 September 2020 the divestment of Bedok Point for S\$108 million. This transaction was approved by FCT unitholders at an extraordinary general meeting on 28 September 2020 and the divestment was completed on 9 November 2020

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 occupancy cost for FY2020 and the preceding four financial years are presented in the table below.

FCT Portfolio Occupancy Cost



LEASES WITH GROSS TURNOVER RENT AND STEP-UP CLAUSES

Approximately 89.9% (FY2019: 97.8%) of our leases include step-up clauses that provide for annual rental increment of between 1% and 2% during the lease term. The 7.9%-point decline y-o-y was attributed to an increase in the number of lease extensions and short-term lease renewals in FY2020 due to the COVID-19 situation, and they do not have step-up rents. Of the occupied leases, 92.2% (FY2019: 93.5%) include Gross

Turnover Rent clauses, which the tenants would pay between 0.5% and 1% of their sales as part of the gross rent under the lease agreements.

PORTFOLIO OCCUPANCY

The portfolio occupancy stood at 94.9% as at 30 September 2020, which is 1.6%-point lower compared with 96.5% a year ago. All properties, except Anchorpoint and YewTee Point, saw occupancy fall between 0.4%-point and 5.5%-point. Occupancy at Anchorpoint as at 30 September 2020 is 13.7%-point higher as the occupancy in the prior year was affected by transitional fitting out works by an anchor tenant of the mall.

The portfolio occupancy by property is shown in the table below.

SHOPPER TRAFFIC

The total shopper traffic of the portfolio in FY2020 fell 22.9% to 112.9 million (FY2019: 146.5 million), attributed to the sharp fall in traffic in the 2HFY2020 during the Circuit Breaker and the traffic density control and safe distancing measures which are still in place. Shopper traffic has recovered to around 60% to 70% of pre-COVID-19 level since the Phase 2 re-opening and has remained relatively stable since. Easing of safe distancing measures in Phase 3 re-opening will likely support further recovery of shopper traffic.

Portfolio Occupancy

Occupancy by Property	As at 30 September 2020	As at 30 September 2019	Increase/ (Decrease)
Causeway Point	96.6%	97.0%	(0.4%-point)
Northpoint City North Wing ⁹	95.0%	99.0%	(4.0%-point)
Waterway Point	96.0%	98.0%	(2.0%-point)
Changi City Point	90.4%	95.9%	(5.5%-point)
Bedok Point	92.0%	95.7%	(3.7%-point)
YewTee Point	97.1%	97.1%	No change
Anchorpoint	92.7%	79.0%	13.7%-point
FCT Portfolio	94.9%	96.5%	(1.6%-point)

Shopper Traffic

Shopper Traffic by Property (million)	FY2020 (1 Oct 2019 – 30 Sep 2020)	FY2019 (1 Oct 2018 – 30 Sep 2019)	Increase/ (Decrease)
Causeway Point	21.0	26.5	(20.8%)
Northpoint City North Wing ¹⁰	46.9	57.3	(18.2%)
Waterway Point	19.6	28.4	(31.0%)
Changi City Point	9.1	13.9	(34.5%)
Bedok Point	3.3	4.2	(21.4%)
YewTee Point	10.6	13.0	(18.5%)
Anchorpoint	2.4	3.2	(25.0%)
FCT Total	112.9	146.5	(22.9%)

TRADE SECTOR ANALYSIS

Food & Beverage ("F&B") remains the largest sector accounting for 30.6% of FCT's total NLA (FY2019: 31.5%) and 38.2% of the GRI (FY2019: 37.8%). The second and the third largest trade categories by GRI are Fashion at 13.0% (FY2019: 14.4%) and Beauty & Health at 12.0% (FY2019: 11.3%).

Trade Classifications (by order of decreasing GRI)	As % of Total NLA	As % of Total GRI ¹¹
Food & Beverage	30.6%	38.2%
Fashion	12.7%	13.0%
Beauty & Health	8.3%	12.0%
Services	4.5%	8.4%
Household	9.9%	7.8%
Supermarket and Hypermarket	7.3%	5.3%
Leisure/Entertainment	6.4%	3.0%
Books, Music, Arts & Craft, Hobbies	3.7%	2.8%
Department Store	4.1%	2.6%
Jewellery & Watches	0.8%	2.5%
Sports Apparel & Equipment	2.8%	2.4%
Education	3.8%	2.0%
Vacant	5.1%	0.0%
Grand Total	100.0%	100.0%

TOP 10 TENANTS BY GRI

The top ten tenants collectively accounted for 23.6% of the total GRI as at 30 September 2020 (FY2019: 21.1%). Our largest tenant NTUC, the operator of NTUC Fairprice supermarkets, NTUC Healthcare (Unity) and NTUC Club in FCT malls, accounted for 3.6% of the portfolio GRI (2019: 3.2%).

Top 10 Tenants by GRI as at 30 September 2020

Tenants	Trade Category	As % of Total NLA	As % of Total GRI ¹¹
1 NTUC ¹²	Supermarket & Hypermarket	4.6%	3.6%
2 Dairy Farm Group ¹³	Supermarket & Hypermarket, Beauty & Health	3.5%	3.2%
3 Copitiam Group ¹⁴	Food & Beverage	2.8%	2.7%
4 Metro (Private) Limited ¹⁵	Departmental Store	4.2%	2.6%
5 Breadtalk Group ¹⁶	Food & Beverage	2.0%	2.6%
6 Courts (Singapore) Pte Limited	Household	2.4%	2.2%
7 Koufu Group	Food & Beverage	2.2%	2.0%
8 Cotton On Group ¹⁷	Fashion	1.5%	1.7%
9 Hanbaobao Pte Limited ¹⁸	Food & Beverage	0.9%	1.5%
10 Yum! ¹⁹	Food & Beverage	1.0%	1.5%
Total for Top 10		25.1%	23.6%

9 Includes Yishun 10 retail podium

10 This is the aggregate shopper traffic for both North Wing and South Wing of Northpoint City

11 As percentage of GRI of FCT portfolio for the month of September 2020, excluding gross turnover rent

12 NTUC: Include NTUC FairPrice, NTUC Healthcare (Unity) and NTUC Club

13 Includes leases for Cold Storage supermarkets, Guardian Pharmacy & 7-Eleven

14 Operator of Kopitiam food courts, includes Kopitiam, Bagus

15 Includes leases for Metro Department Store & Clinique Service Centre

16 Includes Food Republic, Breadtalk, Toast Box and Din Tai Fung

17 Includes leases for Cotton On, TYPO, Rubi Shoes, Cotton On Body, Cotton On Kids

18 Operates McDonald's outlets

19 Operates KFC and Pizza Hut outlets

FINANCIAL REVIEW

FCT'S INVESTMENT PROPERTY PORTFOLIO

As at 30 September 2020, FCT's investment property portfolio comprises Causeway Point, Northpoint City North Wing (including Yishun 10 retail podium), Changi City Point, Bedok Point, YewTee Point and Anchorpoint.

INVESTMENTS HELD IN ASSOCIATES AND JOINT VENTURES

AsiaRetail Fund Limited ("ARF")

As at 30 September 2020, FCT holds a 36.89% interest in ARF. On 3 September 2020, FCT announced the acquisition of the remaining approximately 63.11% stake in ARF for S\$1.06 billion. The approval to proceed with the acquisition was obtained from Unitholders at an Extraordinary General Meeting convened on 28 September 2020. Subsequent to completion of the ARF acquisition on 27 October 2020, FCT now owns 100% interest in ARF whose property portfolio comprises Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square, Tampines 1 and Central Plaza. The purchase consideration for the 63.11% stake in ARF and the associated

transaction costs were funded by an equity fund raising ("EFR") which raised gross proceeds of approximately S\$1.33 billion.

Sapphire Star Trust ("SST")

FCT holds a 40.00% stake in SST, a private trust that owns Waterway Point.

Hektar Real Estate Investment Trust ("H-REIT")

FCT holds 31.15% of the units in 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. Its property portfolio comprises Subang Parade (Selangor), Mahkota Parade (Melaka), Wetex Parade (Johor), Central Square (Kedah), Kulim Central (Kedah) and Segamat Central (Johor).

FINANCIAL PERFORMANCE OF INVESTMENT PROPERTY PORTFOLIO

The tables presented below show the gross revenue, property expenses and net property income for FCT's investment property portfolio for FY2020 and FY2019.

Gross Revenue S\$'000	FY2020 (1 Oct 2019 – 30 Sep 2020)	FY2019 (1 Oct 2018 – 30 Sep 2019)	Increase/ (Decrease)
Causeway Point	73,237	86,458	(15.3%)
Northpoint City North Wing*	44,396	53,089	(16.4%)
Anchorpoint	6,873	8,555	(19.7%)
YewTee Point	12,488	14,443	(13.5%)
Bedok Point	5,649	6,506	(13.2%)
Changi City Point	21,734	27,335	(20.5%)
Total	164,377	196,386	(16.3%)

Property Expenses S\$'000	FY2020 (1 Oct 2019 – 30 Sep 2020)	FY2019 (1 Oct 2018 – 30 Sep 2019)	Increase/ (Decrease)
Causeway Point	20,308	20,693	(1.9%)
Northpoint City North Wing*	12,865	13,876	(7.3%)
Anchorpoint	3,877	4,747	(18.3%)
YewTee Point	4,182	4,135	1.1%
Bedok Point	3,626	3,843	(5.6%)
Changi City Point	8,631	9,809	(12.0%)
Total	53,489	57,103	(6.3%)

* Includes Yishun 10 retail podium

Net Property Income S\$'000	FY2020 (1 Oct 2019 – 30 Sep 2020)	FY2019 (1 Oct 2018 – 30 Sep 2019)	Increase/ (Decrease)
Causeway Point	52,929	65,765	(19.5%)
Northpoint City North Wing*	31,531	39,213	(19.6%)
Anchorpoint	2,996	3,808	(21.3%)
YewTee Point	8,306	10,308	(19.4%)
Bedok Point	2,023	2,663	(24.0%)
Changi City Point	13,103	17,526	(25.2%)
Total	110,888	139,283	(20.4%)

PERFORMANCE COMPARISON BETWEEN FY2020 AND FY2019

Gross revenue for the year ended 30 September 2020 totalled S\$164.4 million, a decrease of S\$32.0 million or 16.3% over the corresponding period last year. The decrease was mainly due to rental rebates assistance granted to tenants.

FCT's property portfolio continued to achieve positive rental reversions during the year. Rentals from renewal and replacement leases from the Properties which commenced during the period, showed an average increase of 4.0% over the expiring leases.

Property expenses for the year ended 30 September 2020 totalled S\$53.5 million, a decrease of S\$3.6 million or 6.3% compared to the corresponding period last year. The decrease was mainly due to lower property manager's fee arising from lower gross revenue and net property income and lower marketing expenses during the year. It was partially offset by absence of write-back of property tax not required and higher provision for doubtful debts during the year.

Net property income for the year ended 30 September 2020 was therefore at S\$110.9 million, being S\$28.4 million or 20.4% lower than the corresponding period last year.

Net non-property expenses of S\$45.5 million was S\$2.9 million higher than the corresponding period last year mainly due to higher borrowing costs from additional borrowings and increase in Manager's management fees arising from the increase in total assets. It was partially offset by interest income from loan to joint venture.

Total return included:

- unrealised loss of S\$1.1 million arising from fair valuation of interest rate swaps for the hedging of interest rate in respect of S\$128 million of the loans;
- share of associates' results of S\$75.3 million;
- share of joint ventures' results of S\$11.2 million;
- expenses in relation to acquisitions of an associate and a joint venture of S\$3.8 million; and
- surplus on revaluation of the Properties of S\$4.7 million.

Income available for distribution for the year ended 30 September 2020 was S\$101.1 million, which was S\$17.6 million lower compared to the corresponding period in the preceding financial year.

* Includes Yishun 10 retail podium

DISTRIBUTION

Distribution to Unitholders for the year ended 30 September 2020 was S\$101.1 million, which was 15.5% lower compared with the last financial year, due to the decline in the revenue and net property income impacted by the rental rebates provided to tenants in 2HFY2020.

The decline in distribution to Unitholders was partially offset by the release of the retained distribution of S\$18.0 million from 1HFY2020 and the full year contributions of dividend received from FCT's investments in ARF and SST.

The breakdown and comparison of the DPU for FY2020 and FY2019 are presented below:

Distribution per Unit (S cents)

Financial year ended 30 September	FY2020	FY2019
First quarter (1 October – 31 December)	3.060	3.020
Second quarter (1 January – 31 March)	1.610	3.137
Third quarter (1 April – 30 June)	4.372	3.000
Fourth quarter (1 July – 30 September)		2.913
Full Year (1 October – 30 September)	9.042	12.070

Note: FCT has moved to half-yearly reporting and half-yearly distribution payment from 2HFY2020 onwards.

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

As at 30 September 2020, the total assets of FCT stood at S\$3,883 million, an increase of approximately S\$272 million from S\$3,611 million a year ago. The increase was mainly attributable to a) investment in the shares in ARF; as well as b) revaluation surplus of S\$4.7 million on FCT's investment properties.

FCT's net assets stood at S\$2,538 million as at 30 September 2020, an increase of approximately S\$67 million compared with S\$2,471 million a year ago. Correspondingly, the net asset value ("NAV") and the net tangible asset ("NTA") of FCT increased to S\$2.27 per unit from S\$2.21 a year ago.

As at	30 September 2020	30 September 2019
NAV and NTA per unit (S\$)	2.27 ^(a)	2.21 ^(b)

(a) The number of units used for computation of NAV and NTA per unit as at 30 September 2020 is 1,120,330,196. This comprises:

- (i) 1,119,447,127 units in issue as at 30 September 2020;
- (ii) 255,647 units issuable to the Manager in November 2020, in satisfaction of 20% of the base fee component of the Manager's management fees payable to the Manager for the quarter ended 30 September 2020; and
- (iii) 627,422 units issuable in November 2020, in satisfaction of 20%, 20%, 50% and 20% of the performance fee component of the Manager's management fees payable to the Manager for the quarters ended 31 December 2019, 31 March 2020, 30 June 2020 and 30 September 2020 respectively.

(b) The number of units used for computation of NAV and NTA per unit as at 30 September 2019 is 1,117,509,051. This comprises:

- (i) 1,116,284,043 units in issue as at 30 September 2019;
- (ii) 373,973 units issued to the Manager in October 2019, in satisfaction of 35% of the base fee component of the Manager's management fees payable to the Manager for the quarter ended 30 September 2019; and
- (iii) 851,035 units issued to the Manager in October 2019, in satisfaction of 20%, 20%, 55% and 35% of the performance fee component of the Manager's management fees payable to the Manager for the quarters ended 31 December 2018, 31 March 2019, 30 June 2019 and 30 September 2019 respectively.

APPRAISED VALUE OF PROPERTIES

Independent valuations of the investment properties were undertaken by CBRE Pte Ltd ("CBRE"), Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers") and Savills Valuation and Professional Services (S) Pte Ltd ("Savills"). Independent valuations of asset held for sale were undertaken by Jones Lang LaSalle LP ("JLL") and Colliers.

Valuation methods used for the investment properties include the capitalisation approach, discounted cash flow analysis and direct comparison method in determining the fair values of the properties. Residual method and direct comparison method were used for Bedok Point which is classified as asset held for sale.

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

The total appraised value of FCT's portfolio of properties as at 30 September 2020 stood at S\$2,857.5 million, compared with S\$2,846 million a year ago. The appraised values of Causeway Point, Northpoint City North Wing and YewTee Point were relatively stable compared to a year ago. The properties Changi City Point, Anchorpoint and Yishun 10 retail podium saw declines in their respective appraised values. Bedok Point registered a S\$14 million gain in appraised value, based on the divestment price of the property which was announced on 3 September 2020. The appraised value of Waterway Point in which FCT has a 40% shareholding via a joint venture, remained unchanged at S\$1,300 million.

Properties	As at 15 September 2020			As at 30 September 2019		
	Appraised Value (\$ million)	Valuer	Capitalisation rate used	Appraised Value (\$ million)	Valuer	Capitalisation rate used
Causeway Point	1,305.0	Savills	4.75%	1,298.0	Savills	4.75%
Northpoint City North Wing ¹	771.5	Colliers	4.75%	771.5	Colliers	4.75%
Changi City Point ²	338.0	Savills ³	5.00%	342.0	Savills	5.00%
Anchorpoint	110.0	Colliers ⁴	4.50%	113.5	Colliers	4.50%
YewTee Point	190.0	CBRE ⁵	5.00%	189.0	CBRE	5.00%
Bedok Point	108.0	See Note 6	Not applicable	94.0	CBRE	5.00%
Yishun 10 retail podium	35.0	Savills	3.75%	38.0	Savills	3.75%
Total	2,857.5			2,846.0		
Waterway Point	1,300.0 ⁷	JLL	4.50%			

Notes:

- Excludes CSFS space of 10,505 square feet
- Excludes CSFS space of 3,391 square feet
- This is Savills's third year as valuer for Changi City Point, as permitted by the revised Collective Investment Scheme ("CIS") Code Appendix 6 clause 8.3(e)
- This is Colliers' third year as valuer for Anchorpoint, as permitted by the revised CIS Code Appendix 6 clause 8.3(e)
- This is CBRE's third year as valuer for YewTee Point, as permitted by the revised CIS code Appendix 6 clause 8.3(e)
- Based on the sale price of Bedok Point in the divestment of Bedok Point as announced on 3 September 2020. The sale price was arrived at after taking into account the independent valuations conducted by JLL (commissioned by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of FCT)) and Colliers (commissioned by the Manager). JLL, in its report dated 1 August 2020, had stated that the open market value of Bedok Point as at 1 August 2020 was S\$108.9 million and Colliers, in its report dated 1 August 2020, had stated that the open market value of Bedok Point as at 1 August 2020 was S\$107.2 million.
- FCT owns 40.0% of Sapphire Star Trust which holds Waterway Point. The value reflected in this table is the total value of Waterway Point and FCT's 40.0% interest amounts to S\$520 million.

CAPITAL RESOURCES

OVERVIEW

The Manager of Frasers Centrepoint Trust ("FCT") continues to maintain a prudent financial structure and adequate financial flexibility to ensure that it has access to capital resources at competitive cost. The Manager proactively manages FCT Group's cash flows, financial position, debt maturity profile, cost of funds, interest rates exposure and overall liquidity position. The Manager monitors and maintains a level of cash and cash equivalents deemed adequate by management to meet its operational needs. It also maintains an amount of available banking facilities with reputable banks deemed sufficient by management to ensure FCT Group has access to diversified sources of bank borrowings.

SOURCES OF FUNDING

FCT Group relies on the debt capital and syndicated loans markets, equity market and bilateral bank facilities for its funding needs. The Manager maintains active relationship with 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 and Oversea-Chinese Banking Corporation Limited.

As at 30 September 2020, FCT Group has a total capacity of S\$5,025 million from its sources of funding, of which S\$1,255 million or 25.0% 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\$445 million	S\$325 million ¹	73.0%
Medium Term Note Programme	Unsecured	S\$1,000 million	S\$150 million	15.0%
Bank borrowings	Unsecured	S\$310 million	S\$310 million	100.0%
Bank borrowings	Secured	S\$270 million	S\$270 million ²	100.0%
Multicurrency Debt Issuance Programme	Unsecured	S\$3,000 million	S\$200 million	6.67%
Total		S\$5,025 million	S\$1,255 million	25.0%
¹ S\$245 million has been paid down from equity proceeds on 27 October 2020. ² S\$80 million Secured Term Loan has been prepaid on 7 October 2020 from the equity proceeds and the collaterals have been discharged.				

Please refer to **Note 35 Subsequent Events** to the Financial Statements on page 211.

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 multicurrency Medium Term Note Programme ("MTN Programme") has been rated "BBB" by S&P.

DEBT PROFILE

During the year, FCT Group drew on S\$119 million of the term loan facility, tapped into the debt capital market for bond issue of S\$200 million under its Multicurrency Debt Issuance Programme and prepaid S\$136 million secured term loan in exchange for S\$200 million committed revolving credit facilities.

FCT Group's total debt stood at S\$1,255 million on 30 September 2020 for which it comprised S\$270 million secured bank borrowings, \$635 million unsecured bank borrowings and \$350 million unsecured Notes. S\$205 million of borrowings (about 16.3% of total borrowings) maturing in the next 12 months has been paid down and/or refinanced. The interest cover for the year ended 30 September 2020 was 4.95 times. FCT Group's gearing stood at 35.9% as at 30 September 2020 (30 September 2019: 32.9%). The higher gearing level was attributed to the increase in borrowings relating to FCT's acquisition of the additional 12% interest in ARF and for working capital purposes during the financial year. However, the increase in gearing level has not changed the risk profile of FCT and is well within the 50.0% (FY2019: 45.0%) limit set by the Monetary Authority of Singapore.

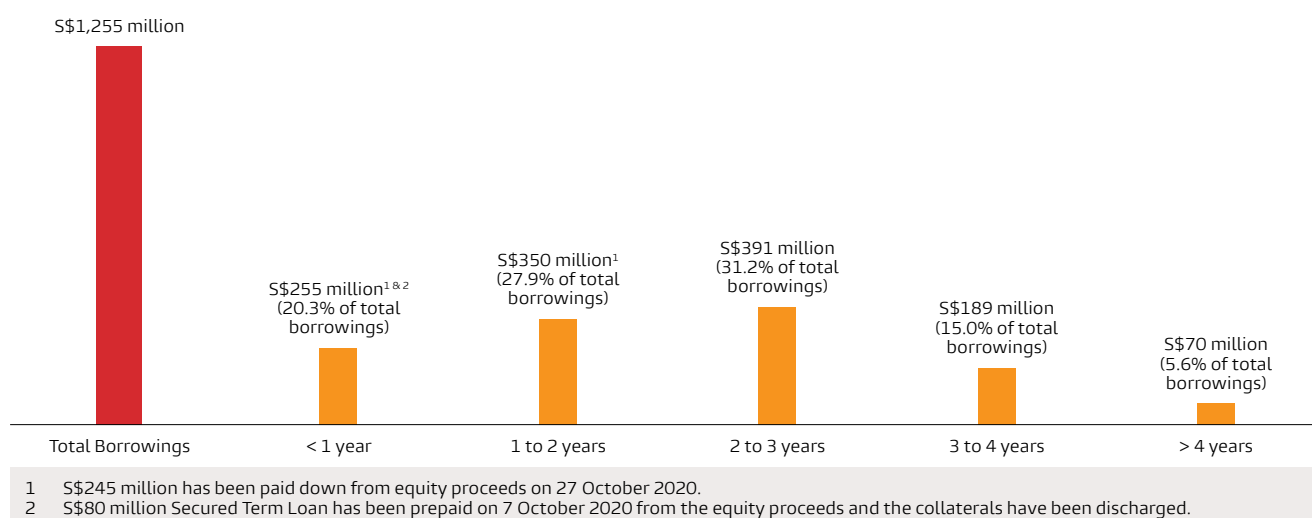
KEY FINANCIAL METRICS

Financial Year ended 30 September	2020	2019
Total Borrowings	S\$1,255.0 million	S\$1,042.1 million
Gearing ¹	35.9%	32.9%
Interest Cover ²	4.95 times	5.34 times
Average all-in cost of borrowing	2.43%	2.63%
Average debt maturity	2.1 years	2.3 years
¹ In accordance with Property Funds Appendix, the gearing ratio included FCT's proportionate share (40%) of deposited property value and borrowings in Sapphire Star Trust (which owns Waterway Point). ² Calculated as earnings before interest and tax (EBIT) divided by interest expense.		

FCT Group holds derivative financial instruments to hedge its interest rate risk exposure. The fair value of derivative liabilities as at 30 September 2020 of S\$7.4 million (2019: S\$1.0 million) is disclosed in **Note 13 Financial Derivatives** to the Financial Statements on page 188. The fair value of financial derivatives represented 0.29% (2019: 0.04%) of the net assets of FCT Group as at 30 September 2020.

DEBT MATURITY PROFILE AS AT 30 SEPTEMBER 2020

Financial Year ended 30 September	Amount Due	As % of total borrowings
< 1 year	S\$255.0 million ^{1 & 2}	20.3%
1 to 2 years	S\$350.0 million ¹	27.9%
2 to 3 years	S\$391.0 million	31.2%
3 to 4 years	S\$189.0 million	15.0%
> 4 years	S\$70.0 million	5.6%
Total Borrowings	S\$1,255.0 million	100.0%



Please refer to **Note 35 Subsequent Events** to the Financial Statements on page 211.

RETAIL PROPERTY MARKET OVERVIEW

This report was prepared by Cistri Pte. Ltd.

1. INTRODUCTION

The purpose of this report is to provide an independent review of the Singapore retail market, with particular reference to the suburban shopping centre market. We do not look at any assets specifically but at the market as a whole.

First, we consider some of 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 provide a summary of some of the key trends we have seen in the market over the past 12 months that are impacting shopping centre performance.

Impact of COVID-19

At the time of the writing of this report, the world has been heavily impacted by the COVID-19 pandemic, resulting in many economies going into a recession. The Singapore Government has reacted strongly both from a healthcare perspective as well as an economic perspective.

There is a significant amount of uncertainty surrounding the short, medium and long-term implications of the COVID-19 pandemic. We have presented our views in this report but note the inherent risks in forecasting in this environment. This report must be read in this context.

Our broad assumptions regarding the COVID-19 pandemic are that:

- The remainder of this year remains challenging and uncertain. While businesses are gradually opening up, there still exists the risk of a second wave which could result in a return to Circuit Breaker conditions.
- Some extent of international travel will continue to be permitted but the focus will remain on (a) business travel, and (b) only with countries that Singapore develops bilateral agreements with for safe travel. Recovery in the tourism market will be gradual and will span a few years, with limited real growth before 2022.
- A vaccine will not be fully distributed within the next six months, but screening, testing and social distancing will allow for easier containment and the gradual resumption of economic activities.
- Economic recovery is assumed to span two to three years. Domestic economic activity is expected to

rebound relatively stronger and faster (i.e. within the next one to two years), as compared to trade and tourism which may only turn the corner at a later period.

2. ECONOMIC CONTEXT

Critical to any understanding of the future of the retail market in Singapore is understanding the underlying economic context. This section provides a background analysis of the Singapore economy, providing high-level forecasts with some key economic indicators.

Current Situation

Regardless of the strong underlying economic fundamentals of Singapore, the current pandemic has had and will continue to have a major impact on the country. With Singapore's success being built on globalisation and trade, the global economic turmoil and international travel restrictions have had an outsized effect on Singapore. As a result, the nation is riding through one of the most difficult periods in its relatively short modern economic history.

The Singapore economy was already facing challenges before the pandemic. Global trade tensions, mostly involving the USA and China, were already straining global economic growth in 2019. Domestically, pockets of economic weakness had also appeared in some manufacturing segments that had traditionally been strong drivers of growth. For instance, value-added from refined petroleum products fell by close to 28.4% in 2019 while chemicals & chemical products followed a similar trend, falling by close to 17.9%. The retail market was also under pressure, with retail sales value declining by 2.6% in 2019.

As a result, prior to the pandemic in February 2020, MTI had forecast economic growth for the year to fall to between -0.5% and 1.5%, low by historic standards.

The global pandemic reset all assumptions of economic growth. Many lost their jobs, incomes fell and work productivity declined with COVID-19 movement restrictions. Many industries ground to a halt earlier in the year – including much of the retail industry – as the Circuit Breaker from 7 April to 1 June forced many businesses to shut and others to work from home.

The Government responded with massive support – four budgets in four months and close to S\$100 billion of targeted expenditure (or close to 20% of GDP). Since mid-June, Singapore also managed to gradually reopen its economy, with most industries back in operation albeit with some safe distancing restrictions. Manufacturing output surged 24.2% YoY in September, driven by strong

activity in the pharmaceutical and electronics sectors. The resumption of dine-in services is also seeing the F&B sector re-hiring for around 1,000 positions, though take-up has been slow.

Notwithstanding this, the Government still expects GDP to decrease by between -6.0% and -6.5% this calendar year. Similarly, Oxford Economics has forecast Singapore's 2020 GDP to contract by -6.0% (Chart 2.2).

Medium-Term Outlook

While we are just starting to emerge from the depths of a major economic shock, it is difficult to be too certain on the short-term economic outlook. However, there are definite medium-term ramifications:

- Singapore's tourism-related sectors will struggle to rebound while international travel is curtailed. While some Air Travel Passes have been established (e.g. with Hong Kong, China, Australia etc.), these are generally

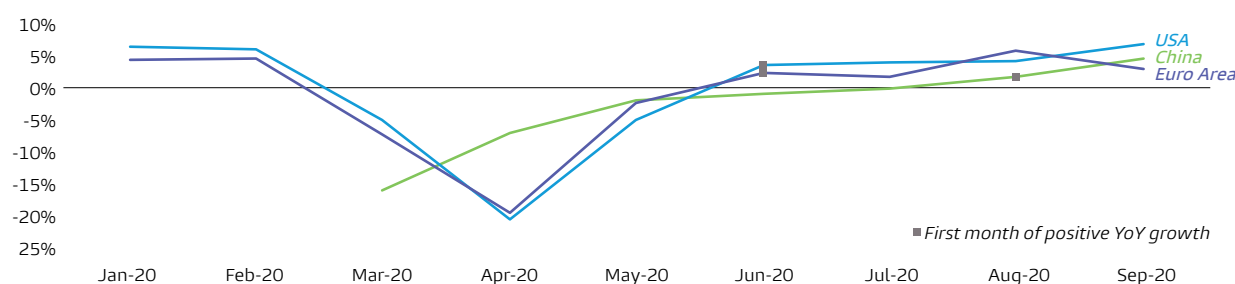
still quite restrictive. A full lifting of travel restrictions is unlikely to occur until a vaccine or effective treatment is found and distributed globally.

- Business productivity is likely to remain down because of safe-distancing and office capacity limits.
- Footfall at malls has picked up since Phase 2 in mid-June but is still low when compared to pre-COVID-19 levels.

At the same time, there are emerging trends on a global level that provide reasons to be more optimistic:

- More than 10 COVID-19 vaccine candidates globally have reached the final phase of trials, with Pfizer-BioNTech's vaccine even being recently approved by the UK and Canadian Governments for distribution.
- YoY monthly retail sales growth in China, USA and the Euro Area has entered positive territory from as early as June and is continuing to show further growth (Chart 2.1).

Chart 2.1 Monthly YoY Retail Sales Growth January to September 2020



Source: US Census Bureau, Eurostat, China National Bureau of Statistics; Data for China for January and February are not available.

Long-Term Outlook

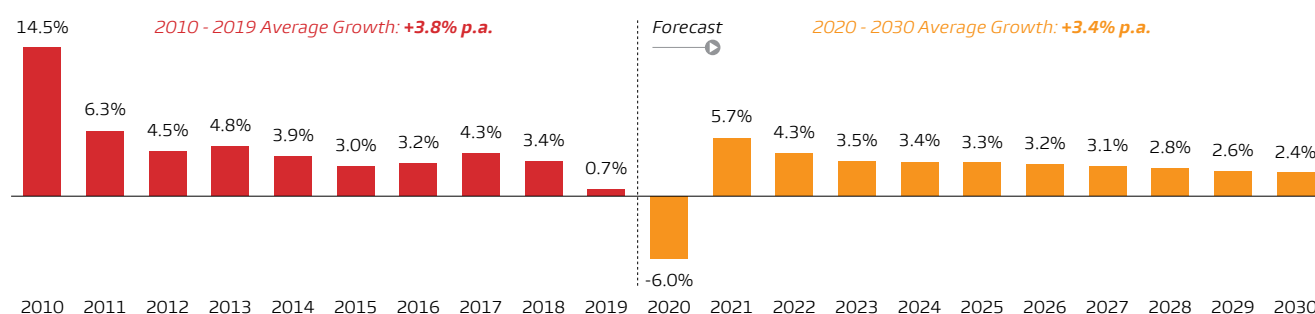
Our view of Singapore's long-term potential remains positive in both absolute and relative terms.

Singapore has a history of economic growth and the ability to ride out economic shocks because of the Government's prudent economic management. When faced with challenges, the Government makes difficult decisions even if they are unpopular strategies.

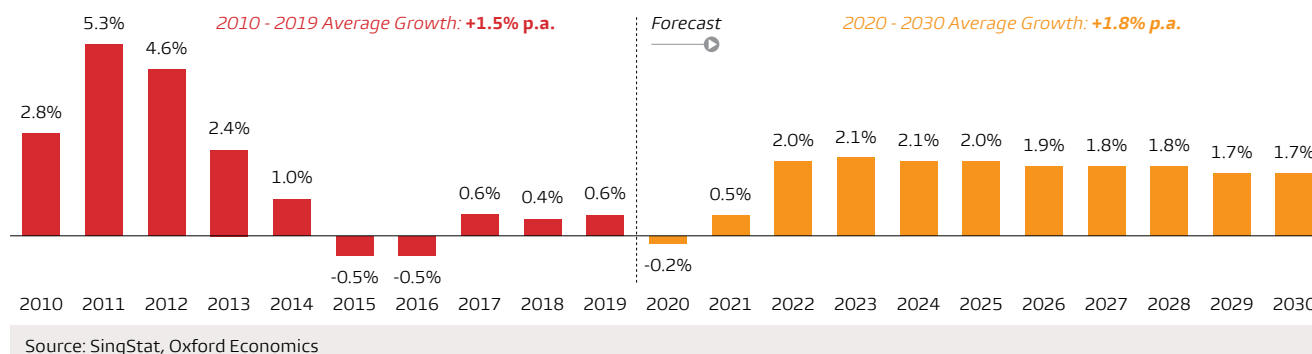
From an economic and political perspective, Singapore is expected to maintain its strong positioning as an ideal business hub.

Therefore, notwithstanding the short and medium-term challenges to Singapore's outlook, we remain optimistic about the longer-term potential for Singapore's growth.

Chart 2.2 Singapore Real GDP Growth (2015 Prices) 2010 - 2030



Source: Oxford Economics

**Chart 3.1 Consumer Price Inflation
2010 – 2030**

As we move into 2021, we expect a strong rebound in Singapore's GDP to be followed by some moderation. This is assuming Singapore can further ease its travel, trade and business restrictions as the COVID-19 pandemic comes under control. Given the country's reliance on global trade, another important assumption is that USA President-elect Joe Biden will be able to bring some normalisation to trade relations and foreign policy from the assumed start of term next year.

Overall, we expect GDP to grow at an average rate of 3.4% p.a. across 2020 – 2030.

3. INFLATION

In recent years, CPI has remained very low, creating a challenging environment for retailers and mall owners alike.

The COVID-19 pandemic has worsened this, with CPI expected to hit a low of -0.2% in 2020. This is close to levels seen in 2015 – 2016 during the oil price plunge. However, the impact varies across product categories.

According to the latest September 2020 CPI data released by SingStat, categories such as food retail & catering (+1.8%), telecommunication services (+2.3%) and homewares (+0.7%) have tracked positive YoY CPI growth for September. This is likely due to the increased reliance

on such products as majority of the Singapore population continue spending much of their time at home.

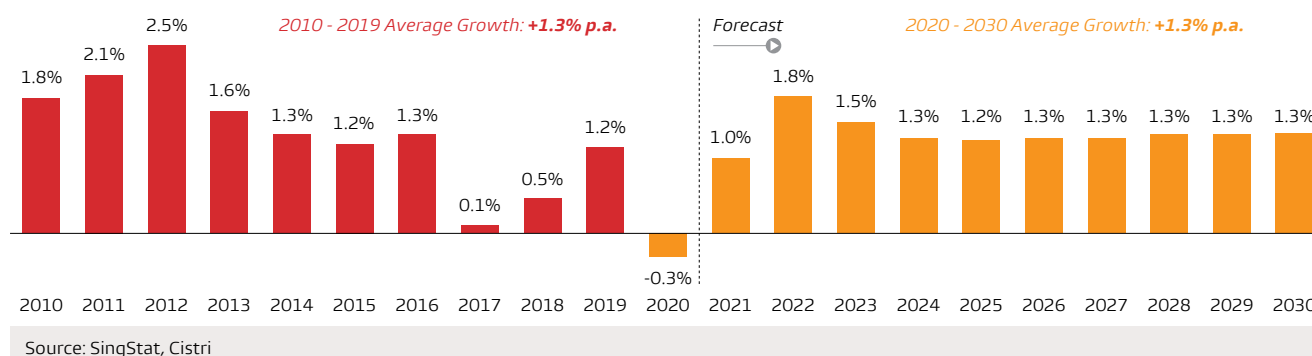
On the contrary, deflation in categories such as fashion (-4.6%) and travel & recreation (-1.2%) have offset this because of the depressed demand for these items amidst continued social distancing restrictions.

Given the current weak economic environment, forecasting stronger CPI would sometimes be counter intuitive. However, given the large scale of economic stimulus in Singapore particularly in the form of quantitative easing, there is an expectation that this could drive a short-term spike in inflation in the coming years.

Overall, we expect CPI to average at around 1.8% p.a. across 2020 – 2030, peaking at 2.1% in 2023.

4. POPULATION GROWTH

Singapore's population growth has stabilised at around 1.3% p.a. over the past decade. Typically, in years of economic crisis, we observe a dip in growth due to a combination of lower inward migration and higher outward migration. This was seen in 2017 during the oil price crisis and is expected to occur again in 2020 due to the impact of COVID-19.

**Chart 4.1 Population Growth
2010 – 2030**

According to SingStat's latest data, Singapore's population has declined marginally by -0.3% in 2020 to 5.7 million in end-June. This represents a decrease of around 17,800 people from 2019 and was driven largely by the repatriation of non-residents (-35,800) and some permanent residents (-4,300), and offset by natural citizen population growth (+22,300).

Given the very low birth rate in Singapore, inward immigration remains a key policy tool that the Government can use to support economic growth. As work permit holders (excluding domestic workers) constituted more than 60% of the outflow of non-residents this year, we expect a strong demand for this group of workers to return over the next two years as construction projects that were halted during the pandemic resume.

Overall, we forecast population growth to average at around 1.3% p.a. across 2020 – 2030 to reach 6.5 million by 2030.

5. TOURISM GROWTH

The tourism market is extremely important for Singapore. In 2019, tourism contributed about 4% to Singapore's GDP directly.

In 2020, global air travel and tourism came to a standstill amidst comprehensive travel restrictions during the pandemic. Singapore's total visitor arrivals fell by more than 80% during the first three quarters of 2020 compared the same period last year. Other tourism-related sectors including hospitality, entertainment and retail (particularly those located within the Central Core area of Singapore with exposure to tourism) will struggle to rebound while international travel is curtailed.

With that said, Singapore has taken steps to reopen its borders and revive the Changi aviation hub. These include:

- **Air Travel Pass:** Unilateral lifting of border restrictions by Singapore for short-term visitors (including leisure travel) from selected countries such as Australia, Mainland China and Vietnam. These countries have comprehensive public health surveillance systems and display successful control over the spread of COVID-19. Visitors can go about their activities after receiving a negative COVID-19 test result in Singapore. Take-up of the Air Travel Pass is likely to be muted if these countries do not have equivalent rules.
- **Reciprocal Green Lane:** Bilateral arrangements for essential short-term business and official travel between both countries. For now, Singapore has such travel arrangements with five countries including Japan, South Korea and Mainland China (for certain provinces). Currently, travellers must adhere to a controlled itinerary for the first two weeks of stay in Singapore, limiting its take-up.
- **Air Travel Bubble:** Reciprocal travel arrangements for leisure travellers without the need to be quarantined but subject to testing negative for COVID-19.

In the longer term, the Government has ambitious plans to significantly boost tourism in Singapore. The plans include:

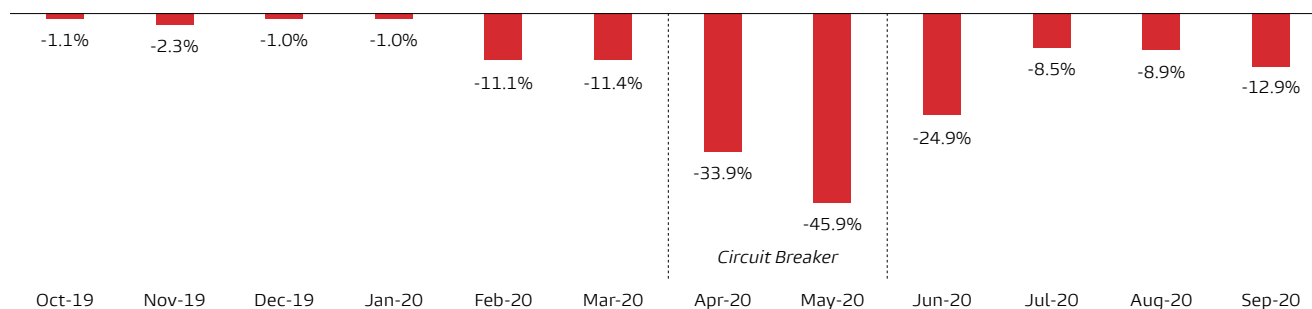
- **Changi City and Terminal 5:** Originally scheduled for completion in the 2030s, Terminal 5 will increase the airport's capacity by 50 million to 135 million. The proposed waterfront, business, and lifestyle district of Changi City will be integrated with Changi Airport and will offer multiple tourism opportunities. Construction of the Terminal 5 project is paused for at least two years to allow the authorities to consider changes that need to be made in meeting the needs of post-COVID travel.
- **Sentosa-Brani Masterplan:** A significant and long-term masterplan to redevelop Sentosa and Pulau Brani into a larger leisure and tourism destination was recently unveiled. The plan will be implemented in phases over the next two to three decades. The first project, Sentosa Sensoryscape will be completed in 2022.
- **Marina Bay Sands (MBS) and Resorts World Expansion (RWS):** Approximately S\$9 billion will be invested into the two existing integrated resorts to expand and refresh their non-gaming components. New additions include an indoor entertainment arena and a fourth tower at MBS as well as new attractions at the RWS such as Minion Park, Super Nintendo World and new hotels.
- **Jurong Lake District:** A new Science Centre and tourism development will be developed by 2026, with the Government's intention to spread the benefits of tourism across Singapore. STB is presently holding an expression of interest exercise for development.
- **Mandai Nature Project:** A Bird Park (2021), Rainforest Park (2023) and an eco-friendly resort (2023) will be completed alongside the existing Singapore Zoo, Night Safari and River Safari. Together, they will form a large 126-hectare eco-tourism hub.

In addition to these plans for tourist infrastructure and attractions, the Government partnered with Airbnb Experiences and Expedia to promote Singapore as a destination of choice as international travel gradually resumes.

6. RETAIL SALES

The Singapore retail market was already experiencing a low growth period prior to the COVID-19 pandemic. A slowing economy (refer to Section 1), sluggish population growth and lack of inflation in the market had resulted in limited growth in nominal retail sales over the past five years. Furthermore, since 2013, retail sales productivity (i.e. retail sales per sq.ft) across the market had been in decline as retail sales growth stalled while the supply of retail floorspace continued to increase.

At the same time, online sales continued to grow in Singapore. According to SingStat, online retail sales accounted for approximately 5.8% of total retail sales in 2019. While cross-country comparison is challenging due to differences in calculation methods, available data suggests that this is relatively low by global standards; mature markets like UK and USA see online retail taking up shares of above 10%.

**Chart 6.1 YoY Total Retail Sales Growth
October 2019 – September 2020**

Source: SingStat

Current Situation

The impact of COVID-19 on the retail market has been severe. Monthly YoY retail sales fell at their fastest rate on record in May this year (-45.9%; excluding motor vehicles and F&B) as Circuit Breaker restrictions led to strict social distancing measures including the shutdown of most workplaces and non-essential retail services. There has since been some recovery with the Government's gradual easing of restrictions over the past few months, but the overall market remains in negative territory.

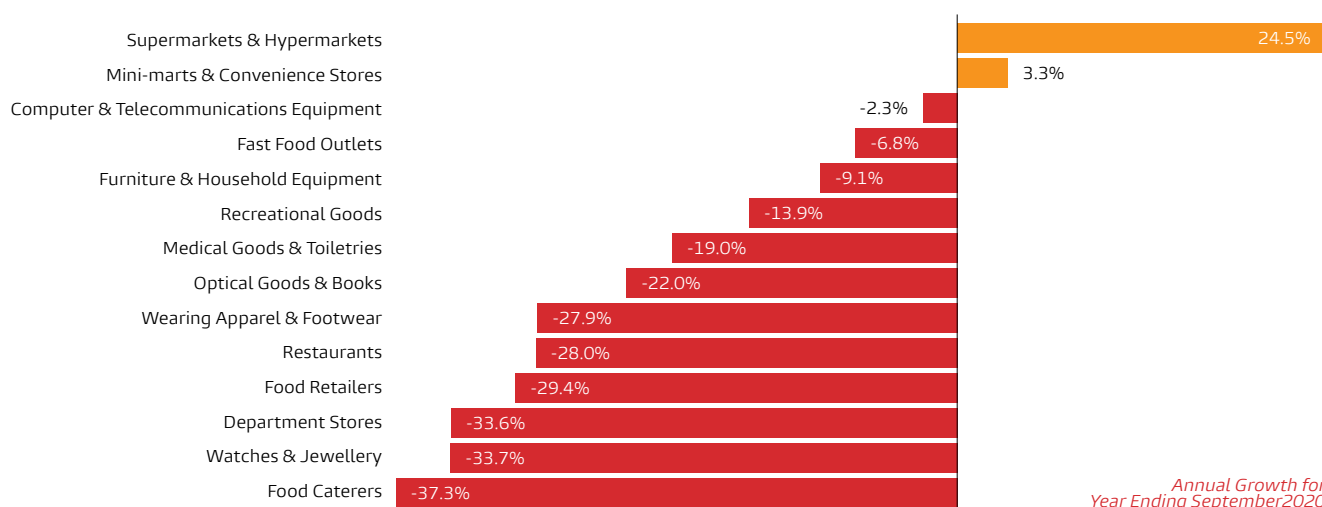
Discretionary items were hardest hit (Chart 6.2), with watches & jewellery (-33.7%), department stores (-33.6%) and wearing apparel & footwear (-27.9%) registering some of the steepest declines across all product categories for the year ending September 2020.

Similarly, food caterers (-37.3%) were severely affected by restrictions on large group gatherings. This decline was relatively less severe for other F&B operators as they were still able to operate on a takeaway or delivery basis for most of the Circuit Breaker period and have now mostly resumed dine-in (though with some capacity restrictions).

In contrast, sales increased significantly for supermarkets & hypermarkets (+24.5%) and mini-marts & convenience stores (+3.3%) as shoppers took the opportunity to stock up on groceries and sundries.

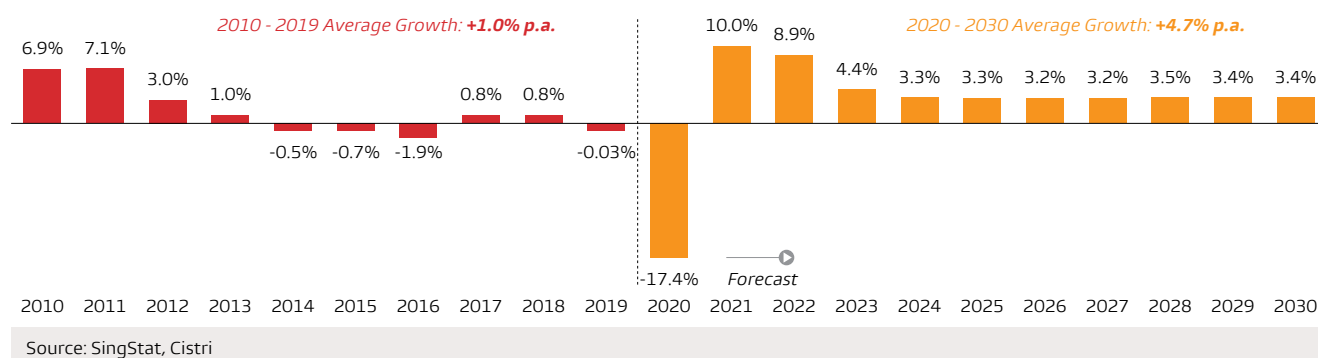
Medium-Term and Long-term Outlook

Given slowing retrenchments and a more moderated decline in total employment in Q3 2020, we expect domestic-sourced retail sales to rebound relatively well over the next 18 months as social distancing restrictions are further eased. Any new COVID-19 outbreaks will keep growth in check, particularly if a new round of Circuit Breaker is implemented.

**Chart 6.2 Annual Retail Sales Growth by Category
October 2019 – September 2020 versus October 2018 – September 2019**

Source: SingStat, Cistri

Chart 6.3 Nominal Retail Sales Growth (Excluding Online)
2010 – 2030



At the same time, we do not expect travel restrictions to be fully lifted until at least 2022. As tourist spending continues to be curtailed, total retail sales are unlikely to return to 2019 levels by next year and will likely take till 2022 or possibly later.

In consideration of the above, we expect total nominal retail sales growth to average at around 4.7% p.a. across 2020 – 2030, peaking at 10.0% in 2021.

This forecast also takes into account the impact of online retail¹ which we have assumed to constitute around 9.2% of total resident spend in Singapore in 2020 (i.e. remaining 90.8% goes to physical stores). We expect that this level will decline somewhat once shopping and working patterns return to normal but will still remain elevated compared to historic levels. By 2025, we forecast online retail spend to constitute around 9.6% of total resident spend in Singapore, compared to an estimated 6.4% in 2019.

7. RETAIL SUPPLY

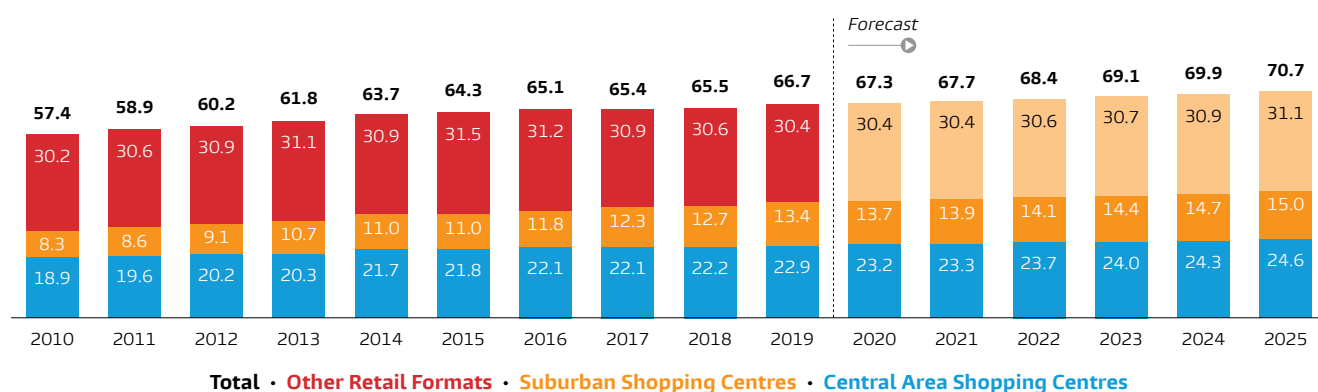
Cistri's retail floor space projections include announced retail projects, longer-term allowances for unannounced future projects, as well as allowances for obsolescence. Supply forecasts for announced projects are based on the URA's commercial projects pipelines and developers' intentions (Table 7.1 and 7.2).

Cistri estimates total retail floorspace in Singapore to reach 67.3 million sq.ft (NLA) by end-2020. While 2019 had seen the largest amount of new floorspace (1.2 million sq.ft) entering the market in recent years, growth will soften significantly in 2020 to around 580,000 sq.ft.

Major completions expected in 2020 are listed below. We note that construction disruptions brought about by COVID-19 may delay opening timelines:

- Tekka Place (70,000 sq.ft) – A neighbourhood mall located in Little India and owned by LaSalle Investment Management Asia and Lum Chang Holdings. It opened in March 2020 and is anchored by NTUC FairPrice and the Xin Tekka Food Hall.

Chart 7.1 Retail Floorspace Supply
Singapore, 2010 – 2025 (Million sq.ft)



1 To local and overseas online stores.

**Table 7.1 Upcoming Retail Supply (> 60,000 sq.ft NLA)
2020 – 2025**

Name	Opening Year	NLA (sq.ft)	Closest MRT/LRT	Centre Type
Canberra Plaza	2020	88,000	Canberra	Neighbourhood
Northshore Plaza I	2021	62,200	Samudera	Neighbourhood
Woodleigh Mall	2022	196,000	Woodleigh	Neighbourhood
Punggol Digital District	2023	146,600	Punggol Coast (U/C)	Neighbourhood
One Holland Village	2024	61,871	Holland Village	Neighbourhood
Sengkang Grand Mall	2024	112,000	Sengkang	Neighbourhood

Source: Cistri

- Canberra Plaza (88,000 sq.ft) – A New Generation Neighbourhood Centre² (NGNC) owned and developed by the HDB that will be connected to Canberra MRT station on the North-South line. While the mall's opening date has yet to be officially announced, construction seems to be mostly completed and NTUC FairPrice, A&W, Starbucks and GymmBoxx have committed tenancies. Hence, we expect the mall to open by the end of the year or early next year.

Beyond 2020, total retail floorspace is expected to increase to around 70.7 million sq.ft over the next five years, translating to an average growth of around 669,000 sq.ft p.a. or 1.0% p.a.. We expect this to be largely driven by growth in shopping centre floorspace which we estimate to grow from 54.8% of total retail floorspace in end-2020 to 56.1% by 2030. We note that the current pandemic may result in a slower growth in floorspace as developers adopt a more cautious stance.

We note that the majority of new openings will be in the form of ancillary retail rather than full-fledged malls, with no proposed retail development above 250,000 sq.ft over the next five years. Among the new shopping centres planned, we expect most to be in the suburban and central fringe areas in line with the continued decentralisation of retail and residential development across Singapore.

In addition to the above, several other locations identified for development under the URA's 2019 Master Plan provide the potential for additional new retail development. These include the 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.

In addition, sites in Jalan Anak Bukit, Marina View, Woodlands and Kampong Bugis on the Government Land Sales Reserve List by the URA (Table 7.2) also provide opportunities for mixed-use developments with retail components. Development on these sites will depend on the submission of a satisfactory bid to trigger a tender process, meaning development is likely to still be a few years away.

8. SHOPPING CENTRE FLOORSPACE PER CAPITA

Cistri estimates the provision of shopping centre floor space per capita in Singapore to reach approximately 6.5 sq.ft NLA in end-2020. This is projected to maintain through to 2025. By global standards, Singapore's provision of shopping centre floor space per capita is moderate (Chart 8.1).

The main difference between Singapore and other markets with larger provisions is that Singapore has fewer large malls (>= 500,000 sq.ft). We estimate that shopping

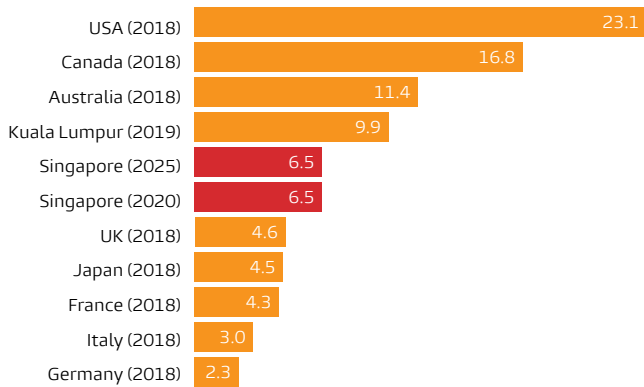
**Table 7.2 Upcoming Government Land Sale Sites (Mixed Use / White Sites)
As of November 2020**

Site	Site Area (ha)	Proposed Gross Plot Ratio	Maximum GFA (sq.ft)	Capped Retail GFA (sq.ft)	Status
Jalan Anak Bukit	3.2	3.0	96,600	220,000	Open for Tender
Marina View	0.8	13.0	1,090,000	20,000	Reserve List
Woodlands Avenue 2	2.8	4.2	1,240,000	360,000	Reserve List
Kampong Bugis	8.3	N.A	4,200,000	110,000	Reserve List

Source: URA

² Centres developed and owned by HDB that will be built in emerging residential hubs like Sembawang, Punggol and Sengkang. These centres will combine retail with community facilities such as play areas and event spaces.

Chart 8.1 Shopping Centre Floorspace Per Capita (sq.ft NLA) Singapore vs Various Countries



Global benchmarks updated based on latest data availability.
Source: International Council of Shopping Centres, Cistri

centres with NLA of 500,000 sq.ft and above account for under 30% of total shopping floor space in Singapore. This share is much higher in other cities in the region, such as Kuala Lumpur and most major Chinese cities.

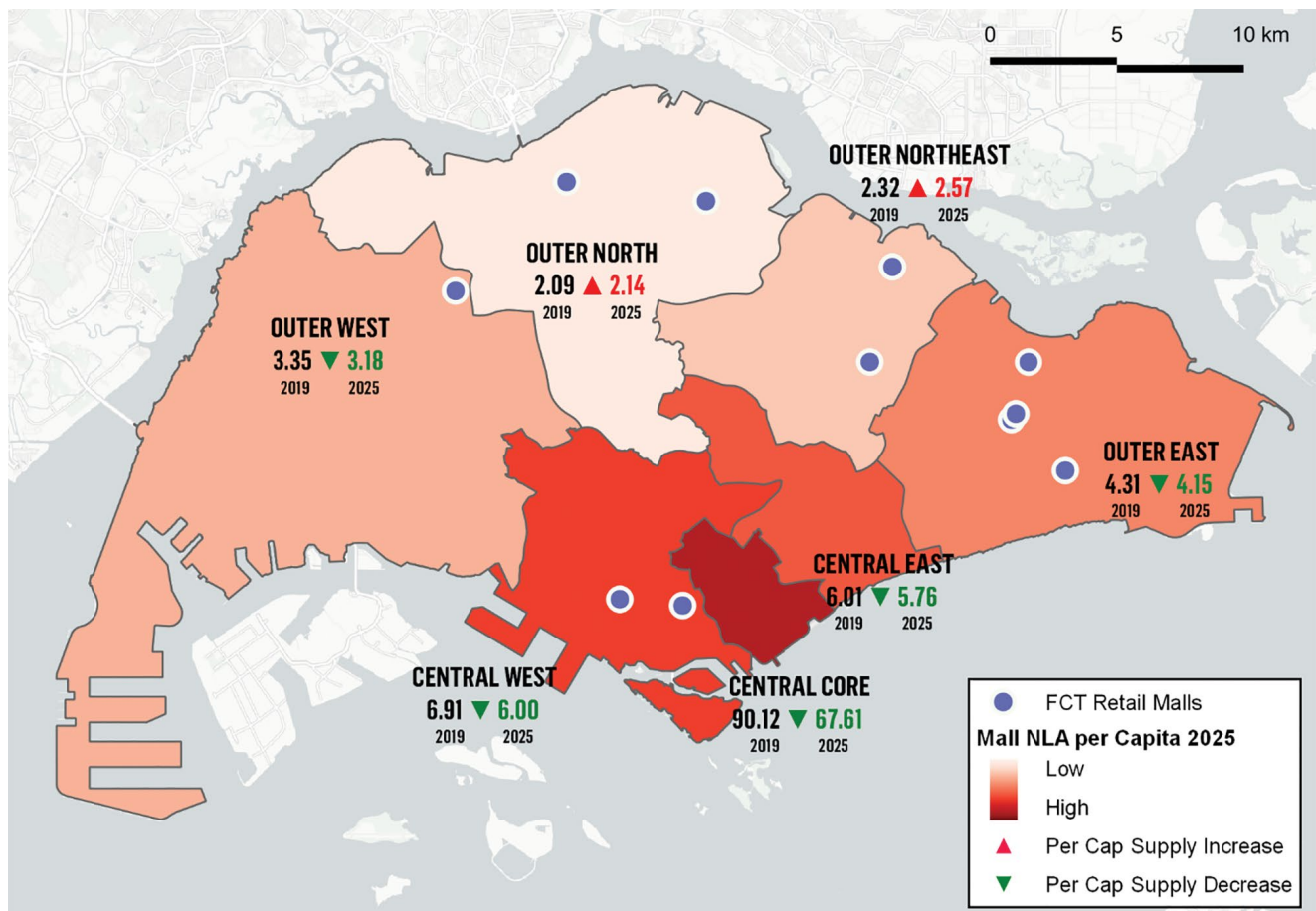
Having a high or low amount of floorspace is not good or bad per se. Australia has a higher provision than Singapore, but the market operates quite efficiently. However, having a lower provision generally means that retail floorspace can operate more efficiently and productively on a sales per sq.ft basis.

Map 8.1 below shows the expected provision of shopping centre floorspace per capita across Singapore's seven major regions by 2025.

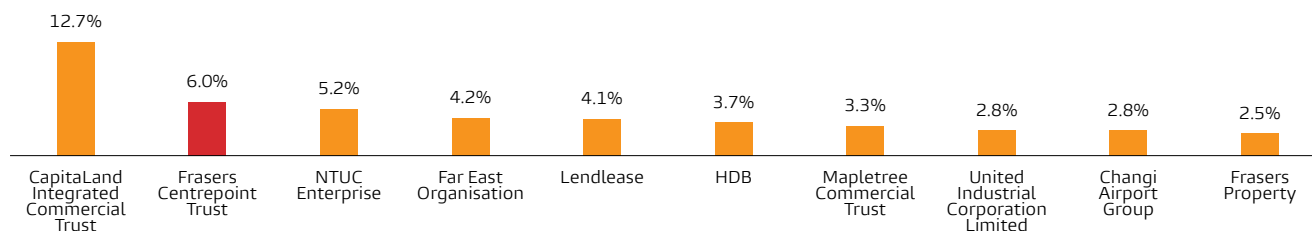
As presented, shopping centre floorspace density will continue to be heavily concentrated in the Central Core, while suburban areas have relatively modest provision.

In most regions, the provision is expected to decline over the next few years as population growth outstrips supply growth. The Outer North and Outer Northeast regions are exceptions to this decline. The imminent opening of Canberra Plaza will help push up the provision marginally within the Outer North sector, while new retail developments at Sengkang Central and Punggol Digital Districts will increase supply in the Outer Northeast region (Table 7.1). However, the overall provision in these sectors will remain low by Singapore standards.

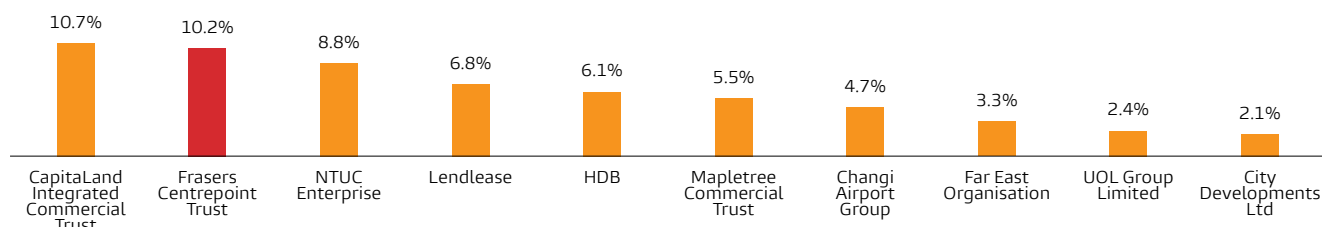
Map 8.1 Shopping Centre Floorspace Per Capita by Region 2025



Source: SingStat, Cistri
Population for the purposes of analysis excludes domestic workers and construction workers.

**Chart 9.1 Share of Island-wide Retail Floorspace by Owner
By NLA**

Source: Cistri
Note: As at mid-November 2020

**Chart 9.2 Share of Suburban Retail Floorspace by Owner
By NLA**

Source: Cistri
Note: As at mid-November 2020

9. MARKET SHARE OF SHOPPING CENTRE NLA BY OWNER

FCT is now the second-largest owner of suburban shopping centre floorspace in Singapore, with a market share of 10.2% following its acquisition of AsiaRetail Fund Limited in October 2020.

CapitaLand Integrated Commercial Trust, the combined entity of CapitaLand Mall Trust and CapitaLand Commercial Trust, remains the largest owner of suburban shopping centre floorspace at 10.7% while NTUC is third with a share of 8.8%.

Lendlease is the fourth largest 'owner' but it is primarily an asset manager, managing assets for third party investors.

10. RETAIL RENTS & OCCUPANCY

Even prior to the pandemic, the Singapore retail market has endured several difficult years. Between 2015 and 2019, shopping centre floorspace continued to increase while retail sales declined, causing sales productivity to fall. The decrease in sales productivity impacted retailers' profitability and lowered their appetite for floorspace.

This trend then flowed through to rents and occupancy as shopping centre owners endeavoured to keep their centres occupied by lowering rents (Charts 10.1 and 10.2). The central area malls (including Orchard Road) were under the most pressure due to rising competition

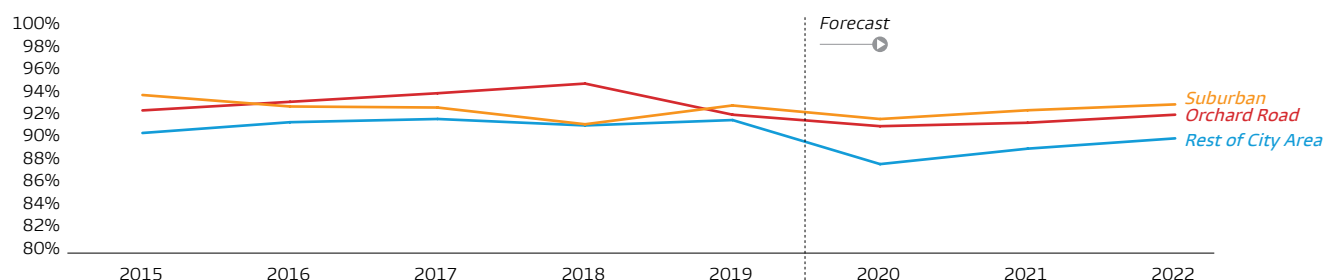
from suburban shopping centres whose retail offer had strengthened over the years.

The impact of the COVID-19 pandemic on retail sales, as outlined in Section 6, has been dramatic. However, retail occupancy has not dropped as significantly as one might have expected. Latest Q3 2020 data released by the URA showed declines in occupancies of slightly more than -1% for suburban and Orchard Road shopping centres and -4% for shopping centres in the rest of the city area. Overall, occupancies have still tracked at close to 90% amidst the pandemic.

COVID-19's relatively limited impact on occupancy reflects the actions taken by both the Government and many landlords in helping their tenants survive. The Government has provided property tax rebates and government cash grants for SME tenants of retail properties, both of which were disbursed through property owners and mandated to be passed on to tenants fully. We also note that the Government has enforced a moratorium on enforcement actions against tenants for non-payment of rent which ends upon issuance of notice of the cash grant or on 31 December. Aside from this, landlords have also had to make additional contributions, including further rental relief and temporarily moving tenants onto turnover-rent-only deals.

However, the COVID-19 pandemic has had its retail victims although in many cases, COVID-19 was simply the last of several issues facing these retailers. Several major

Chart 10.1 Retail Occupancy Rate
Singapore, 2015 – 2022



Source: URA, Cistri

international retailers, such as Robinsons, Topshop and Esprit, have closed or will be closing their multiple stores across Singapore. This will undoubtedly have an impact on occupancy especially with the closure of larger-format tenants like Robinsons. This will be discussed further in Section 11.

As we move into 2021, we expect a slight recovery in occupancies as social distancing restrictions ease and more people return to offices, supporting demand for retail space from tenants. This will likely be weaker among Orchard Road shopping centres as tourism is expected to recover slower than domestic economic activity.

By 2022, we forecast occupancies for Orchard Road and suburban shopping centres to recover to pre-COVID-19 levels while shopping centres in the rest of the city area will likely take longer.

While rents had shown some more positive trends over the past two years, the COVID-19 pandemic has reversed these gains and we expect this to continue through 2021, with recovery only coming in 2022.

Shopping centre owners will be negotiating with potential tenants in a relatively weak retail market and may struggle to obtain rents at levels they could

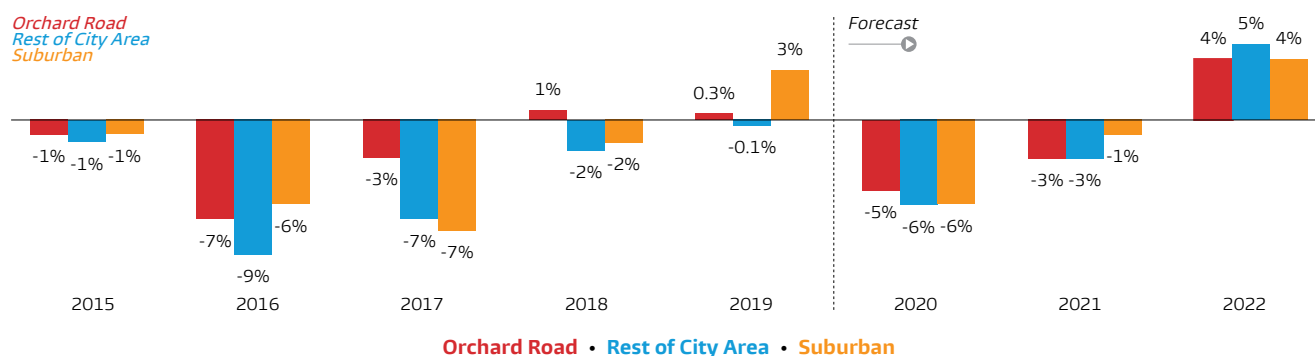
pre-COVID-19. This will be exacerbated once the Government's rental relief schemes and moratorium on non-payment of rent expire at the end of this year, which could see shopping centre owners needing to offer rent discounts to attract new tenants and keep their centres occupied. Orchard Road shopping centres are likely to face the most challenging environment, with suburban shopping centres' higher occupancy limiting rental decline.

That being said, we are optimistic that the market will rebalance in the medium-to-long term. Shopping centres could take the opportunity to re-think their tenant mix and/or floorspace distribution, especially if larger-format tenants like department stores or major fashion retailers vacate. While this may involve lower rents at the start, it could lead to positive rental reversion if a shopping centre is able to execute this well.

11. RETAIL TRENDS

This section outlines the major trends that are influencing the retail market. First, we consider the major trends that existed prior to the current pandemic. Subsequently, we look at how the pandemic might change them and how we see them evolving in the future.

Chart 10.2 Median Retail Rental (Based on Contract Date) YoY Growth
Singapore, 2015 – 2022



Source: URA, Cistri

Broader Market Trends

- **Integration of Digital Technologies in Shopping Centres:**

Technology is allowing customers to make much more informed purchases (i.e. research online, purchase offline), receive faster and on-demand deliveries, be kept up to date on the latest products and promotions, and have more cashless payment options. This has resulted in a relentless drive to create seamless connectivity between the online and offline realms. For instance, shopping centre owners have taken the opportunity to either develop or upgrade their digital platforms during the COVID-19 pandemic. For instance, Frasers Property upgraded its multi-feature mobile app Frasers Experience by improving customer experience with new features such as digital gift cards and digital F&B concierge service. The online F&B concierge service connects users to F&B outlets in shopping centres managed by Frasers Property and offers store pick-up and food delivery options.

- **Omnichannel Retail:** Retailers and shopping centre owners are now very aware of the need to trade via omnichannel platforms, especially having experienced the impact of COVID-19. Research has also shown that owning a physical footprint in the market provides a significant benefit to online retailers⁴. Furthermore, shopping centres are understanding their potential to be a central player in the online retail logistics network. While retailers have often provided click & collect services, shopping centre owners like Scentre Group in Australia are starting to do the same on behalf of their retailers.

- **Localisation:** Shopping centres are increasingly functioning as community hubs that are deeply connected to their local community and environment. The COVID-19 pandemic is likely to sharpen shoppers' focus on their local community and they will want their shopping centres to reflect this. Increasingly, shoppers will be interested in sourcing local products, knowing how shopping centres are supporting their local community, and seeing activities and events that have a local feel. Further, as e-commerce evolves, there will be an increasing need for last-mile delivery infrastructure. This remains a major issue for all online retailers. Suburban shopping centres have the potential to play this role as a last-mile fulfilment hub given their central locations within densely populated catchments.

- **Experiential Retail:** The Experience Economy is transformational in its impact on shopping centres. We expect to see continued re-allocation of consumer expenditure from products to experiences. To address this, shopping centres may need to gradually increase the amount of space dedicated to experience-focused tenants (e.g. leisure, entertainment, F&B). There will be a need for strong placemaking, including high-quality physical places as well as place activation.

The onset of the COVID-19 pandemic has added a layer of complexity to the above trends, with social distancing and spending more time at home becoming more

normalised. We discuss below how this is impacting consumer behaviour and tenants, and how these are relevant to shopping centre owners.

Impact of COVID-19 on Consumer behaviour

Probably most discussed in the media are the behavioural changes driven by COVID-19. While the pandemic will undoubtedly impact consumers' behaviours, it remains to be seen how big this impact will be. In this regard we make the following points:

Impact of COVID-19 on Online Spending

We do not expect the shift of sales online to be as dramatic as others may expect for two reasons:

1. Prior to the pandemic, the online shopping industry in Singapore was relatively small, attracting around 5 – 7% of total retail sales in recent years. As such, few operators could handle the influx of orders received from the surge in online shopping during the pandemic. Thus, the online shopping experience for many shoppers during this time might have been far from ideal, given delays in delivery and poor product return arrangements.
2. Shopping centres in Singapore are places to rejuvenate, socialise and entertain. Restrictions on movement and gatherings during Circuit Breaker might have led to a strong, pent-up desire to visit local shopping centres once restrictions eased. For instance, FCT had seen shopper traffic across its portfolio increase by around 70% from the end of Circuit Breaker in mid-June to the end of the same month.

That said, as omnichannel retail becomes more prevalent and online shopping platforms are better able to handle larger volume of orders, we expect that by 2030 online retail (i.e. at local and overseas online stores) will constitute 10.5% of total resident spend in Singapore, close to double that of an estimated 6.4% in 2019.

Impact of COVID-19 on Social Distancing

With shopping centres in Singapore now allowed to be almost completely open, the impact of social distancing is not expected to be too long-lasting provided there are no future forced closures. Footfall for many suburban shopping centres in China quickly returned to 80%-90% of pre-COVID-19 levels upon re-opening, a pattern we have seen in suburban malls in other countries like Australia, Malaysia, and China. We believe that once social distancing rules are relaxed, footfall will return to shopping centres.

Tenant trends

As discussed in Section 6, the impact of the pandemic varied across product categories and retailers have responded accordingly. Some have added to their retail footprint, while several others have departed or will be departing by end of the year:

4 The Halo Effect: How Bricks Impact Clicks, International Council of Shopping Centres, 2018.

- Amidst brisk sales, supermarket operators such as Sheng Siong Group and HAO Mart opened at new locations this year. Sheng Siong Group added five new supermarkets during the first three quarters of this year, growing its retail area footprint by 8.6%. Meanwhile, HAO Mart expanded its in-mall premium supermarket concept (Eccellente by HAO Mart) to three other locations – Esplanade Xchange, Marina Square and Westgate.
- Robinsons announced on 30 October the closure of its last two stores in Singapore due to changing retail buying patterns and weak demand which had been exacerbated by the COVID-19 pandemic. We note that department stores had been struggling even prior to the pandemic as they fought to stay relevant amidst changing consumer preferences and the proliferation of online retail.
- Notable fashion retailers such as Topshop and Espirit have closed their stores in Singapore amidst the pandemic. This came as a result of the streamlining of their global operations to stay afloat amidst difficult trading conditions that have been exacerbated by uncertainties brought about by the pandemic. Fashion giants H&M and Inditex (owner of several brands including Zara) have also announced closures of around 5 – 10% of their stores globally, though it is unclear how many of their Singapore stores will be impacted.

Furthermore, some shopping centre owners in Singapore have indicated that many retailers are requesting to have their leases changed to only having a turnover-rent component with no (or very little) base rent. This is a real challenge to shopping centre owners who are used to having a great deal of certainty around their income while the retailer carried the risk of underperformance (and the reward for outperformance as well).

Even before the pandemic, how rents were being charged was already in question. The emergence of omnichannel retail had led to a relook into the role of physical stores and how they could integrate with online retail. Some retailers had leveraged their physical stores as distribution centres via click & collect services (e.g. Decathlon, Uniqlo). Online orders would either be packed in warehouses and sent to stores for customers' collection or fulfilled directly from the stores' inventories. Others experimented with using their physical stores as showcases while processing purchases (even in-store ones) on their online platforms (e.g. IUIGA, AMORE Store X Lazada). As this becomes more prevalent, it will become increasingly important for shopping centre owners to look for new ways to measure the value of their space and negotiate lease agreements with retailers that can better capture the evolving role of a store. For instance, there could be leases with omnichannel retailers that include a share of local online sales fulfilled by the store in the shopping centre, as we have seen in other markets.

12. CONCLUSION

While the Singapore retail market had been facing several challenges in recent years, none have been quite as acute as the impact of COVID-19. Retail sales had dipped to historic lows in May this year and we have seen several major retailers struggling to ride out the pandemic. That said, the collective efforts by the Government, landlords and retailers to keep occupancy as high as it has been, shows the strength and resilience of the market.

At the same time, it could be said that the pandemic has helped accelerate the adoption of retail trends that many retailers and shopping centre owners had been aware of but did not actively pursue (e.g. omnichannel retail, digitalisation). In this sense, the pandemic has forced landlords and retailers to confront these trends head-on. This has been extremely challenging as the pandemic has laid bare certain challenges facing physical retail (e.g. relevance of shopping centres amidst the emergence of e-commerce) and pushed retailers and shopping centre owners to address them with urgency. The silver lining within this is that the pandemic has provided retailers and landlords an opportunity to build more resilient businesses for the future.

Beyond COVID-19, we remain optimistic about longer-term growth in Singapore's retail market which we expect to be backed by a return to solid population and tourism growth, moderate inflation and controlled retail supply growth.

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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.

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- 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.
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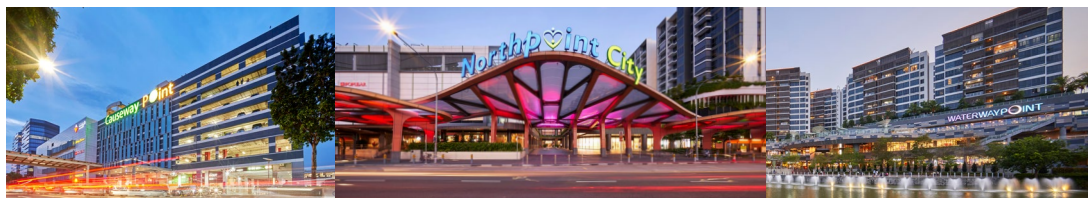
▲ Waterway Point

GLOSSARY & ABBREVIATIONS

ACRA	: Accounting and Corporate Regulatory Authority
CPI	: Consumer Price Inflation
F&B	: Food & Beverage
FCT	: Frasers Centrepoint Trust
GDP	: Gross Domestic Product
GFA	: Gross Floor Area
HDB	: Housing Development Board
MTI	: Ministry of Trade and Industry
NLA	: Net Lettable Area
p.a.	: Per Annum
POS	: Point of Sale
Sales Productivity	: Shopping centre sales per sq.ft of floorspace
SME	: Small and Medium-Sized Enterprises
SingStat	: Singapore Department of Statistics
STB	: Singapore Tourism Board
UK	: United Kingdom
URA	: Urban Redevelopment Authority
USA	: United States of America
YoY	: Year on Year

FCT PORTFOLIO OVERVIEW

As at 30 September 2020



	Causeway Point	Northpoint City North Wing	Yishun 10 Retail Podium	Waterway Point ¹
Net lettable area (NLA)	419,840 square feet 39,004 square meters	219,365 square feet ³ 20,380 square meters	10,344 square feet 961 square meters	371,382 square feet ⁴ 34,503 square meters
Number of leases	213	167		202
Number of tenants	201	162		195
Title	99-year leasehold commencing 30/10/95	99-year leasehold commencing 1/4/90		99-year leasehold commencing 18/5/11
Year purchased	2006	Northpoint 1: 2006 Northpoint 2: 2010	2016	40% interest purchased in 2019
Purchased price	S\$606.2 million	Northpoint 1: S\$249.3 million Northpoint 2: S\$164.6 million	S\$37.8 million	S\$530.2 million for 40% interest
Valuation ⁶	S\$1,305.0 million	S\$771.5 million	S\$35.0 million	S\$1,300.0 million (100.0% interest) S\$520.0 million (40.0% interest)
As % of total portfolio appraised value ⁸	39.9%	24.7%		15.9%
FY2020 Gross revenue	S\$73.24 million	S\$44.40 million		S\$ 26.21 million ⁹
FY2020 Net property income	S\$52.93 million	S\$31.53 million		S\$19.50 million ¹⁰
Occupancy	96.6 %	95.0 %		96.0 %
Key tenants	Metro, Courts, Cold Storage supermarket, Food Republic, Cathay Cineplexes, Uniqlo	Kopitiam food court, Cold Storage supermarket, OCBC Bank, United Overseas Bank, MayBank, McDonald's restaurant, Popular bookstore, Sri Murugan Supermarket, Arnold's Fried Chicken, Komala's @ Yishun 10		NTUC Fairprice, Koufu, Shaw Theatres, H&M, Cotton On Singapore
Annual shopper traffic in FY2020	21.0 million	46.9 million ¹¹		19.6 million
Connection to public transport	Woodlands MRT station (North-South Line and Thomson-East Coast Line) & Bus Interchange	Yishun MRT station (North-South Line) & Yishun Bus Interchange		Punggol MRT station (North East Line) and LRT station, Punggol temporary bus interchange

¹ Frasers Centrepoint Trust owns 40% interest in Sapphire Star Trust ("SST") which holds the interests in Waterway Point

² The Manager announced on 3 September 2020 the divestment of Bedok Point for S\$108 million. This transaction was approved by FCT unitholders at an extraordinary general meeting on 28 September 2020 and the divestment was completed on 9 November 2020

³ The NLA excludes the area of approximately 10,505 square feet (957.9 square meters) currently used as Community Sports Facilities Scheme (CSFS) space

⁴ The NLA excludes the area of approximately 17,954 square feet (1,668 square meters) currently used as CSFS space

⁵ The NLA excludes the area of approximately 3,391 square feet (315 square meters) currently used as CSFS space

⁶ Based on valuation as at 15 September 2020 for the respective assets



Changi City Point	Bedok Point ²	YewTee Point	Anchorpoint
205,007 square feet ⁵ 19,046 square meters	82,713 square feet 7,684 square meters	73,669 square feet 6,844 square meters	71,213 square feet 6,616 square meters
123	39	71	52
118	39	70	51
60-year leasehold commencing 30/4/09	99-year leasehold commencing 15/3/78	99-year leasehold commencing 3/1/06	Freehold
2014	2011	2010	2006
S\$305.0 million	S\$127.0 million	S\$125.7 million	S\$36.0 million
S\$338.0 million	S\$108.0 million ⁷	S\$190.0 million	S\$110.0 million
10.3%	Excludes Bedok Point as it is earmarked for divestment as at 30 September 2020.	5.8%	3.4%
S\$21.73 million	S\$5.65 million	S\$12.49 million	S\$6.87 million
S\$13.10 million	S\$2.02 million	S\$8.31 million	S\$3.00 million
90.4 %	92.0 %	97.1 %	92.7 %
Kopitiam food court, Uniqlo, Nike, Tung Lok and Challenger	GymmBoxx, NTUC Club, Tenderbest Makcik Market lifestyle food outlet	NTUC FairPrice, Koufu food court, Watson's, KFC and Saizeriya	Mr D.I.Y., Koufu food court, Cotton On, Xin Wang HK Café, Sakuraya, Uncle Leong Signatures seafood restaurant and Jack's Place restaurant
9.1 million	3.3 million	10.6 million	2.4 million
Expo MRT station (East-West Line, and Downtown Line 3)	Bedok MRT station (East- West Line) & Bus Interchange	YewTee MRT station (North- South Line) & Bus Stop	Near Queenstown MRT station (East-West Line) & Bus Stop

⁷ Based on the sale price of Bedok Point in the proposed divestment of Bedok Point as announced on 3 September 2020. The sale price was arrived at after taking into account the independent valuations conducted by Jones Lang LaSalle Property Consultants Pte Ltd ("JLL") (commissioned by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of FCT)) and Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers") (commissioned by the Manager). JLL, in its report dated 1 August 2020, had stated that the open market value of Bedok Point as at 1 August 2020 was S\$108.9 million and Colliers, in its report dated 1 August 2020, had stated that the open market value of Bedok Point as at 1 August 2020 was S\$107.2 million

⁸ Waterway Point's proportion is based on FCT's 40% share in SST

⁹ This is FCT's share of revenue in SST for FY2020

¹⁰ This is FCT's share of net property income in SST for FY2020

¹¹ Combined shopper traffic for Northpoint City North Wing and South Wing

Causeway Point

Seven retail levels
(including one basement level)
and seven car park levels
(B2, B3 and 2nd - 6th levels)

Address

1 Woodlands Square,
Singapore 738099

Net Lettable Area

39,004 square meters
(419,840 square feet)

Car Park Lots

835

Title

99-year leasehold
w.e.f 30 Oct 1995

Year Acquired by FCT

2006

Valuation¹

S\$1,305.0 million

Annual Shopper Traffic

21.0 million
(October 2019 – September 2020)

Key Tenants

Metro, Courts, Cold Storage
supermarket, Food Republic, Cathay
Cineplexes, Uniqlo

Causeway Point

Causeway Point is the largest mall in Woodlands, one of Singapore's most populous residential estates. It is located next to the Woodlands regional bus interchange and the 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 program for its environmentally friendly features.

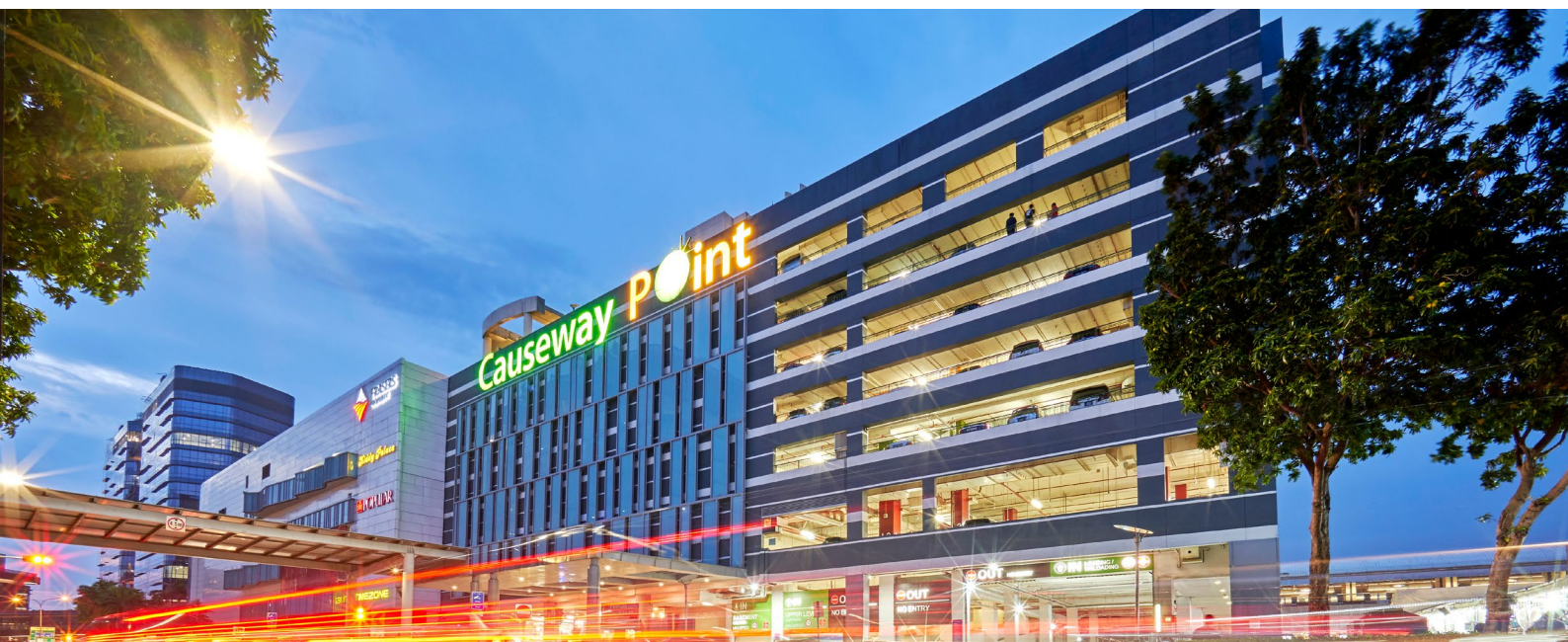
MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (S\$ million)	FY2020	FY2019	Increase/ (Decrease)
Gross Revenue	73.24	86.46	(15.3%)
Property Expenses	20.31	20.69	(1.8%)
Net Property Income	52.93	65.77	(19.5%)
Occupancy	96.6%	97.0%	(0.4%-point)
Shopper Traffic (million)	21.0	26.5	(20.8%)

TOP 10 TENANTS

As at 30 September 2020, Causeway Point has a total of 213 leases (FY2019: 199), excluding vacancy. The total number of tenants as at 30 September 2020 was 201 and the key tenants include Metro, Courts, Cold Storage supermarket, Food Republic, Cathay Cineplexes and Uniqlo, among others. The top 10 tenants contributed collectively, 37.2% of the mall's total gross rental income ("GRI") (FY2019: 36.3%).

Top 10 Tenants as at 30 September 2020	% of Mall's GRI
Metro (Private) Limited ²	8.2%
Courts (Singapore) Pte. Ltd.	6.8%
Dairy Farm Group ³	5.4%
BreadTalk Group ⁴	4.9%
Cathay Cineplexes Pte Ltd	3.1%
Uniqlo (Singapore) Pte Ltd	2.2%
Hanbaobao Pte Ltd ⁵	1.9%
Copitiam Pte Ltd ⁶	1.6%
Lee Hwa Group ⁷	1.6%
R E & S Group	1.5%
Total	37.2%



TRADE SECTOR ANALYSIS

Food & Beverage contributed 31.0%, (FY2019: 29.7%) of the mall's GRI, followed by the Fashion trade at 12.6% (FY2019: 14.7%, which included Jewellery & Watches) and Household at 12.6% (FY2019: 10.4%). These three trades account for 56.2% of the mall's GRI. The breakdown of the trade sector analysis by NLA and GRI is presented below.

Trade Classifications (in descending order of % rent)		By NLA	By GRI ⁸
1	Food & Beverage	23.1%	31.0%
2	Fashion	12.3%	12.6%
3	Household	12.9%	12.6%
4	Beauty & Health	7.4%	11.6%
5	Department Store	14.3%	8.1%
6	Services	3.8%	6.3%
7	Jewellery & Watches	1.3%	4.1%
8	Supermarket & Hypermarket	5.8%	3.9%
9	Leisure/Entertainment	9.2%	3.8%
10	Books, Music, Art & Craft, Hobbies	3.6%	2.6%
11	Sports Apparel & Equipment	1.9%	2.6%
12	Education	1.0%	0.8%
13	Vacant	3.4%	0.0%
Total		100.0%	100.0%

LEASE EXPIRY PROFILE⁹

As at 30 September 2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
Number of leases expiring	78	67	65	2	1	213
NLA of expiring leases (square feet)	98,007	170,593	130,417	5,135	1,364	405,516
Expiries as % of Mall's total leased area	24.2%	42.1%	32.1%	1.3%	0.3%	100.0%
Contribution of expiring leases as % of Mall's total GRI	30.0%	34.4%	34.6%	0.6%	0.4%	100.0%

1 Valuation done by Savills Valuation and Professional Services (S) Pte Ltd as at 15 September 2020

2 Includes leases for Metro Department Store & Clinique Service Centre

3 Includes leases for Cold Storage supermarket, Guardian Pharmacy and 7-Eleven stores

4 Includes leases from Food Republic, BreadTalk and Toast Box

5 Operator of McDonald's Restaurants Pte Ltd

6 Operator of Kopitiam food court

7 Includes leases for Lee Hwa Jewellery and Goldheart Jewellery

8 Excludes gross turnover rent

9 Excludes vacancy

Northpoint City North Wing

Six retail levels
(including two basement levels)
and three levels of car park (B1 - B3)

Address

930 Yishun Avenue 2,
Northpoint, Singapore 769098

Net Lettable Area¹

20,380 square meters
(219,365 square feet)

Car Park Lots

157

Title

99-year leasehold
w.e.f 1 Apr 1990

Year Acquired by FCT

2006 (Northpoint 1),
2010 (Northpoint 2)

Valuation²

S\$771.5 million
as at 30 September 2020

Annual Shopper Traffic

46.9 million³
(October 2019 – September 2020)

Key Tenants

Kopitiam food court, Cold Storage supermarket, OCBC Bank, United Overseas Bank, MayBank, McDonald's restaurant and Popular bookstore

Yishun 10 Retail Podium

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

Address

51 Yishun Central 1, Yishun 10,
Singapore 768794

Net Lettable Area

961 square meters
(10,344 square feet)

Title

99-year leasehold
w.e.f 1 Apr 1990

Year Acquired by FCT

2016

Valuation⁴

S\$35.0 million

Key Tenants

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

Northpoint City North Wing and Yishun 10 Retail Podium

Northpoint City North Wing is FCT's second largest property by net lettable area ("NLA") after Causeway Point. It is seamlessly integrated with the Northpoint City South Wing (owned by FCT's sponsor, Frasers Property Limited) to form Northpoint City, with over 400 F&B and retailers spread over 500,000 square feet of space.

Northpoint City North Wing offers six retail levels of shopping (including two basement levels). Key tenants at Northpoint City North Wing include Kopitiam food court, Cold Storage supermarket, OCBC Bank, United Overseas Bank, MayBank, McDonald's restaurant 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.

FCT also owns ten strata-titled retail units in the Yishun 10 retail podium located next to Northpoint City North Wing.

MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (\$ million)	FY2020	FY2019	Increase/ (Decrease)
Gross Revenue	44.40	53.09	(16.4%)
Property Expenses	12.87	13.88	(7.3%)
Net Property Income	31.53	39.21	(19.6%)
Occupancy	95.0%	99.0%	(4.0%-point)
Shopper Traffic (million)	46.9	57.3	(18.2%)

TOP 10 TENANTS (Northpoint City North Wing and Yishun 10 retail podium)

As at 30 September 2020, Northpoint City North Wing and Yishun 10 retail podium has a total of 167 leases (FY2019: 184). The total number of tenants as at 30 September 2020 was 162 and the key tenants include Kopitiam food court, Cold Storage supermarket, OCBC Bank, United Overseas Bank, MayBank, Soo Kee Jewellery, Cotton On, McDonald's restaurant and Popular bookstore, among others. The top 10 tenants contributed collectively 30.3% of the total gross rental income ("GRI") (FY2019: 26.9%).

Top 10 Tenants as at 30 September 2020	% of Mall's GRI
Copitiam Pte Ltd ⁵	6.9%
Dairy Farm Group ⁶	6.0%
Overseas-Chinese Banking Corporation Ltd	3.3%
United Overseas Bank Ltd	2.8%
Malayan Banking Berhad	2.3%
Soo Kee Group	2.1%
Cotton On Group	1.9%
Hanbaobao Pte Ltd ⁷	1.8%
Popular Group	1.7%
BreadTalk Group	1.5%
Total	30.3%



TRADE SECTOR ANALYSIS (Northpoint City North Wing and Yishun 10 podium)

Food & Beverage contributed 41.0%, (FY2019: 42.5%) of the mall's gross rental income, followed by the Beauty & Health trade at 12.9% (FY2019: 12.3%) and Services trade at 12.9% (FY2019: 12.2%). These three trades account for 66.8% of the mall's GRI. The breakdown of the trade sector analysis by NLA and GRI is presented below.

Trade Classifications (in descending order of % rent)		By NLA	By GRI ⁸
1	Food & Beverage	34.7%	41.0%
2	Beauty & Health	9.8%	12.9%
3	Services	6.6%	12.9%
4	Fashion	9.0%	11.5%
5	Supermarket & Hypermarket	9.1%	5.5%
6	Books, Music, Art & Craft, Hobbies	6.5%	4.4%
7	Jewellery & Watches	1.4%	3.5%
8	Household	2.9%	2.6%
9	Sports Apparel & Equipment	2.2%	2.4%
10	Education	10.7%	2.2%
11	Leisure/Entertainment	2.1%	1.1%
12	Vacant	5.0%	0.0%
Total		100.0%	100.0%

LEASE EXPIRY PROFILE⁹

As at 30 September 2020	FY2021	FY2022	FY2023	FY2024	>FY2026	Total
Number of leases expiring	72	41	48	5	1	167
NLA of expiring leases (square feet)	73,394	55,515	42,253	25,798	21,248	218,208
Expiries as % of Mall's total leased area	33.6%	25.5%	19.4%	11.8%	9.7%	100.0%
Contribution of expiring leases as % of Mall's total GRI	34.5%	25.7%	28.3%	10.3%	1.2%	100.0%

1 The NLA excludes the area of approximately 10,505 square feet (957.9 square meters) currently used as Community Sports Facilities Scheme (CSFS) space

2 Valuation done by Colliers International Consultancy & Valuation (Singapore) Pte Ltd as at 15 September 2020

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

4 Valuation done by Savills Valuation and Professional Services (S) Pte Ltd as at 15 September 2020

5 Operator of Kopitiam food court

6 Includes leases for Cold Storage supermarket, Guardian Pharmacy and 7-Eleven stores

7 Operator of McDonald's Restaurant

8 Excludes gross turnover rent

9 Excludes vacancy, for both Northpoint City North Wing and Yishun 10 Retail Podium

Waterway Point

4-storey suburban family and lifestyle shopping mall (including two basement levels)

Address

83 Punggol Central,
Singapore 828761

Net Lettable Area ("NLA")²

34,503 square meters
(371,382 square feet)

Car Park Lots

622

Title

99-year leasehold
commencing 18 May 2011

Year Acquired by FCT

FCT owns 40.0% stake in Waterway Point, the dates of acquisition are as follow:

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

Valuation³

S\$1,300 million

Annual Shopper Traffic

19.6 million
(October 2019 – September 2020)

Key Tenants

NTUC FairPrice, Koufu, Shaw Theatres, H&M, Cotton On Singapore

Waterway Point

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 connection to public transportation system including the Punggol MRT & LRT stations and a temporary 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 its shoppers a diverse range of shopping, dining and entertainment experiences and caters to their necessity and convenience shopping as well as their leisure needs. Notable retailers and restaurant operators at the mall include Uniqlo, Daiso Japan, Din Tai Fung, H&M and a 24-hour NTUC FairPrice Finest supermarket. It also offers a wide range of food and dining outlets including some with alfresco options. The mall also has a cineplex operated by Shaw Theatres that features 10 screens, including an IMAX theatre.

FCT holds a 40.0% share in Sapphire Star Trust ("SST"). SST is a private trust that holds the interest in Waterway Point.

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

MALL PERFORMANCE HIGHLIGHTS

FCT's share for the period (S\$ million)	1 October 2019 – 30 September 2020 (FY2020)	12 July 2019 ⁴ – 30 September 2019
Gross Revenue	26.21	5.72
Net Property Income	19.50	4.48
Occupancy	96.0%	98.0%
Shopper Traffic (million)	19.6	28.4

TOP 10 TENANTS

As at 30 September 2020, Waterway Point has a total of 202 leases (FY2019: 203), excluding vacancy. The total number of tenants as at 30 September 2020 was 195 and the key tenants include Koufu foodcourt, Shaw Theatres, H&M and a 24-hour NTUC FairPrice Finest supermarket, among others. The top 10 tenants contributed collectively, 29.4% (FY2019: 28.7%) of the mall's total gross rental income ("GRI").

Top 10 Tenants as at 30 September 2020	% of Mall's GRI
NTUC ⁵	6.9%
Koufu Pte Ltd	4.3%
Shaw Theatres Pte Ltd	3.4%
H&M Hennes & Mauritz Pte Ltd	3.3%
Cotton On Singapore Pte Ltd ⁶	2.6%
BreadTalk Group	1.9%
Citibank Singapore Limited	1.8%
Yum!	1.8%
Best Denki (Singapore) Pte Ltd	1.8%
United Overseas Bank Limited	1.6%
Total	29.4%



TRADE SECTOR ANALYSIS

Food & Beverage contributed 35.9% (FY2019: 34.9%) of the mall's GRI, followed by the Fashion trade at 15.2% (FY2019: 17.2%). These two trades account for 51.1% of the mall's gross rental income. The breakdown of the trade sector analysis by NLA and GRI is presented below.

Trade Classifications (in descending order of % rent)		By NLA	By GRI ⁷
1	Food & Beverage	27.5%	35.9%
2	Fashion	17.2%	15.2%
3	Beauty & Health	7.5%	12.0%
4	Services	6.6%	11.3%
5	Household	8.9%	6.5%
6	Supermarket & Hypermarket	8.0%	6.5%
7	Leisure/Entertainment	9.6%	3.9%
8	Books, Music, Art & Craft, Hobbies	6.1%	3.6%
9	Education	3.3%	2.7%
10	Jewellery & Watches	0.8%	1.6%
11	Sports Apparel & Equipment	0.5%	0.8%
12	Vacant	4.0%	0.0%
Total		100.0%	100.0%

LEASE EXPIRY PROFILE^a

As at 30 September 2020	FY2021	FY2022	FY2023	FY2024	Total
Number of leases expiring	53	93	43	13	202
NLA of expiring leases (square feet)	110,275	149,386	54,482	42,502	356,645
Expiries as % of Mall's total leased area	30.9%	41.9%	15.3%	11.9%	100.0%
Contribution of expiring leases as % of Mall's total GRI	29.5%	39.1%	19.0%	12.4%	100.0%

1 In the process of re-certification as the current green mark certification has expired

2 The NLA excludes the area of approximately 17,954 square feet (1,668 square meters) currently used as Community Sports Facilities Scheme (CSFS) space

3 Valuation done by Jones Lang LaSalle Property Consultants Pte Ltd as at 15 September 2020. The NLA excludes the area of approximately

17,954 square feet currently used as Community Sports Facilities Scheme (CSFS) space

4 FCT acquired the initial 33⅓% stake in SST on 11 July 2019

5 Operates FairPrice Finest and NTUC Healthcare (Unity)

6 Includes leases for Cotton On, Cotton On Kids and TYPO

7 Excludes gross turnover rent

8 Excludes vacancy

Changi City Point

Three retail levels
(including one basement level)

Address

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

Net Lettable Area ("NLA")¹

19,046 square meters
(205,007 square feet)

Car Park Lots

627²

Title

60-year leasehold
w.e.f 30 Apr 2009

Year Acquired by FCT

2014

Valuation³

S\$338.0 million

Annual Shopper Traffic

9.1 million
(October 2019 – September 2020)

Key Tenants

Kopitiam food court, Uniqlo, Nike,
Tung Lok and Challenger

Changi City Point

Changi City Point is a three-storey retail mall (with one basement level) located in Changi Business Park, next to the Singapore Expo MRT station and near one of Singapore's largest convention and exhibition venues, The Singapore Expo. Changi City Point is the third largest by net lettable area among Frasers Centrepoint Trust's portfolio.

The mall offers 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 the Singapore Expo. Changi City Point features fashion and sports retailers including Uniqlo, Nike Factory Store, Timberland, Adidas, Asics Factory Outlet, New Balance, Puma Outlet, Liv Activ and many other outlets stores.

Shoppers can also do their grocery shopping at the NTUC Finest supermarket. The restaurants at the mall include Tung Lok Signatures, Jollibee, Ichiban Sushi, Han's and the Kopitiam food court. Families can also enjoy the landscaped rooftop garden that also features a wet and dry children's playground.

MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (S\$ million)	FY2020	FY2019	Increase/ (Decrease)
Gross Revenue	21.73	27.34	(20.5%)
Property Expenses	8.63	9.81	(12.0%)
Net Property Income	13.10	17.53	(25.3%)
Occupancy	90.4%	95.9%	(5.5%-point)
Shopper Traffic (million)	9.1	13.9	(34.5%)

TOP 10 TENANTS

As at 30 September 2020, Changi City Point has a total of 123 leases (FY2019: 129), excluding vacancy. The total number of tenants as at 30 September 2020 was 118⁴ and the key tenants include Kopitiam food court, Nike, Tung Lok, Challenger and Uniqlo, among others. The top 10 tenants contributed collectively 31.9% of the mall's total gross rental income ("GRI") (FY2019: 27.1%).

Top 10 Tenants as at 30 September 2020	% of Mall's GRI
Copitiam Pte Ltd ⁵	9.5%
Bachmann Japanese Restaurant Pte Ltd	2.6%
NIKE Global Trading B.V.	2.4%
Tung Lok Signature (2006) Pte Ltd	2.2%
Challenger Group	2.1%
RE & S Group ⁶	2.1%
Uniqlo (Singapore) Pte Ltd	3.3%
Daiso Singapore Pte. Ltd.	2.0%
Golden Beeworks ⁷	2.0%
Ootoya Asia Pacific Pte. Ltd	1.9%
Wing Tai Group	1.8%
Total	31.9%



TRADE SECTOR ANALYSIS

Food & Beverage contributed 55.7%, (FY2019: 53.6%) of the mall's GRI, followed by the Fashion trade at 18.3% (FY2019: 20.9%). These two trades account for 74.0% of the mall's GRI. The breakdown of the trade sector analysis by NLA and GRI is presented below.

Trade Classifications (in descending order of % rent)		By NLA	By GRI ⁹
1	Food & Beverage	38.8%	55.7%
2	Fashion	17.7%	18.3%
3	Sports Apparel & Equipment	13.2%	10.5%
4	Household	8.5%	5.8%
5	Beauty & Health	3.6%	5.1%
6	Services	2.0%	2.6%
7	Supermarket & Hypermarket	6.4%	1.9%
8	Leisure/Entertainment	0.2%	0.1%
9	Vacant	9.6%	0.0%
Total		100.0%	100.0%

LEASE EXPIRY PROFILE⁹

As at 30 September 2020	FY2021	FY2022	FY2023	FY2024	Total
Number of leases expiring	62	36	24	1	123
NLA of expiring leases (square feet)	84,341	61,850	38,385	850	185,426
Expiries as % of Mall's total leased area	45.5%	33.4%	20.7%	0.4%	100.0%
Contribution of expiring leases as % of Mall's total GRI	43.8%	35.1%	20.8%	0.3%	100.0%

- 1 The NLA excludes the area of approximately 3,391 square feet (315 square meters) 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 15 September 2020
- 4 Excluding tenants under the Community and Sports Facilities scheme (CSFS)
- 5 Operator of Kopitiam food court
- 6 Operates the Ichiban Sushi restaurant at Changi City Point
- 7 Operates the Jollibee restaurant at Changi City Point
- 8 Excludes gross turnover rent
- 9 Excludes vacancy

Bedok Point

Five retail levels
(including one basement level)
and one basement car park

Address

799 New Upper Changi Road,
Singapore 467351

Net Lettable Area

7,684 square meters
(82,713 square feet)

Car Park Lots

76

Title

99-year leasehold
w.e.f 15 March 1978

Year Acquired by FCT

2011

Valuation¹

S\$108.0 million

Annual Shopper Traffic

3.3 million
(October 2019 – September 2020)

Key Tenants

GymmBoxx, NTUC Club and
Tenderbest Makcik Market lifestyle
food outlet

Bedok Point

Bedok Point has five retail levels (including one basement level) and one basement car park. The mall is located in the town centre of Bedok, which is one of the largest residential estates in Singapore by population. The mall is well-served by the nearby Bedok MRT station and the Bedok bus interchange. The key tenants at Bedok Point include GymmBoxx, Happy Days (NTUC Club), and Tenderbest Makcik Market (a lifestyle food outlet), among others.

The Manager announced on 3 September 2020 the divestment of Bedok Point for S\$108 million. This transaction was approved by FCT unitholders at an extraordinary general meeting on 28 September 2020 and the divestment was completed on 9 November 2020.

MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (S\$ million)	FY2020	FY2019	Increase/ (Decrease)
Gross Revenue	5.65	6.51	(13.2%)
Property Expenses	3.63	3.84	(5.5%)
Net Property Income	2.02	2.66	(24.1%)
Occupancy	92.0%	95.7%	(3.7%-point)
Shopper Traffic (million)	3.3	4.2	(21.4%)

TOP 10 TENANTS

As at 30 September 2020, Bedok Point has a total of 39 leases (FY2019: 40), excluding vacancy. The total number of tenants as at 30 September 2020 was 39 and the key tenants include GymmBoxx, NTUC Club, Tenderbest Makcik Market, among others. The top 10 tenants contributed collectively, 49.3% of the mall's total gross rental income ("GRI") (FY2019: 50.1%).

Top 10 Tenants as at 30 September 2020	% of Mall's GRI
Gymmboxx Pte Ltd	8.7%
NTUC Club	7.3%
Tenderfresh Fresh Group ²	5.2%
D&N Singapore Pte Ltd ³	5.1%
QM Jianghu Pte Ltd	4.7%
Zensho Food Singapore Pte Ltd ⁴	4.0%
Chicken Hotpot (S) Pte. Ltd.	3.8%
Singapore Saizeriya Pte Ltd	3.6%
Teo Heng KTV Pte Ltd	3.5%
AGB Education Centre Pte Ltd	3.4%
Total	49.3%



TRADE SECTOR ANALYSIS

Food & Beverage contributed 42.5%, (FY2019: 41.0%) of the mall's GRI, followed by Beauty & Health at 22.4% (FY2019: 13.4%). These two trades account for 64.9% of the mall's GRI. The breakdown of the trade sector analysis by NLA and GRI is presented below.

Trade Classifications (in descending order of % rent)		By NLA	By GRI ⁵
1	Food & Beverage	30.0%	42.5%
2	Beauty & Health	16.9%	22.4%
3	Leisure/Entertainment	14.2%	14.7%
4	Education	9.4%	11.9%
5	Household	18.3%	3.3%
6	Services	2.3%	3.1%
7	Fashion	0.9%	2.1%
8	Vacant	8.0%	0.0%
Total		100.0%	100.0%

LEASE EXPIRY PROFILE⁶

As at 30 September 2020	FY2021	FY2022	FY2023	Total
Number of leases expiring	16	16	7	39
NLA of expiring leases (square feet)	25,084	32,848	18,169	76,101
Expiries as % of Mall's total leased area	33.0%	43.1%	23.9%	100.0%
Contribution of expiring leases as % of Mall's total GRI	43.4%	46.3%	10.3%	100.0%

1 Based on the sale price of Bedok Point in the proposed divestment of Bedok Point as announced on 3 September 2020. The sale price was arrived at after taking into account the independent valuations conducted by Jones Lang LaSalle Property Consultants Pte Ltd ("JLL") (commissioned by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of FCT)) and Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers") (commissioned by the Manager). JLL, in its report dated 1 August 2020, had stated that the open market value of Bedok Point as at 1 August 2020 was S\$108.9 million and Colliers, in its report dated 1 August 2020, had stated that the open market value of Bedok Point as at 1 August 2020 was S\$107.2 million

2 Operator of Tenderbest Makcik Market at Bedok Point

3 Operator of Hoshino cafe at Bedok Point

4 Operator of Long John Silver fast food restaurant at Bedok Point

5 Excludes gross turnover rent

6 Exclude vacancy

YewTee Point

Two retail levels
(including one basement level)
and one basement car park

Address

21 Choa Chu Kang North 6,
Singapore 689578

Net Lettable Area

6,844 square meters
(73,669 square feet)

Car Park Lots

83¹

Title

99-year leasehold
w.e.f 3 Jan 2006

Year Acquired by FCT

2010

Valuation²

S\$190.0 million

Annual Shopper Traffic

10.6 million
(October 2019 – September 2020)

Key Tenants

NTUC FairPrice, Koufu food court,
Watson's, KFC and Saizeriya

YewTee Point

YewTee Point has two retail levels (including one basement level). The mall is located in Yew Tee, a housing estate within a major residential precinct Choa Chu Kang, northwest of Singapore. YewTee Point is served by the adjacent YewTee MRT station and public bus services.

YewTee Point's key tenants include NTUC FairPrice, Koufu food court, Watson's, KFC and Saizeriya, among others. It draws shoppers from the private apartments located above the mall (YewTee Residences), the YewTee housing estate, schools, military camp and the nearby industrial estate.

MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (\$ million)	FY2020	FY2019	Increase/ (Decrease)
Gross Revenue	12.49	14.44	(13.5%)
Property Expenses	4.18	4.13	1.2%
Net Property Income	8.31	10.31	(19.4%)
Occupancy	97.1%	97.1%	No change
Shopper Traffic (million)	10.6	13.0	(18.5%)

TOP 10 TENANTS

As at 30 September 2020, YewTee Point has a total of 71 leases (FY2019: 66), excluding vacancy. The total number of tenants as at 30 September 2020 was 70 and the key tenants include NTUC FairPrice, Koufu food court, Watson's, KFC and Saizeriya, among others. The top 10 tenants contributed collectively, 50.3% of the mall's total gross rental income ("GRI") (FY2019: 50.7%).

Top 10 Tenants as at 30 September 2020	% of Mall's GRI
NTUC FairPrice Co-operative Ltd ³	19.7%
Koufu Group ⁴	10.5%
Watson's Personal Care Stores Pte Ltd	3.8%
Yum! ⁵	3.7%
Singapore Saizeriya Pte Ltd	2.4%
West Co'z Café Ptd Ltd	2.2%
Zensho Food Singapore Pte Ltd ⁶	2.1%
BreadTalk Pte Ltd ⁷	2.0%
Sushi Express Group	2.0%
Fei Siong Group ⁸	1.9%
Total	50.3%



TRADE SECTOR ANALYSIS

Food & Beverage contributed 46.7%, (FY2019: 45.4%) of the mall's GRI, followed by the Beauty & Health trade at 19.4% (FY2019: 23.0%). These two trades account for 66.1% of the mall's GRI. The breakdown of the trade sector analysis by NLA and GRI is presented below.

Trade Classifications (in descending order of % rent)		By NLA	By GRI ⁹
1	Food & Beverage	43.7%	46.7%
2	Beauty & Health	15.1%	19.4%
3	Supermarket & Hypermarket	23.5%	18.2%
4	Household	3.6%	4.2%
5	Services	2.5%	2.9%
6	Fashion	2.0%	2.8%
7	Education	2.9%	2.4%
8	Books, Music, Art & Craft, Hobbies	1.8%	1.8%
9	Leisure/Entertainment	2.0%	1.6%
10	Vacant	2.9%	0.0%
Total		100.0%	100.0%

LEASE EXPIRY PROFILE¹⁰

As at 30 September 2020	FY2021	FY2022	FY2023	FY2024	Total
Number of leases expiring	36	17	17	1	71
NLA of expiring leases (square feet)	22,238	12,635	28,128	8,547	71,548
Expiries as % of Mall's total leased area	31.1%	17.7%	39.3%	11.9%	100.0%
Contribution of expiring leases as % of Mall's total GRI	36.3%	20.0%	33.2%	10.5%	100.0%

1 Part of limited common property for the exclusive benefit of Yew Tee Point

2 Valuation done by CBRE Pte Ltd as at 15 September 2020

3 Includes leases for NTUC Fairprice and NTUC Healthcare (Unity)

4 Operator of Koufu food court

5 Operator of Kentucky Fried Chicken restaurant

6 Operator of Long John Silver's

7 Operator of ToastBox

8 Operator of Encik Tan F&B outlets

9 Excludes gross turnover rent

10 Excludes vacancy

Anchorpoint

Two retail levels
(including one basement level)
and an adjacent two-storey
restaurant building

Address

368 and 370 Alexandra Road,
Singapore 159952/159953

Net Lettable Area

6,616 square meters
(71,213 square feet)

Car Park Lots

128¹

Title

Freehold

Year Acquired by FCT

2006

Valuation²

S\$110.0 million

Annual Shopper Traffic

2.4 million
(October 2019 – September 2020)

Key Tenants

Mr D.I.Y., Koufu food court, Cotton On,
Xin Wang HK Café, Sakuraya, Uncle
Leong Signatures seafood restaurant
and Jack's Place restaurant

Anchorpoint

Anchorpoint has two retail levels (including one basement level) and an adjacent 2-storey restaurant building. The mall is located along Alexandra Road, opposite to the popular large home furnishing store IKEA and Park Hotel Alexandra. Anchorpoint is well-served by public bus services as well as scheduled shuttle bus service between the mall and the nearby offices in the Alexandra area.

Anchorpoint offers an exciting range of eateries and restaurants, retail shopping and boutique outlets. The stores and restaurants at Anchorpoint include Mr D.I.Y., Koufu food court, Cotton On, Xin Wang HK Café, Sakuraya, Uncle Leong Signatures seafood restaurant and Jack's Place restaurant.

Anchorpoint was awarded the Singapore Service Class Award (2012 – 2015) by Spring Singapore.

MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (S\$ million)	FY2020	FY2019	Increase/ (Decrease)
Gross Revenue	6.87	8.56	(19.7%)
Property Expenses	3.88	4.75	(18.3%)
Net Property Income	3.00	3.81	(21.3%)
Occupancy	92.7%	79.0%	13.7%-point
Shopper Traffic (million)	2.4	3.2	(25.0%)

TOP 10 TENANTS

As at 30 September 2020, Anchorpoint has a total of 52 leases (FY2019: 53), excluding vacancy. The total number of tenants as at 30 September 2020 was 51 and the key tenants include: household retailer Mr D.I.Y.; Koufu food court; fashion retailer Cotton On; Xin Wang HK Café; Sakuraya Japanese restaurant; Uncle Leong Signatures seafood restaurant; and Jack's Place restaurant. The top 10 tenants contributed collectively, 56.4% of the mall's total gross rental income ("GRI") (FY2019: 51.1%).

Top 10 Tenants as at 30 September 2020	% of Mall's GRI
Mr D.I.Y Trading (Singapore)	13.4%
Koufu Group	7.9%
Cotton On Group	5.9%
XWS Pte Ltd ³	5.2%
Sakuraya Foods Pte Ltd	4.8%
Crab Empire Pte Ltd ⁴	4.5%
JP Food Service Pte Ltd ⁵	4.3%
Watson's Personal Care Stores Pte Ltd	3.7%
Sarika Connoisseur Cafe Pte Ltd ⁶	3.6%
Charles & Keith (Singapore) Pte Ltd	3.1%
Total	56.4%



TRADE SECTOR ANALYSIS

Food & Beverage contributed 48.0%, (FY2019: 50.6%) of the mall's GRI, followed by the Household trade at 18.1% (FY2019: 5.5%). These two trades account for 66.1% of the mall's GRI. The breakdown of the trade sector analysis by NLA and GRI is presented below.

Trade Classifications (in descending order of % rent)		By NLA	By GRI ⁷
1	Food & Beverage	41.4%	48.0%
2	Household	20.2%	18.1%
3	Fashion	13.5%	12.5%
4	Beauty & Health	8.6%	12.1%
5	Education	5.0%	4.1%
6	Services	3.0%	4.0%
7	Leisure/Entertainment	0.7%	0.6%
8	Books, Music, Art & Craft, Hobbies	0.3%	0.6%
9	Vacant	7.3%	0.0%
Total		100.0%	100.0%

LEASE EXPIRY PROFILE⁸

As at 30 September 2020	FY2021	FY2022	FY2023	FY2024	Total
Number of leases expiring	24	16	11	1	52
NLA of expiring leases (square feet)	20,522	22,517	21,619	1,335	65,993
Expiries as % of Mall's total leased area	31.1%	34.1%	32.8%	2.0%	100.0%
Contribution of expiring leases as % of Mall's total GRI	31.1%	32.9%	34.5%	1.5%	100.0%

1 Located at Anchorpoint but are part of a common property of strata sub-divided mixed-use development, which comprises Anchorpoint and The Anchorage (a condominium), managed by the MCST Title Plan No.2304

2 Valuation done by Colliers International Consultancy & Valuation (Singapore) Pte Ltd as at 15 September 2020

3 Operator of Xin Wang HK Café at Anchorpoint

4 Operator of Uncle Leong Signatures at Anchorpoint

5 Operator of Jack's Place Restaurant at Anchorpoint

6 Operator of The Coffee Connoisseur at Anchorpoint

7 Excludes gross turnover rent

8 Excludes vacancy

MALL DIRECTORY

Anchorpoint 368 and 370 Alexandra Road, Singapore 159952/159953 (65) 6475 2257 www.anchorpoint.com.sg	Bedok Point¹ 799 New Upper Changi Road, Singapore 467351 (65) 6481 1353 www.bedokpoint.com.sg	Causeway Point 1 Woodlands Square, Singapore 738099 (65) 6894 2237 www.causewaypoint.com.sg
Century Square³ 2 Tampines Central 5 Singapore 529509 (65) 6789 6261 www.centurysquare.com.sg	Changi City Point 5 Changi Business Park Central 1, Singapore 486038 (65) 6511 1088 www.changicitypoint.com.sg	Hougang Mall³ 90 Hougang Avenue 10 Singapore 538766 (65) 6488 9617 www.hougangmall.com.sg
Northpoint City North Wing 930 Yishun Avenue 2, Singapore 769098 Yishun 10 Retail Podium 51 Yishun Central 1, Yishun 10, Singapore 768794 (65) 6754 2300 www.northpointcity.com.sg	Tampines 1³ 10 Tampines Central 1 Singapore 529536 (65) 6572 5522 www.tampines1.com.sg	Tiong Bahru Plaza³ 298 Tiong Bahru Road, Singapore 168730 (65) 6276 4686 www.tiongbahruplaza.com.sg
Waterway Point² 83 Punggol Central Singapore 828761 (65) 6812 7300 www.waterwaypoint.com.sg	White Sands³ 1 Pasir Ris Central Street 3, Singapore 518457 (65) 6585 0606 www.whitesands.com.sg	YewTee Point 21 Choa Chu Kang North 6 Singapore 689578 (65) 6465 1986 www.yewteepoint.com.sg

¹ Divestment of Bedok Point was completed on 9 November 2020

² FCT owns 40% of Sapphire Star Trust which holds the interests in Waterway Point

³ Originally part of AsiaRetail Fund Limited (ARF)'s portfolio. FCT completed the acquisition of the remaining 63.1% interest in ARF on 27 October 2020 and now own 100% of this property

INVESTMENT IN ASIARETAIL FUND LIMITED

BACKGROUND OF ASIARETAIL FUND LIMITED ("ARF")

ARF is a private investment company. It was previously the largest non-listed retail mall fund in Singapore, owning five retail malls in Singapore (being Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square and Tampines 1), one office property in Singapore (being Central Plaza) and one retail mall in Malaysia (being Setapak Central). With effect from 1 September 2020, ARF is managed by Frasers Property Corporate Services (Singapore) Pte. Ltd., a wholly-owned subsidiary of the Frasers Property Limited.

As at 30 September 2020, FCT held an interest of approximately 36.89% stake in ARF. Subsequently, FCT completed the acquisition of the remaining approximately 63.11% stake in ARF on 27 October 2020 and raised its stake in ARF to 100.0%.

HISTORY OF FCT'S SHAREHOLDING IN ARF

FCT announced on 28 February 2019 the acquisition of initial 17.1312% shares in ARF for approximately S\$345.9 million and the acquisition of a further 1.67% shares on

21 March 2019 for approximately S\$34.0 million. The transactions were completed on 5 and 26 April 2019, respectively. Post the completion of the transactions, FCT's total shareholding in ARF was 18.8% (FY2018: Nil).

FCT's stake in ARF increased from 18.8% to 21.13% subsequent to shareholders' redemption in ARF on 30 June 2019. FCT's stake was further increased from 21.13% to 24.82% following another shareholders' redemption on 30 September 2019.

On 30 June 2020, FCT exercised its right of pre-emption as a shareholder to purchase additional shares, further increasing FCT's stake in ARF to 36.89% on 6 July 2020. FCT announced on 3 September 2020 that it proposed to acquire the remaining approximately 63.11% interest in ARF for S\$1.06 billion. An extraordinary general meeting was convened on 28 September 2020, at which Unitholders' approval was obtained to proceed with the proposed acquisition. The acquisition was funded by proceeds from an equity fund raising which raised gross proceeds of approximately S\$1.33 billion and the acquisition

was completed on 27 October 2020. FCT now owns 100.0% interest in ARF whose property portfolio comprises Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square, Tampines 1 and Central Plaza.

FCT's investment in ARF is stated at cost and adjusted for share of associate's results, movements in other reserves and less distributions. The results for ARF for FY2020 was equity-accounted for at FCT Group level for the half year ended 30 September 2020.

SINGAPORE PROPERTIES IN ARF PORTFOLIO

The five retail properties in Singapore are Century Square, Tampines 1, White Sands, Hougang Mall and Tiong Bahru Plaza. The office property is Central Plaza. The total net lettable area ("NLA") of five retail properties is approximately 1 million square feet and the NLA of Central Plaza is 0.17 million square feet. The profile of the properties are outlined on the next page:



CENTURY SQUARE

Century Square comprises a five-storey shopping mall with three basement levels. It offers a wide range of shops and services catering to the community and families. 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, a 24-hour gym and digital library kiosks on level 4. The most recent asset enhancement and refurbishment works to Century Square was completed in May 2018.



Selected information on Century Square as at 30 June 2020, unless otherwise stated	
Title	99-year leasehold title expiring on 31 August 2091
Address:	2 Tampines Central 5, Century Square, Singapore 529509
Net Lettable Area	202,446 square feet, excluding CSFS space of approximately 8,547 square feet
Number of storeys	5-storeys with 3 basement levels
Number of car park spaces	298
Key Tenants	Filmgarde Cineplex, PRIME Food & Grocer, The Food Market, Gymmboxx
Public Transport	Tampines MRT Station, Tampines Bus Interchange

TAMPINES 1

Tampines 1 is a haven for fashionistas and foodies with its dazzling array of renowned international fashion brands and trendy dining concepts. This iconic retail landmark in the East is home to a curated stable of lifestyle, beauty and fashion brands and household names such as Cold Storage and Daiso.



Selected information on Tampines 1 as at 30 June 2020, unless otherwise stated	
Title	99-year leasehold title expiring on 31 March 2089
Address:	10 Tampines Central 1, Tampines 1, Singapore 529536
Net Lettable Area	268,577 square feet
Number of storeys	5-storeys with 2 basement levels
Number of car park spaces	203
Key Tenants	Uniqlo, Cold Storage, Muji, Gain City, Daiso
Public Transport	Tampines MRT Station, Tampines Bus Interchange

WHITE SANDS

White Sands comprises six levels of exciting lifestyle and dining options. It is a popular mall for residents in the East as it is near homes and is next to the Pasir Ris MRT station. The mall is a favourite and convenient stopover for National Servicemen as part of their journey to and from the Pulau Tekong training camp. The most recent asset enhancement and refurbishment works to White Sands was completed in the first quarter of 2016.



Selected information on White Sands as at 30 June 2020, unless otherwise stated	
Title	99-year leasehold title expiring on 30 April 2092
Address:	1 Pasir Ris Central Street 3, White Sands, Singapore 518457
Net Lettable Area	128,631 square feet, excluding CSFS space of approximately 21,744 square feet
Number of storeys	5-storeys with 3 basement levels
Number of car park spaces	187
Key Tenants	Popular bookstore, Saizeraya, Cookhouse by Koufu, NTUC FairPrice
Public Transport	Pasir Ris MRT Station, Pasir Ris Bus Interchange

HOUGANG MALL

Hougang Mall is located close to the Hougang MRT station and it is a popular mall amongst the residents from the nearby residential precincts. The mall offers a variety of retail and dining options. Some of Hougang Mall's anchor tenants include Harvey Norman, FairPrice Supermarket, Popular Bookstore and Cheng San Community Library.



Selected information on Hougang Mall as at 30 June 2020, unless otherwise stated	
Title	99-year leasehold title expiring on 30 April 2093
Address:	90 Hougang Avenue 10, Hougang Mall, Singapore 538766
Net Lettable Area	150,593 square feet, excluding CSFS space of approximately 15,767 square feet
Number of storeys	5-storeys with 2 basement levels
Number of car park spaces	152
Key Tenants	NTUC FairPrice, Cheng San Community Library, Mei Shi Mei Ke by Kopitiam, Harvey Norman and Popular Bookstore
Public Transport	Hougang MRT Station, Hougang Central Bus Interchange

TIONG BAHRU PLAZA

Tiong Bahru Plaza is located in the centre of the city area amidst the charming Tiong Bahru estate, easily accessible via the Tiong Bahru MRT Station on the East-West line.

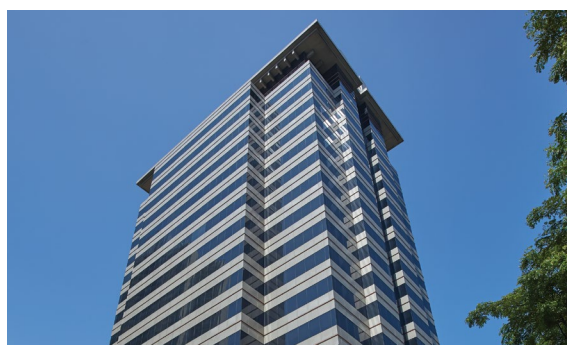
It is a destination mall that offers an array of F&B establishments and shopping options, serving the needs of residents around the vicinity, business executives from Central Plaza offices and students from the neighbouring schools.



Selected information on Tiong Bahru Plaza as at 30 June 2020, unless otherwise stated	
Title	99-year leasehold title expiring on 31 August 2090
Address:	298 Tiong Bahru Road, Tiong Bahru Plaza, Singapore 168730
Net Lettable Area	214,708 square feet
Number of storeys	4-storeys with 3 basement levels
Number of car park spaces	Total of 338 carpark lots are shared between Tiong Bahru Plaza and Central Plaza
Key Tenants	Golden Village, FairPrice Finest, Kopitiam, Uniqlo and Daiso
Public Transport	Tiong Bahru MRT Station, public buses

CENTRAL PLAZA

Central Plaza is a 20-storey office building located within the city centre, strategically located outside the Central Business District at Tiong Bahru Road. The building is conveniently located next to the Tiong Bahru MRT station and Tiong Bahru Plaza.



Selected information on Central Plaza as at 30 June 2020, unless otherwise stated	
Title	99-year leasehold title expiring on 31 August 2090
Address:	298 Tiong Bahru Road, Central Plaza, Singapore 168730
Net Lettable Area	144,250 square feet, excluding CSFS space of approximately 28,355 square feet
Number of storeys	20-storeys with 3 basement levels
Number of car park spaces	Total of 338 carpark lots are shared between Tiong Bahru Plaza and Central Plaza
Public Transport	Tiong Bahru MRT Station, public buses

INVESTMENT IN HEKTAR REIT

As at 30 September 2020, FCT holds 31.15% 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 comprises 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 net lettable area of 2.0 million square feet and a combined value of RM1.24 billion.

HEKTAR PROPERTY PROFILE[#]

	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)
Net Lettable Area (Retail), square feet as at 31 Dec 2019	521,464	519,663	175,014	310,564	299,781	216,345
Tenancies as at 31 Dec 2019	120	110	71	55	76	51
Occupancy as at 31 Dec 2019	93.9%	96.4%	96.2%	89.7%	95.0%	77.1%
Visitor Traffic FY2019 (million)	7.6	8.4	4.2	4.5	4.6	3.0
Acquisition Price (million RM)	280.0	232.0	117.5	83.3	98.0	106.1
Valuation (million RM) as at 31 Dec 2019	440.0	329.0	144.5	97.0	130.0	96.0

[#] Source: H-REIT Annual Report 2019 and its website at <http://www.hektarreit.com/>

HEKTAR REIT'S TOP 10 TENANTS[#]

The top ten tenants in the H-REIT's portfolio contributed approximately 31% of total monthly rental income.

Tenant	Trade Sector	NLA (sq ft)	% of Total NLA	% of Monthly Rental Income ¹
Parkson Grand	Department Store / Supermarket	252,515	12.4%	9.5%
The Store	Department Store / Supermarket	273,198	13.4%	5.9%
Seleria Food Court	Food & Beverage	43,134	2.2%	3.2%
Mr D.I.Y.	Houseware & Furnishing	75,808	3.7%	2.0%
MBO Cinemas	Leisure & Entertainment/Sports & Fitness	88,670	4.3%	2.0%
Watson's	Health & Beauty	12,472	0.6%	1.9%
Best Denki	Electronics & IT	45,669	2.2%	1.8%
MM Cineplexes	Leisure & Entertainment / Sports & Fitness	75,928	3.7%	1.7%
Guardian	Health & Beauty	12,164	0.6%	1.6%
Giant Superstore	Department Store / Supermarket	72,140	3.5%	1.4%
Top 10 Tenants (By Monthly Rental Income)		951,698	46.6%	31.0%
Other Tenants		1,091,133	53.4%	69.0%
Total		2,042,831	100.0%	100.0%

[#] Source: H-REIT Annual Report 2019 and its website at <http://www.hektarreit.com/>

¹ Based on monthly rental income for December 2019

TENANCY MIX***As at 31 December 2019**

The largest rental contributors to the portfolio are tenants from the fashion & footwear and the food & beverage segments. Both segments contributed 41% of the portfolio's total rental income. In terms of NLA occupancy, department stores and supermarkets continue to dominate the portfolio by taking up 36% of all available NLA.

	By Rental Income*	By Net Lettable Area
Fashion & Footwear	20%	9%
Food & Beverage / Food Court	21%	11%
Department Store / Supermarket	18%	36%
Leisure & Entertainment, Sports & Fitness	11%	20%
Health & Beauty	11%	5%
Electronics & IT	9%	6%
Gifts / Books / Toys / Specialty	4%	4%
Homewares & Furnishing	5%	8%
Education / Services	1%	1%
Total	100%	100%
# Source: H-REIT Annual Report 2019 and its website at http://www.hektarreit.com/ * Based on monthly rental income for December 2019		

PORTFOLIO LEASE EXPIRY PROFILE#**As at 31 December 2019**

A total of 233 tenancies will expire in 2020 representing approximately 39% of NLA and 48% of monthly rental income as at 31 December 2019.

For Year Ending 31 December	No. of Tenancies Expiring	NLA of Tenancies Expiring (sq ft)	NLA of Tenancies Expiring as % of Total NLA	% of Total Monthly Rental Income *
FY 2020	233	794,912	39%	48%
FY 2021	170	849,482	42%	38%
FY 2022	80	245,204	12%	15%
# Source: H-REIT Annual Report 2019 and its website at http://www.hektarreit.com/ * Based on monthly rental income for December 2019				

RISK MANAGEMENT

Effective risk management is a fundamental part of FCT's 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 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's assets and 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 web-based 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 half yearly 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. The results are presented to the ARCC to provide assurance that the risk management system in place for FCT was adequate and effective to address risks which the Manager considers relevant and material to FCT'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's ERM framework promotes a risk management culture. The Manager works closely with Frasers Property Limited's Risk Management Team to conduct workshops where

necessary to reinforce and enhance risk management knowledge and management principles.

KEY RISKS IN FINANCIAL YEAR 2020

The Manager identifies key risks, assesses their likelihood and materiality to FCT'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.

HUMAN CAPITAL RISK

The REIT Manager has in place a career planning and development system for its staff, and conducts regular remuneration and benefits benchmarking 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. Employee satisfaction surveys are also deployed to measure employee engagement and sentiments.

LIQUIDITY RISK

In ensuring a prudent financial structure for FCT, the Manager adheres closely to the covenants in the loan agreements and the property fund appendix in the Code on Collective Investment Schemes issued by the Monetary Authority of

Singapore. In addition, the Manager proactively manages FCT's cashflow position and liquidity requirements.

During the Circuit Breaker period from 7 April to 1 June 2020, businesses termed as non-essential had been shut. The uncertainty of the rate of spread of COVID-19 outbreak brought about credit risk exposure from tenants. FCT, together with its sponsor, Frasers Property Limited, rolled out tenant assistance packages, mainly in the form of rental rebates and rent deferment, to help tenants cope with their cashflow challenges.

In view of the disruption caused by COVID-19, the Manager has secured additional Revolving Credit Facilities totaling S\$445 million as of 30 September 2020 to ensure adequacy of liquidity reserves to finance its operations, asset enhancement initiatives ("AEIs") and any other unforeseen short-term obligations. FCT'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 34 under **Capital Resources** section on the various sources of funds availability and their utilisations. The Manager continues to comply with its policy of spreading out concentration of debts maturing in a single year.

INVESTMENT RISK

As FCT 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 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. In accordance with the Manager's hedging policy, at least 50% of FCT's outstanding borrowings are at fixed interest rates.

CREDIT RISK

The Manager has established credit limits for tenants and monitors their debt levels on an ongoing basis. Credit evaluations are performed before lease agreements are entered into with tenants. Credit risk is also mitigated by collecting rental deposits from the tenants. Cash and fixed deposits are placed with regulated financial institutions.

COMPLIANCE RISK

FCT is subject to relevant laws and regulations including the Listing Manual of the Singapore Exchange Securities Trading Limited, the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the tax rulings issued by the Inland Revenue Authority of Singapore with regard to the taxation of FCT and its Unitholders. Any changes to these regulations may affect FCT'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 and 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 Frasers Property Group (the "Group"), of which the Manager is part of, continues to build digital capabilities and invest in new technologies to ensure that our business is future-ready. Group-wide policies and procedures have been put in place to ensure the confidentiality, availability and integrity of 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 trainings are conducted for new and existing employees to raise IT security awareness. External professional service providers are engaged to conduct independent vulnerability assessment and penetration tests to further strengthen the IT systems.

EXTERNAL RISK

FCT is exposed to a challenging business climate, including impact from COVID-19 outbreak, and rapidly changing retail market trends, including manpower shortage, stagnant pool of prospective tenants, and e-commerce consumer shopping behaviour. The Manager continuously seeks to strengthen FCT's competitiveness through optimising tenant mix, revitalizing mall concepts and AEIs.

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 with the Group.

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 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 101 to 136.



SUSTAINABILITY REPORT





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BOARD STATEMENT

The scale and extent of the COVID-19 has made the year 2020 the most challenging year for all businesses, and the retail sector is one of the hardest hit sectors of the economy. However, it is also during this difficult period that we recognise the importance of our role to provide relevance and values beyond the financial performance for our stakeholders and the community.

While we navigate through the challenges from COVID-19 especially during the Circuit Breaker, our belief and sense of purpose in sustainability is further reinforced. We place sustainability at the core of our business to demonstrate our commitment to leave positive impacts to the environment and society.

We are cognisant of the rising concerns on climate change and social issues and we believe sustainability is the key to strengthen our competitive advantage in an ever-evolving business landscape. At the same time, we need to be agile and resilient to sustainably grow our business and remain viable in the future.

During the year, we took progressive actions in accelerating our sustainability action plans. We have identified five global sustainability goals together with the Group, focusing on energy and carbon, resilient properties, responsible investment, health and well-being and diversity and inclusion. The long term goal is to achieve net zero carbon by 2050. These goals mark a major milestone in our sustainability journey.

“ While we navigate through the challenges from COVID-19 especially during the Circuit Breaker, our belief and sense of purpose in sustainability is further reinforced. We place sustainability at the core of our business to demonstrate our commitment to leave positive impacts to the environment and society. ”

To realise our goals, we have developed overarching workplans with long and short-term targets to ensure that we are on the right track with our efforts. We have started to embark on our decarbonisation and building resilience journey together with our Sponsor. In parallel, we also continue to invest in communities to ensure that they grow alongside our business.

Our management works closely with the newly formed Frasers Property Retail Sustainability Steering (FPR SSC) and Frasers Property Retail Sustainability Working Committee (FPR SWC) to oversee and drive the implementation of our goals and targets. The Board continues to oversee the management of sustainability with the support of FPR SSC and FPR SWC.

We are pleased to share with you our sixth Sustainability Report and invite you to read on to find out more about our progress and achievements during the year.

Board of Directors

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

THE YEAR AT A GLANCE



ACTING PROGRESSIVELY



100% compliant
to all relevant laws and regulations



Adopted and implemented the
Group Corporate Social Responsibility Policy

Four properties are green building certified with two more properties completing certification by end-April 2021



CONSUMING RESPONSIBLY



Achieved **12.5% reduction** in GHG emissions intensity y-o-y

Achieved **17.7% reduction of water usage intensity** y-o-y



Collected **9.6 tonnes of e-waste** for recycling during the year

Collected **364,318 used bottles and cans** for recycling during the year



Solar photovoltaic installed at Changi City Point to power all billboard lightings at the rooftop



FOCUSING ON PEOPLE

Achieved **38 training hours per employee** in FY2020

100% of the REIT manager's employees are trained in sustainability related topics



Collected **4.6 tonnes of foodstuff** for donation to Food Bank Singapore

Zero fatalities and **zero non-compliance** with the relevant health and safety laws and regulations during the year



All properties are **SG Clean certified**

\$27.4 million in rental rebates provided as part of **Fraser's Property Retail's Tenant Support Package** to help tenants cope with COVID-19 challenges

First retail mall in Singapore to roll out **UV-disinfectant autonomous mobile robots** in response to COVID-19

STRENGTHENING OUR SUSTAINABILITY CORE

As a multinational group with global footprint, Frasers Property Group plays a critical role in influencing the industry ecosystem by driving sustainable development. Over the years, the Group has built a strong foundation that addresses the three aspects of sustainability – Environmental, Social and Governance (ESG). It forms the backbone of how we run our business. The management views sustainability as an opportunity to future-proof our business.

FCT's sustainability approach is aligned to the Group's Sustainability Framework. The Framework sets out the sustainability priorities through to 2030, underpinned by three strategic pillars – Acting Progressively, Consuming Responsibly and Focusing on People. The pillars are supported by 13 focus areas to form a multi-disciplinary approach, suited to FCT's business.

We recognise the increasing concerns globally on ESG issues such as climate change, investing responsibly and health and safety. To remain competitive and sustainably grow our business in the long-term, we have to be agile and augment the way our business operates to respond to these concerns.

During the year, the Group has come together to set five new group goals that sets our direction through to 2050. This is also a testament of our commitment to sustainability and ambition to further deepen sustainable practices across the Group.

GOAL
#1

To be a net zero carbon corporation by 2050

GOAL
#2

To be climate resilient and establish adaptation and mitigation plans by 2024

GOAL
#3

To green-certify 80% of our owned and managed assets by 2024

GOAL
#4

To finance majority of our sustainable asset portfolios with green and sustainable financing by 2024

GOAL
#5

To train all our employees on sustainability by 2021

In support of the group goals, FCT has developed a strategic action plan to drive the sustainability agenda across our portfolio. We have identified key goals and targets and tracking our performance to ensure we are on track to realise the group goals.

OUR SUSTAINABILITY FRAMEWORK



MANAGING SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

The Board recognises that sustainability is key in ensuring the success of FCT's business. As a sponsored REIT, our sustainability agenda closely aligns with our Sponsor's to demonstrate our unified approach across the Frasers Property Group. We work collaboratively with the Group's sustainability leadership and working teams to realise our goals and objectives.

The Group Sustainability Steering Committee, which leads the sustainability agenda in Frasers Property Group, is chaired by the Group CEO, Mr Panote Sirivadhanabhakdi. The Frasers Property Retail Sustainability Steering Committee (FPR SSC) and Frasers Property Retail Sustainability Working Committee (FPR SWC) were formed this year. The Retail SSC consists of the top management executives, led by the CEO of Frasers Property Retail, Mr Low Chee Wah. The Retail SSC is responsible to make key decisions in support of the Group Sustainability Goals. FCAM's CEO, Mr Richard Ng is also a member of the FPR SSC. The FPR SWC supports the FPR SSC in the implementation of action plans approved by the FPR SSC and to monitor the performance against key performance indicators. The FPR SWC comprises the members of middle and senior management, including FCAM's team. Additionally, a Global Sustainability Taskforce which was incorporated in 2019 supports the development of the sustainability plans and monitors the performance.

STAKEHOLDER MANAGEMENT

Key Stakeholders	Key Topics of Concern
Tenants	- Maintaining healthy shopper traffic - Competitive rental rates - Collaboration in marketing and promotional events
Shoppers	- Meeting our shoppers' needs - Quality of services and facilities - Providing safe and comfortable shopping environment and family-friendly amenities - Considerations for safety, accessibility and easy navigation within the mall - Good connectivity to public transport
Employees	- Compensation and Benefits - Career progression - Continuous education and skills upgrading - Employee well-being
Property manager	Key Performance Indicators (KPIs) for the property manager
Investors and FCT unitholders	- Business and operations performance - Business strategy and outlook - Sustainability concerns
Local Community	- Helping the groups in need in the community - Foster strong community ties and promote family values
Regulators and industry associations	- 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

Mode of Engagement	Frequency of Engagement and FY2020 Highlights
• Frequent dialogue, including virtual meetings • Partnership in promotional events • Regular tenant feedback meetings • Conduct tenant satisfaction survey	• Throughout the year • Throughout the year • Throughout the year • Completed tenant satisfaction survey in FY2020 (no fixed frequency)
• Shopper surveys • Focus group study • Feedback via online and various social media such as Facebook, Instagram and LinkedIn and FCT/Frasers Property websites • Regular events to engage shoppers and their families • Frasers Experience, the Frasers shopper loyalty program • Feedback forms • Feedback to customer service staff or at customer service counters and concierge	• Shopper surveys (no fixed frequency) • Throughout the year, as-and-when required for engagements on social media • Throughout the year • Throughout the year • Throughout the year • Throughout the year
• Annual performance appraisals • Communal sports and activities • Orientation and training programmes organised by Frasers Property Human Resource and Learning Academy • Regular department meetings • Family Day Events • Employee satisfaction survey	• Annually • Throughout the year • Upon joining and throughout the year (employees received an average of 38 hours of training per person in FY2020) • Conducted via virtual platforms in FY2020 • Family Day Events are suspended in FY2020 due to COVID-19 • Annually
• Regular meetings • Exchanges on Workplace by Facebook • Exchanges on emails and calls	• Every month for regular meetings and ad-hoc meetings as-and-when required • Regularly throughout the year • Regularly throughout the year
• 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	• Throughout the year in FY2020. However, due to COVID-19, the investors meetings after March 2020 were held via virtual platforms • Throughout the year
• Annual Charity Drives and Mass Participation Events • Providing venue space at our malls to charitable organisations	• Normally these events are organised regularly throughout the year. However due to COVID-19, most if not all, of these activities have been suspended in 2020. We plan to resume these activities when situation permits
• Participation in industry associations including REIT Association of Singapore (REITAS), Investor Relations Professionals Association (IRPAS), Orchard Road Business Association (ORBA), Securities Investors Association (Singapore) (SIAS) and Singapore Retailers Association (SRA) • Participation in briefings and consultation with regulators such as the SGX and MAS	• Participation in the events organised by the various industry association and by the regulator normally occur throughout the year. However, due to COVID-19, these activities have been converted to virtual meetings or postponed

INDUSTRY ALIGNMENT

Collaboration is key to realising our goals and it is critical to encourage the real estate sector to create a new ecosystem where sustainability is a priority. FCT actively participates in various professional and business associations to influence positive outcomes including:

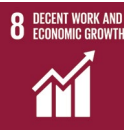
- Securities Investors Association (Singapore) (SIAS)
- REIT Association of Singapore (REITAS)
- Investor Relations Professionals Association (IRPAS)
- Orchard Road Business Association (ORBA)
- Singapore Retailers Association (SRA)

Sustainability Pillars	Focus Areas	What does it mean to FCT
Acting Progressively	Responsible Investment	We invest with long-term views that includes 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. We target to achieve sustainable improvement in our economic performance.
	Risk-based Management	We have the duty to ensure our business continuously assess the environment, health and safety and social risks to ensure we are in compliance with the relevant environmental laws and regulations.
		We have a zero-tolerance approach towards corruption and fraud. We strive to maintain high standards of integrity, accountability and corporate governance.
		We ensure compliance with the Code of Advertising Practice and applicable guidelines and principles for responsible communications and marketing.
	Resilient Properties	We seek to understand and respond to the risks and opportunities related to climate change to enhance the resilience of our properties and future-proof our business.
Consuming Responsibly	Innovation	Innovation is the key driver to remain relevant and competitive in the retail industry. Agility and adaptability will lead to a viable business in the long-term.
	Energy & Carbon	Real estate is one of the largest users of energy, particularly in heating and cooling. We strive to proactively reduce energy consumption of our properties and contribute towards achieving net zero carbon.
	Water	Similar to energy management, we strive to reduce wastage of water and to recycle and reuse wherever we can.
	Waste	We are committed to encouraging waste reduction and recognise that waste management is key to improving resource use and recycling.
Focusing on People	Diversity & Inclusion	We value our employees, and we seek to invest in their learning and help them in developing their career with us. We continuously seek to attract and retain the human capital and talents as we continue to grow in our business.
	Skills & Leadership	We maintain open-door communication with our employees to foster trust and confidence in our communications.
	Health & Well-being	We want to provide space at our properties that our stakeholders, including shoppers, contractors and tenants, feel safe and comfortable to carry out their intended activities.
	Community Connectedness	We strive to foster healthy interactions with the local communities, to build a strong sense of belonging and connections with them, and also to contribute back to the community by helping the less fortunate members of the community.

1 Please refer to our annual report for further details.

MATERIALITY ASSESSMENT

We recognise the importance of ensuring the relevance of our material topics to our business. Thus, we conduct regular review of our 10 material topics with consideration of the business landscape and stakeholder concerns. We concluded that our material topics continue to remain relevant and aligned to our sustainability agenda. While our material topics remain unchanged, we integrated three additional focus areas - Resilient Properties, Innovation and Waste in an effort to align more closely with our Sponsor. The table below shows how our material topics correspond to the 13 focus areas of our Sustainability Framework and relevance to the United Nations Sustainable Development Goals (SDGs). The table also shows the significance of each material topic and where we have caused or contributed to the impacts through our business relationships.

Material Topics & GRI Topic	Boundaries	Corresponding UN SDGs
Economic Performance ¹ (GRI 201)	FCT	  
Environmental Compliance (GRI 307)	FCT, Suppliers / Contractor and Shoppers / Tenants	
Anti-corruption (GRI 205)	FCT, Suppliers / Contractor, and Shoppers / Tenants	
Marketing and Labelling (GRI 417)	FCT	
Economic Performance (GRI 201)	FCT, Shoppers / Tenants	
Economic Performance (GRI 201)	FCT, Shoppers / Tenants	  
Energy (GRI 302) Emissions (GRI 305)	FCT, Shoppers / Tenants	
Water (GRI 303)	FCT, Shoppers / Tenants	
Additional Disclosure: Waste (GRI 306)	FCT, Shoppers / Tenants	
Employment (GRI 401) Training and Education (GRI 404) Labour / Management Relations (GRI 402)	FCT	    
Occupational Health & Safety (GRI 403)	FCT, Suppliers / Contractors, Shoppers / Tenants and NGOs / Local Communities	
Local Communities (GRI 413)	FCT, NGOs / Local Communities	

ACTING PROGRESSIVELY



At FCT, we want to deliver positive outcomes through our retail properties. Our approach takes into consideration risks, opportunities and deeper integration of sustainability into our business decisions and management of our portfolio while grounded by sound corporate governance. To set FCT apart from our peers, we believe in acting progressively and embrace innovation to augment the value that we deliver through our sustainability objectives.

OUR APPROACH

- Institute overarching policies to strengthen FCT's business operations and business resilience
- Pursue green building certifications for the properties as part of our strategy to raise our sustainability offerings to our stakeholders
- Uphold responsible investment practices by incorporating ESG risks and opportunities into investment decisions

OUR PROGRESS

Focus Areas	Our Goals	Our Progress in FY2020	Contribution to UNSDGs
Risk-based Management	• To establish holistic overarching internal policies to govern and guide management of the focus areas.	• FCT adopted and implemented the Group Corporate Social Responsibility Policy.	
Responsible Investment	• To achieve at least Green Mark Gold Certification for 80% of existing buildings by 2024. • To finance majority of our sustainable asset portfolios with green and sustainable financing by 2024.	• Four out of seven properties in FCT's portfolio are green certified. Additional two properties will complete their certification by April 2021. • FCT plans to secure its inaugural green loan within the next 12 to 24 months.	
Resilient Properties	• To carry out climate risk assessments and implement asset-level adaptation and mitigation plans with alignment to the TCFD framework by 2024.	• Climate risk assessment for FCT properties has started with the collation of Scope 1, 2 and 3 carbon inventory data for properties.	
Innovation	• To cultivate a customer-centric and collaborative mindset.	• The Group encourages employees to undergo design thinking training in due course to equip them with the necessary knowledge and skillset to cultivate customer-centric and collaborative mindset.	

RISK-BASED MANAGEMENT

Strong corporate governance contributes to the success of our business. Good business ethics and transparency, together with robust policies are key to ensure that we are operating in compliance with laws and regulations.

We strive to uphold fair and ethical business conduct with zero tolerance towards corruption and fraud. We also align our business practices to the relevant industry laws and regulations such as the Code of Corporate Governance 2018, Code of Advertising Practice, listing rules and regulations set out by SGX-ST and the MAS Securities and Futures Act. As part of the Frasers Property Group, we continue to be guided by our Sponsor's corporate policies.

- Code of Business Conduct
- Whistle-blowing Policy
- Anti-bribery Policy
- Competition Act Compliance Manual
- Personal Data Protection Act Policy
- Environment, Health and Safety Policy
- Legal and Regulatory Compliance Manual
- Policy on Dealing in Units of FCT and Reporting Procedures
- Policy for Prevention of Money Laundering and Countering the Financing of Terrorism
- Policy on Outsourcing
- Treasury Policy
- Diversity and Inclusion Policy
- Corporate Social Responsibility Policy

An internal audit process has been established to conduct independent appraisal and assurance of the adequacy and effectiveness of the Manager's existing processes and controls. This internal audit function sits within the Frasers Property Group².

In FY2020, we are pleased to report that there were no known incidents of breaches of any relevant laws and regulations including environmental laws and regulations, bribery and corruption and marketing communication. We strive to maintain our performance in FY2021.

RESPONSIBLE INVESTMENT

Sustainability provides our business with a competitive edge, a critical factor to remain ahead of our peers and create value for both our business and Unitholders in the long-term. We believe that sustainability not only responds to the growing demands of our stakeholders, but also enhances the return on our investments.

One of our approaches towards responsible investment is by improving our portfolio's ESG performance. Our goal is to certify 80% of our existing buildings by 2024 to at least Building Construction Authority (BCA) Green Mark Gold certification. All our properties are regularly assessed to identify improvement opportunities to better serve our customers and tenants. Asset enhancement initiatives ("AEI") are conducted in a timely manner to continuously upgrade our properties for optimum performance.

Within our portfolio, four of our properties are certified green buildings by the BCA. Causeway Point achieved the highest certification – BCA Green Mark Platinum. Northpoint City North Wing and Bedok Point are certified to BCA Green Mark Gold and YewTee Point is certified to BCA Green Mark.

Changi City Point and Waterway Point are in the process of completing the BCA Green Mark Gold^{Plus} recertification by April 2021.

FCT completed the acquisition of the remaining interest in AsiaRetail Fund Limited ("ARF") which it does not own on 27 October 2020. FCT now owns 100% of ARF portfolio, consisting of five retail properties and one office building. Of these properties, three retail properties (Tiong Bahru Plaza, Century Square and White Sands) and the office building (Central Plaza) have achieved BCA Green Mark Platinum certification, and Tampines 1 is BCA Green Mark Gold^{Plus} certified. The remaining property, Hougang Mall will be scheduled for green certification in due course.

FCT submitted its second GRESB Real Estate Assessment this year and achieved an average GRESB Score of 69 points and attained a 3-Star status. The GRESB average score is 70. We endeavour to improve our score in the next submission through the various initiatives that have been identified in the forthcoming year.

RESILIENT PROPERTIES

Evidence has shown that climate change-related events are increasingly impacting organisations globally. Investors are also increasingly aware and are now putting more weight on climate resilience and sustainability as part of their investment decision making process. It is critical to understand the likelihood and consequence of future climate events to understand and manage the risks to business operations. We need to be strategic and systematic in responding to the impacts of climate change.

² Please refer to page 127 of this Annual Report for more information on internal audit.

Frasers Property Group started disclosing in FY2019 its sustainability progress which is aligned to the Task Force on Climate-Related Financial Disclosures (TCFD). As part of the Group, FCT aims to carry out climate risk assessments and implement asset-level adaptation and mitigation plans in line with the TCFD framework by 2024.

In FY2020, we have started to embark on the risk assessment journey together with Frasers Property Retail. We seek to identify the risks and opportunities and develop a strategic approach to managing the physical and transitional risks associated with climate change for our business.

To read more on our journey and progress together with the Group, refer to the 'Resilient Properties' section in Frasers Property Limited's Sustainability Report FY2020.

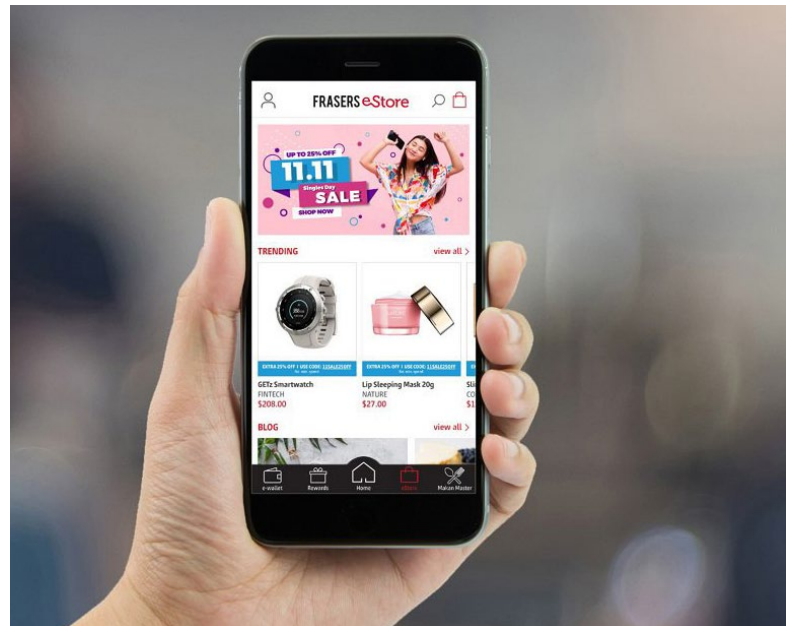
INNOVATION

As a business, we are constantly innovating to remain relevant to our stakeholders – our employees, customers, tenants, communities and investors, while future-proofing our organisation. The retail industry is experiencing rapid changes and disruptions with emerging technologies and transition of traditional retail to digital e-commerce. The transition was expedited exponentially during the outbreak of COVID-19, where businesses are compelled to convert their businesses online to stay in operation.

It is important to create an ecosystem where innovation thrives, organically and through strategic partnerships. To facilitate this, the Group has encouraged its employees to undertake training in design thinking which will equip them with the knowledge and skills to lead and implement ideation within our business to drive a customer centric and collaborative mindset.



▲ Makan Master app, a digital F&B concierge app



▲ Frasers e-Store on the Frasers Experience FRx app

Towards Omnichannel Retail

During the year, we have implemented several key innovative projects together with Frasers Property Retail to strengthen our position as one of the leading retail players in the industry. The Makan Master app, a digital F&B concierge app first launched by Frasers in 2018 for pre-ordering of F&B, was given a feature boost in September 2020. The new feature on the Makan master app now allows consumers to aggregate orders from up to three F&B outlets within the same mall in one delivery order. This new feature provides consumers with flexibility and convenience when ordering food and saves them fees and time by aggregating orders in one delivery. For the F&B tenants, it allows them to get onto the digital bandwagon with no hassle and extend their catchment on the digital space. There are more than 100 F&B tenants on board the Makan Master platform.

In conjunction with the feature upgrade of Makan Master, Frasers Property Retail is also rolling out the Frasers e-Store this year. The Frasers e-Store is an e-commerce market place to provide seamless store-to-door shopping experience for consumers on the Frasers Experience FRx app. Similar to the enhanced feature on the Makan Master described earlier, consumers can aggregate order from multiple tenants in a mall and have their package delivered to their doorstep, all within the FRx app. Purchases made through the e-Store may be used to earn Frasers Points with every minimum spend of S\$10, which can be redeemed for Carpark\$ to offset their parking fees, Digital Gift Cards, eVouchers and exclusive deals from the FRx app.

The enhanced Makan Master and the Frasers e-Store are examples of how we have tapped on the innovation of our people to drive solutions that can strengthen the connection and relevance of our business to our consumers, and to underpin the resilience of our business and assets.

CONSUMING RESPONSIBLY



Climate change is a global challenge and Singapore as a nation has pledged to reduce emissions intensity by 36% below 2005 levels by 2030³. As owner and manager of retail malls in Singapore, our role is critical in contributing to this cause. We strive to continuously improve our resource consumption by enhancing our building efficiencies and promoting sustainable practices. We are constantly engaging our employees and tenants to collectively manage our environmental footprint.

OUR APPROACH

- Establish policies that promote responsible consumption of resources across our properties
- Adopt practices that drive efficient use and management of natural resources
- Foster a culture of collaboration to promote responsible consumption among our stakeholders

OUR PROGRESS

Focus Areas	Our Goals	Our Progress in FY2020	Contribution to UNSDGs
Energy & Carbon	• To achieve net zero carbon by 2050. • To develop a net zero carbon roadmap and establish progressive carbon reduction targets by FY2021.	• FCT has started the process of collating carbon inventory from its properties together with Frasers Property Retail. • Achieved 12.5% of GHG emissions intensity reduction from FY2019. • Achieved 10.3% of energy use intensity reduction from FY2019. • Solar photovoltaic installed at Changi City Point to power all billboard lightings at the rooftop.	
Water	• To reduce water use intensity by 20% from 2015 by 2030 and establish interim targets by FY2021.	• Achieved 17.7% of water usage intensity reduction from FY2019.	
Waste	• To develop a general waste and recycling program, a partnership with tenants under the green lease initiative.	• A total of 565 tonnes of waste was recycled during the year. • All FCT's properties have e-waste recycling bins to encourage electronic waste recycling. A total of 9.6 tonnes of e-waste was collected in FY2020. • Reverse Vending machines have been set up to encourage recycling of used bottles and cans at YewTee Point and Northpoint City. A total of 364,318 bottles and cans were collected in FY2020.	

³ Singapore's Climate Action Plan: Take Action Today, for a Carbon-Efficient Singapore, 2016.

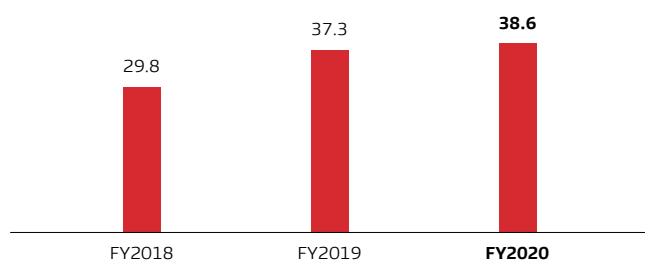
ENERGY AND CARBON

As much as 39% of the global energy-related carbon emissions are caused by buildings and construction with 28% of emissions resulting from building operations⁴. Recognising this, together with the Group, we are working towards decarbonising our business and achieving carbon neutral by 2050. Our strategies include improving asset energy efficiencies and active engagement with our tenants on energy management.

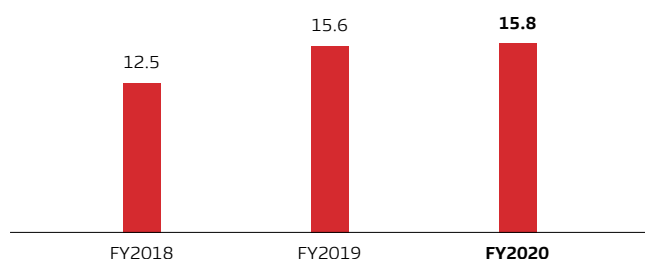
In our efforts to ensure that our properties are operating at optimum efficiency, we conduct energy audits across our properties strategically to identify energy efficiency improvement opportunities. Additionally, our properties that are BCA Green Mark certified are subjected to energy audits every three years to ensure that the building systems are operating efficiently.

In FY2020, our total energy consumption was 38.6 GWh, with overall building energy intensity of 189 kWh/m². Although total consumption increased by 3.3% compared to FY2019, the energy intensity reduced by a significant 10.3%. Similarly, our greenhouse gas (GHG) emissions was increased to 15,757 tCO₂e, while the GHG emissions intensity dropped to 77.2 kgCO₂e/m². This represents a reduction of 12.5% year-on-year from 88.2 kgCO₂e/m². The increase in energy consumption is attributed to the acquisition of Waterway Point last year. However, as a result of the COVID-19 Circuit Breaker in Singapore, the energy and GHG emissions intensities were significantly reduced.

Electricity Consumption (GWh)



Scope 2 GHG Emissions ('000 tonnes of CO₂e)



GENERATING RENEWABLE ENERGY ON-SITE

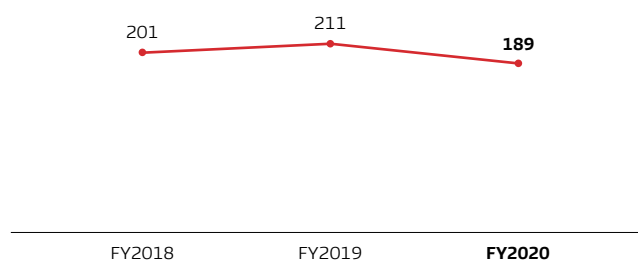
As part of our strategy to reduce reliance on fossil-fuel based energy, we have started to explore opportunities to incorporate use of renewable energy on-site. During the year, Changi City Point installed a total of 1,800W of solar photovoltaic (PV) panels at the property. The energy generated was used to power all 62 billboard lights located at the roof garden. It is estimated that the solar PV generates approximately 220 kWh of electricity monthly.

We will continue to seek for opportunities to improve our energy use and building efficiencies in the coming year.

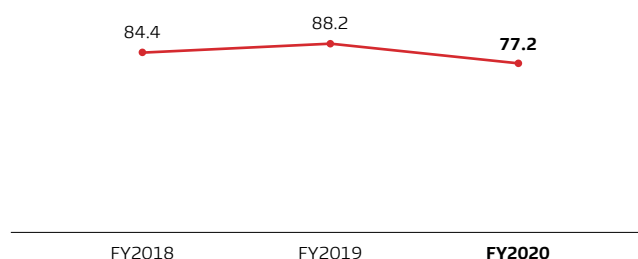
WATER

Water scarcity is an issue afflicting every continent and water use has been growing exponentially, past the limit at which water can be sustainably delivered⁵. The challenges are projected to intensify due to increasing extreme climate events. It is our priority to effectively manage our water use through various water reduction initiatives including using recycled water for non-potable purposes. We also invest in water saving fittings as part of our commitment to enhance our water resilience in the future.

Energy Intensity (kWh/m²)

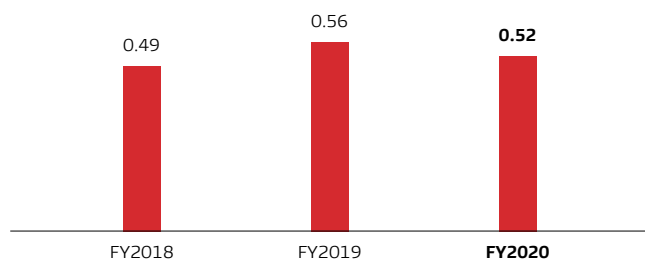


Scope 2 GHG Intensity (kgCO₂e/m²)



⁴ World Green Building Council, <https://www.worldgbc.org/worldgreenbuildingweek>

⁵ UN Water, <https://www.unwater.org/water-facts/scarcity/>

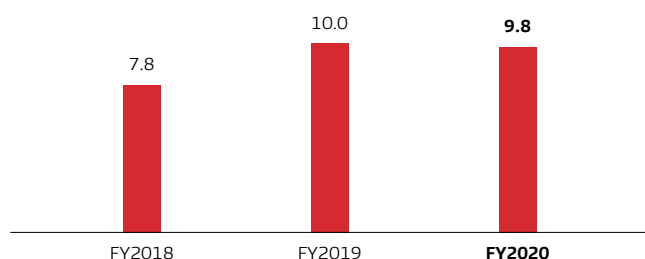
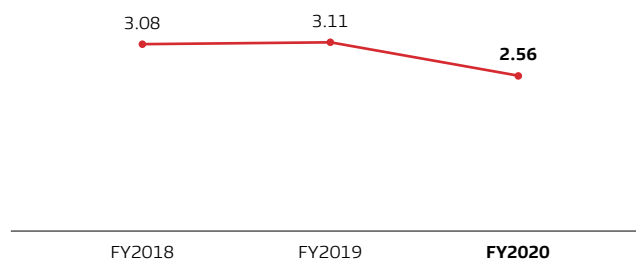
Water Consumption (million m³)

To drive our commitment, we have set our goal to reduce water use intensity by 20% from 2015 by 2030 and we are working towards establishing interim targets by FY2021. All our properties are awarded the Public Utility Board (“PUB”) Water Efficient Building (WEB) Certification, a testament of our efforts towards water conservation. We also consume NEWater as part of our water reduction initiative. NEWater is reclaimed water treated for safe consumption through advanced membrane technology. In FY2020, we consumed a total of 0.28 million m³ of NEWater.

During the year, the total water⁶ consumed across our properties was 0.52 million m³ with water intensity of 2.56 m³/m², a decrease of 17.7 % from last year. The reduction in consumption was attributed to the significant reduction in shopper traffic at the malls due to the Circuit Breaker and traffic control measures imposed by the authorities.

WASTE

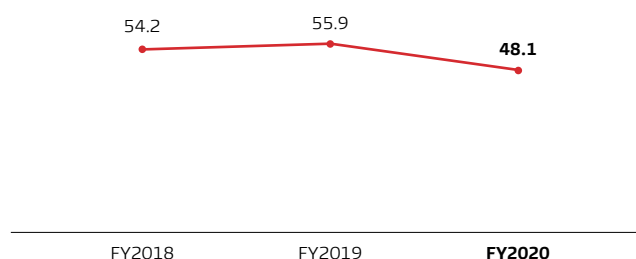
Waste generation is a large part of the retail industry and at FCT, we are committed to encouraging waste reduction and increasing our recycling rates by diverting waste from landfill. Waste management is pivotal to realising our objective of reducing waste generation. We also encourage the 3Rs practice – Reduce, Reuse and Recycle across our properties and we do this by actively engaging our customers and tenants in our waste management agenda.

Waste Consumption ('000 tonnes)**Water Intensity (m³/m²)**

At our properties, waste disposal and recycling activities are tracked. During the year, the total waste generated from our properties decreased to 9,811 tonnes, equivalent to a 2.2 % reduction year-on-year. A total of 565 tonnes of waste was sent for recycling while the remaining was directed to Singapore’s waste-to-energy plants. As with energy and water, waste generation decreased resulting from the impact of the COVID-19 outbreak.

As part of our commitment to encourage recycling amongst our customers and tenants, we continue to partner with Starhub and Frasers and Neave (F&N) to collect e-waste, plastic bottles and aluminium cans. Dedicated recycling bins are strategically placed within our malls for tenants and shoppers to drop recyclable items. In FY2020, we have successfully collected a total of 9.6 tonnes of e-waste and 364,318 used bottles and cans. Shoppers are rewarded with F&N discount vouchers for every four plastic bottles or aluminium cans during the campaign.

We are working on developing a general waste and recycling program and establishing partnerships with tenants through our green lease initiative in the coming year to further progress our waste management practices.

Waste Intensity (kg/m²)

⁶ Water consumed from PUB, municipal water supply.

FOCUSING ON PEOPLE



Our people are the driving force behind our business' success. Creating a diverse, equal and safe workplace is key to driving employees to perform in their work and feel a sense of achievement. It is also our priority to support and protect the interests and well-being of our people – employees, tenants, customers and communities through our business and community investments.

OUR APPROACH

- Develop policies that drive human capital development and positive impacts in communities
- Adopt fair employment practices and invest in equipping employees with relevant skills
- Invest in activities and programmes to support community development

OUR PROGRESS

Focus Areas	Our Goals	Our Progress in FY2020	Contribution to UNSDGs
Diversity and Inclusion	• To embed diversity 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.	• FCT is aligned with the Sponsor's pledge to the United Nations Women Empowerment Principles. • FCT adopted and put in practice the Group Diversity & Inclusion Policy at its workplace.	
Skills and Leadership	• To achieve an average training hours of 40 hours per employee per year. • To train all our employees on sustainability by 2021, and extend to our supply chain and other stakeholders after 2021.	• FCT achieved 38 average training hours per employee in FY2020. We will strive to meet the target in FY2021. • 100% of the REIT Manager's employees have undergone sustainability-related trainings in FY2020.	
Health and Well-being	• To transform our workplace by building a wellness culture that positively engages our people. • To create awareness of health management, provide support to harness mental wellness and foster a connected workforce. • To create a safe working environment and achieve zero injuries. • To conduct tenant engagement programs at least once a year for each property by FY2021 • To conduct tenant satisfaction survey	• The REIT Manager's employees now have access to the Employee Assistance Programme launched by Frasers Property Group in Singapore. • Implemented OHSAS 18001 and SS506 Part 1:2009 occupational health and management system at FCT's properties. • There was one reported injury reported at Changi City Point in FY2020. Our target is to have zero injuries and we will work towards this goal. • Developed a tenant engagement plan for FY2021 to be implemented at FCT's properties. • Achieved 92.8% participation rate. 66% of the respondents rated "Satisfied" or "Very Satisfied".	
Community Connectedness	• To seek meaningful long-term relationships that respect local cultures and create lasting benefits. • To identify measurements to understand how we are making a positive contribution.	• FCT adopted and implemented the Group Corporate Social Responsibility Policy. • FCT adheres to the Group's newly launched Community Investment Framework that provides a basis for influencing change and decisions in a coordinated way. • A total of 4.7 tonnes of foodstuff collected and donated to Food Bank for communities with food security issues. • S\$27.4 million in rental rebates through our Tenant Support Package to our tenants.	

DIVERSITY AND INCLUSION

Having a diverse and inclusive workforce is integral to our business culture and identity. We value the strengths that diversity brings – experiences, perspectives and cultures which enable us to realise our shared value of ‘experience matters’ and contributes positively to the performance of our business.

We are committed to fair and equal opportunities to all our employees. Together with our Sponsor, we are a signatory to the Tripartite Alliance for Fair & Progressive Employer Practices (“TAFEP”) in Singapore and a member of Singapore National Employer Federation. On top of that, we continue to practice an open appraisal system for all employees of the Manager and reward based on merit.

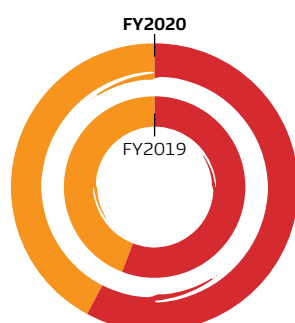
This year, the Group instituted a Diversity and Inclusion Policy, to reinforce our commitment to creating a diverse and inclusive workplace. The policy defines Frasers Property’s beliefs and actions to support a diverse workplace and how we assess our performance in delivering these actions. FCT’s approach is aligned to the policy and we aim to further embed diversity and inclusion in our culture through regular employee engagement.

FCAM’s Employee Profile

Employee Breakdown by Gender and Age Group

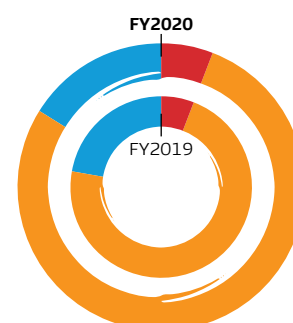
By Gender

	FY2020	FY2019
Female	58%	56%
Male	42%	44%



By Age

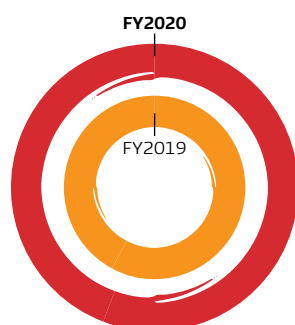
	FY2020	FY2019
< 30 Years Old	5%	6%
30-50 Years Old	79%	72%
> 50 Years Old	16%	22%



New Hires by Gender and Age Group

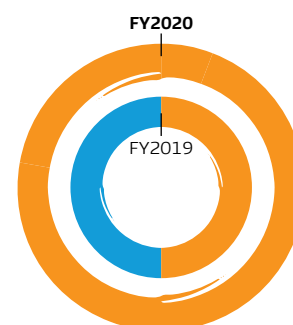
New Hires by Gender

	FY2020	FY2019
Female	100%	0%
Male	0%	100%



New Hires by Age

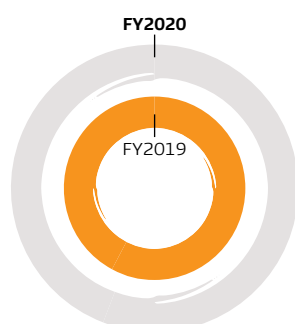
	FY2020	FY2019
< 30 Years Old	0%	0%
30-50 Years Old	100%	50%
> 50 Years Old	0%	50%



Turnover by Gender and Age Group

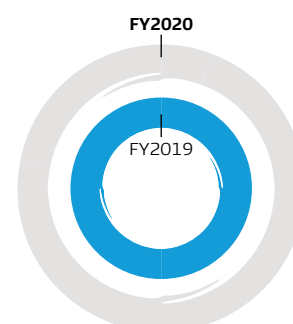
Turnover by Gender

	FY2020	FY2019
Female	0%	0%
Male	0%	100%



Turnover by Age

	FY2020	FY2019
< 30 Years Old	0%	0%
30-50 Years Old	0%	0%
> 50 Years Old	0%	100%



As at 30 September 2020, FCT has a total of 19 full-time employees⁷. The majority of the workforce, 79% falls within the age group of 30-50 years old. We have 58% of female employees within the REIT Manager's workforce. During the year, the REIT Manager hired one new employee, representing hiring rate of 5% with no employee turnover. All employees are based in Singapore.

Our employees' satisfaction is important to us and we conducted our first employee satisfaction survey last year. The purposes of this year's survey is to gather feedback on work-life balance and concerns, especially from the impact of COVID-19 and work from home arrangements. Through this year's survey, we achieved 100% survey response rate. We also want to gauge the well-being of our colleagues and to get feedback on what improvements we can make. The survey outcome shows the following highlights:

- There is strong concurrence with Frasers's corporate values: collaborative, respectful, progressive and real.
- There is a strong connections with FCT's success and achievements – this was also reflected in the previous year's survey results
- Everyone has someone to talk to when they encounter problems at work
- Most colleagues felt well supported by the company during COVID-19

The areas that require improvements were:

- 6 out of 21 or 29% responded they cannot find time for training compared with 11% last year
- Employees felt there was a compromise of well-being due to increasing workload and mental stress from work. Working from home (WFH) is the top work-related concern

We shared the survey summary with our Group HR and they will be following up with initiatives on company level that addresses some of the concerns. At present, Group HR has an existing Employee Assistance Programme that provides employees with access to counselling sessions should they feel stressed or need an outlet to cope with stress. Other actions being worked on include improving work flow that allows e-approvals,

Flexible Work Arrangements (FWA) when employees return to office and cultivating a healthy WFH culture. Some of these initiatives are planned to be rolled out in end 2020 or early 2021.

SKILLS & LEADERSHIP

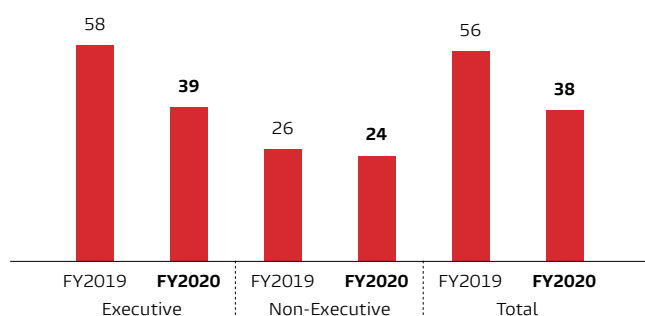
An agile and adaptive workforce strengthens the competitiveness and resilience of our business. We are committed to equipping our employees with the relevant skills and knowledge to tap into their full potential. In a rapidly evolving industry, it is key to ensure that our employees are continuously learning and developing to future-proof our business.

As part of the Frasers Property Group, our learning and development programmes are supported by the Group's in-house Learning Academy which was established since 2017. The Learning Academy provides a comprehensive range of Learning and Development programmes including trainings which are tailored to the needs of the employees.

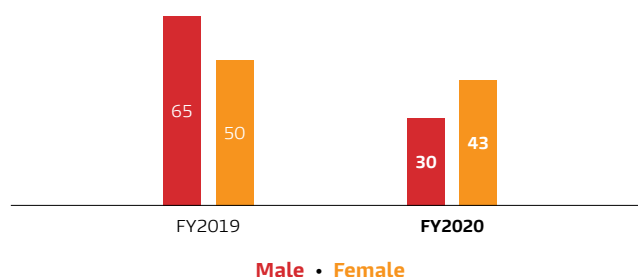
This year, due to disruption caused by COVID-19, the Learning Academy made learning accessible to all employees through remote learning with Virtual Instructor-Led Training (VILT), webinars and self-paced e-learning. An online global Learning Festival with over 40 virtual live sessions was also held to promote continuous learning. The nine-days festival centred around 'Learning for the Future' with subject matter experts from both internal and external of our organisation sharing valuable insights on relevant topics.

During the year, we recorded a total of 719 hours of training for all employees, averaging to 38 hours per employee. This is a decrease of 33% compared to FY2019, impacted by the COVID-19 outbreak. We endeavour to meet the Group's target of 40 training hours per employee in the coming year. In FY2020, we have started tracking the number of employees attending sustainability-related training. We are pleased to report that all of the REIT Manager's employees have undertaken sustainability-related training such as net zero carbon and climate risk and resilience in FY2020. In the coming year, we hope to continue to train our employees on sustainability-related topics.

FCT Average Training Hours



FCT Training Hours and Training Per Employee by Gender



⁷ All employee data disclosed in this report is in relation to the REIT Manager.



SAVING A LIFE WITH OUR QUICK ACTIONS

In September 2020, a customer service officer and two security officers saved one cleaner's life at YewTee Point. The team performed cardiopulmonary resuscitation (CPR) and mouth-to-mouth resuscitation on the cleaner who had suffered a heart attack. They also used the Automated External Defibrillator (AED) to revive the victim while awaiting the arrival of the ambulance. Thanks to their quick actions and first-aid skills, the cleaner was saved and has since been discharged from the hospital. In recognition of their courage, the Singapore Civil Defence Force (SCDF) presented the team with the Community First Responder Award.

HEALTH AND WELL-BEING

Health, safety and well-being are integral to FCT and it is of our top priority to provide a safe environment for our employees, tenants, customers and other stakeholders. We believe that we can create places that are people and safety-focused. Furthermore, we have in place policies and procedures to manage and improve health and safety at the workplace. We are also committed to promote the well-being of our employees through well-being engagement programmes.

As part of our commitment to health and safety, our properties have implemented OHSAS 18001 and SS506 Part 1:2009 occupational health and management system. Additionally, we adopt the Group's Workplace Health and Safety Policy to align with the Group's direction. Our properties are also 'BizSAFE Level Star' certified by the Workplace Safety and Health Council.

During the year, we recorded one lost-time injury with a lost-time injury rate of 0.7 and severity rate of 8.7. A cleaner at Changi City Point unfortunately slipped and fell. The cleaner was given the medical attention required and has since recovered.

Additionally, we recorded zero fatalities in FY2020 and were also compliant to the health and safety regulations at our properties with no recorded breaches during the year. We endeavour to improve our health and safety measures and strive to achieve zero incidents of injury and fatality in the coming year.

We also actively encourage our employees to maintain their wellness by participating in the Group Corporate Wellness programmes held throughout the year. Due to the impact of COVID-19, most of the programmes were conducted online to encourage our employees to remain active even when working from home.

Ensuring Health and Well-being over the COVID-19 Pandemic

With a portfolio of seven properties across Singapore, we recognise the critical role we play as owner and manager of places where communities congregate. Measures were taken to enhance our health and safety practices during and after operational hours.

Our properties adapted and coordinated action plans in line with the government's direction to ensure the health and safety of our people and communities through compliance to government orders, guidelines and health advisories on COVID-19.

We implemented twice daily temperature taking for staff and conducted temperature screening for visitors in our malls. Shoppers are reminded to comply with health advisory guidelines through notices placed at mall entrances. To guide shoppers to practice safe distancing, markers were placed on the floors at various locations.

We also increased the frequency of disinfection for areas with high traffic. PhotoPlasma air and surface disinfecting units were installed in restrooms and lifts to complement our cleaning efforts. We are also the first mall operator in Singapore to roll out made-in-Singapore UV Disinfecting autonomous mobile robots – called Sunburst UV Bots. 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.

All our properties are SG Clean certified, a recognition of our commitment to the highest standards of environmental public hygiene maintained at our properties. It is also a testament to our commitment to safeguarding the health of the public within our properties.

In preparation for our tenants' phased reopening, we circulated a 'Welcome Back' tenant partner information kit to outline the precautionary measures we have taken at our properties and expectations on the tenants' sanitation and maintenance of their premises. As part of our engagement, we also encouraged tenants to apply for SG Clean certification to boost public confidence in their business.



▲ Safety measures

COMMUNITY CONNECTEDNESS

We are committed to enriching the communities by creating places for good and thrive. FCT emphasises on making meaningful contributions for communities to ensure that they grow alongside our business, build long-lasting relationships and create lasting impacts. We seek partnerships with local communities and non-profit organisations to plan this journey together.

Our approach towards philanthropy and volunteering activities are guided by the newly-launched Community Investment Framework by the Sponsor. It sets the foundation for FCT to make informed decisions and influence change in the community. The Framework prioritises three focus areas – Environment, Health and Education as key areas where we would like to make the greatest positive impact in the communities we operate in.

Health

As part of Frasers Property Retail, we launched a food collection drive across our properties in collaboration with our long-term partner, Food Bank Singapore. The main objective of the campaign was to tackle hunger issues while reducing food waste. We collected non-perishable food stuff to be donated to those facing food insecurity. Donors were rewarded with S\$5 Frasers Retail digital gift cards when they donate a minimum of five items. Throughout the campaign, Frasers Property gave out over S\$63,600 worth of digital gift cards and point rewards. Additionally, we have an ongoing collaboration with Food Bank to collect foodstuff for donation through strategically placed collection bins across our malls. In FY2020, we successfully collected a total of 4,686 kg of food to be donated to communities with food security issues.



▲ UV bot

We also partner with various organisations such as Health Promotion Board and Cancer Prevention Society to organise campaigns and roadshows at our malls throughout the year. One of the key campaigns held in collaboration with Health Promotion Board was the 'Eat, Drink, Shop Healthy' Campaign. The campaign aimed to raise awareness on healthy eating habits among shoppers. We provided venue space and promoted the event through our ad spaces and social media.

Education

Education is an important factor in driving change and raising awareness among the community. We strive to empower the community through knowledge on various topics such as crime prevention, first-aid skills and recycling. At Anchorpoint, a one-day Crime Prevention Engagement was held in partnership with the Singapore Police Force to educate the public on crime prevention. Together with Singapore Heart Foundation, a two month-long Hands-only CPR Challenge was held in November 2019. The challenge aimed to improve CPR skills within the community. Interactive CPR kiosks were placed in the mall as a strategy to engage shoppers on CPR.



▲ SGUnited Info Kiosk



▲ Mask distribution



▲ Razer's mask vending machine

Community

Tenant Support Package during COVID-19

Frasers Property Retail and Frasers Centrepoint Trust rolled out two Tenant Support Packages (the "TSP") in February 2020 and March 2020 to help their tenants across the Group's retail properties in Singapore cope with the cashflow and business disruptions as the COVID-19 situation evolved. The initial TSP comprised full pass-on of the 15% property tax rebate to tenants, flexible opening hours, enhanced marketing programs to drive traffic. However, as the COVID-19 situation heightened, the Group announced a S\$45 million rental rebate for its tenants. This was followed by the Group's adherence to the Government's Rental Relief Framework which mandated commercial landlords to provide two months of rental rebates to match the same amount by the Government. The total amount of rental rebates from FCT as at end of FY2020 was S\$27.4 million.

Contributing to SGUnited

In partnership with Workforce Singapore and Marsiling Constituency Office, Causeway Point hosted the SGUnited Info Kiosk at the mall's atrium. This three-day roadshow, which commenced on 13 September 2020, provided the visitors to the kiosk information on the 100,000 jobs, traineeships and skills upgrading opportunities to be created under the SGUnited Jobs and Skills Package.

Caring for our tenants and frontline colleagues

Together with Frasers Property Retail, we distributed masks to over 1,300 tenants and frontline workers across all our properties. The masks were purchased through our US\$50,000 upfront commitment to Razer, a local firm that converted its manufacturing line to meet the shortage of masks at the peak of the outbreak. Following that, we provided retail spaces across all our properties for the deployment of Razer's mask vending machine for citizens to claim their free mask under the #ForSingaporeansBySingaporeans initiative. We also handed out care kits to the frontline teams at our properties in appreciation of their dedication to ensure that our staff and customers have a safe environment to live, work and play in.

ABOUT THIS REPORT

This is FCT's sixth Sustainability Report and this report discloses FCT's Environmental, Social and Governance (ESG) performance for all FCT properties during the period from 1 October 2019 to 30 September 2020 ("FY2020").

This report has been prepared in accordance with the sustainability reporting requirements set out in the SGX-ST Listing Manual (Rules 711A and 711B) and continue to prepare the Report in accordance with the GRI Standards (2016): Core Option.

REPORT SCOPE

Data disclosed in this Sustainability Report covers all properties owned by FCT⁸ during the year under review, in Singapore unless stated otherwise. The employee related information disclosed refer 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 has 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.

FEEDBACK

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

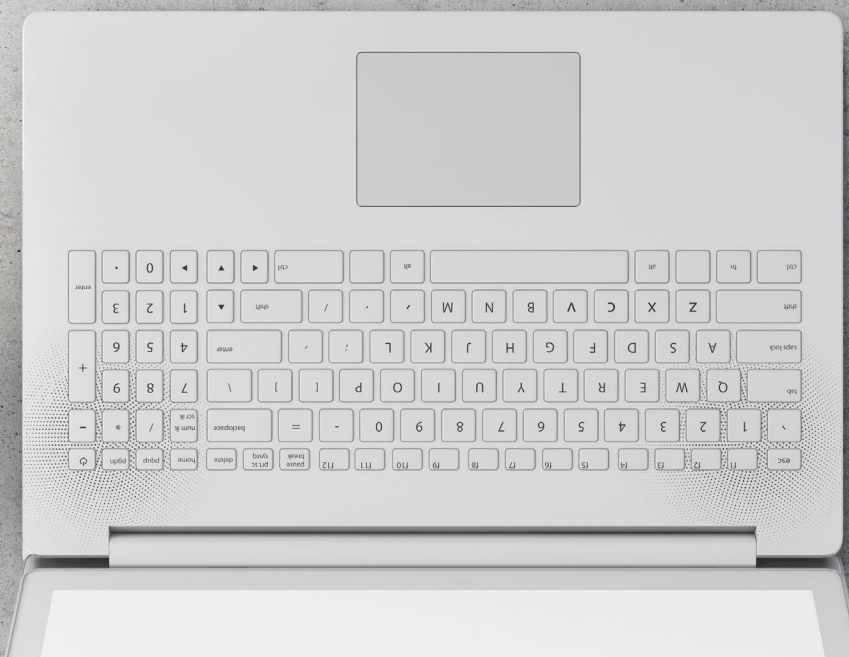
Mr Chen Fung Leng

Vice President, Investor Relations

Frasers Centrepoint Trust

Email: funleng.chen@frasersproperty.com

8 FCT owns seven properties including Causeway Point, Waterway Point, Northpoint City, Changi City Point, YewTee Point, Anchorpoint and Bedok Point.



GRI

CONTENT INDEX

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
Universal Standards			
GRI 102: General Disclosures	Organisational Profile		
	102-1	Name of the organisation	Frasers Centrepoint Trust
	102-2	Activities, brands, products, and services	About Frasers Centrepoint Trust (Pg 2)
	102-3	Location of headquarters	Corporate Information (inside back cover)
	102-4	Location of operations	About Frasers Centrepoint Trust (Pg 2) Structure of Frasers Centrepoint Trust (Pg 3)
	102-5	Ownership and legal form	About Frasers Centrepoint Trust (Pg 2) Structure of Frasers Centrepoint Trust (Pg 3)
	102-6	Markets served	FCT Portfolio Overview (Pgs 50-66)
	102-7	Scale of the organisation	About Frasers Centrepoint Trust (Pg 2) Financial Review (Pgs 30-31) Focusing on People – Diversity and Inclusion (Pgs 91-92)
	102-8	Information on employees and other workers	Focusing on People – Diversity and Inclusion (Pgs 91-92)
	102-9	Supply chain	Consuming Responsibly (Pgs 87-89) Managing Sustainability – Stakeholder Management (Pgs 80-81)
	102-10	Significant changes to organisation and its supply chain	About This Report – Report Scope (Pg 96)
	102-11	Precautionary principle or approach	FCT does not specifically refer to the precautionary approach when managing risk; however, our management approach is risk-based, and underpinned by our internal audit framework.
	102-12	External initiatives	Managing Sustainability – Stakeholder Management (Pgs 80-81) Acting Progressively – Responsible Investment (Pg 85)
	102-13	Membership of associations	Managing Sustainability – Stakeholder Management (Pgs 80-81) Managing Sustainability – Industry Alignment (Pg 82)
	Strategy		
	102-14	Statement from senior decision-maker	Board Statement (Pg 76)
	Ethics and Integrity		
	102-16	Values, principles, standards, and norms of behaviour	Acting Progressively – Risk-based Management (Pg 85)

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
GRI 102: General Disclosures	Governance		
	102-18	Governance structure	Structure of FCT and Organisation Structure of the Manager (Pg 3) Board of Directors (Pgs 16-19) Trust Management Team (Pgs 20-21) Corporate Governance Report (Pgs 101-136) Managing Sustainability – Sustainability Governance (Pg 80)
	Stakeholder Engagement		
	102-40	List of stakeholder groups	Managing Sustainability – Stakeholder Management (Pgs 80-81)
	102-41	Collective bargaining agreements	There are no collective bargaining agreements in place.
	102-42	Identifying and selecting stakeholders	Managing Sustainability – Stakeholder Management (Pgs 80-81)
	102-43	Approach to stakeholder engagement	Managing Sustainability – Stakeholder Management (Pgs 80-81)
	102-44	Key topics and concerns raised	Managing Sustainability – Stakeholder Management (Pgs 80-81)
	Reporting Practice		
	102-45	Entities included in the consolidated financial statements	Structure of Frasers Centrepoint Trust (Pg 3) Notes to the Financial Statements (Pgs 154-211)
	102-46	Defining report content and topic Boundaries	About This Report – Report Scope (Pg 96) Our Sustainability Framework (Pg 79) Managing Sustainability – Stakeholder Management (Pgs 80-81), Materiality Assessment (Pg 83)
	102-47	List of material topics	Managing Sustainability – Materiality Assessment (Pg 83)
	102-48	Restatements of information	Consuming Responsibly – Energy & Carbon, Water (Pgs 88-89) Restatement due to change in reporting practice in alignment with the Group.
	102-49	Changes in reporting	None
	102-50	Reporting period	About This Report (Pg 96)
	102-51	Date of most recent report	December 2019
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	About This Report – Feedback (Pg 96)
	102-54	Claims of reporting in accordance with GRI Standards	About This Report (Pg 96)
	102-55	GRI content index	GRI Content Index (Pgs 97-100)
	102-56	External assurance	We have not sought external assurance on this data; however we intend to review this stance in the future.
Management Approach			
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	Managing Sustainability – Materiality Assessment (Pg 83)

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
Topic-specific Standards			
Economic Performance			
GRI 103: Management Approach	103-2	The management approach and its components	Business Objectives and Growth Strategies (Pg 4)
	103-3	Evaluation of the management approach	
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Financial Review (Pgs 30-33) Financial Statements (Pgs 137-211)
Anti-corruption			
GRI 103: Management Approach	103-2	The management approach and its components	Acting Progressively – Risk-based Management (Pg 85)
	103-3	Evaluation of the management approach	
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	
Environmental Compliance			
GRI 103: Management Approach	103-2	The management approach and its components	Acting Progressively – Risk-based Management (Pg 85)
	103-3	Evaluation of the management approach	
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	
Ethical Marketing			
GRI 103: Management Approach	103-2	The management approach and its components	Acting Progressively – Risk-based Management (Pg 85)
	103-3	Evaluation of the management approach	
GRI 417: Marketing and Labelling	417-3	Incidents of non-compliance concerning marketing communications	
Energy Management			
GRI 103: Management Approach	103-2	The management approach and its components	Consuming Responsibly – Energy & Carbon (Pg 88)
	103-3	Evaluation of the management approach	
GRI 302: Energy	302-1	Energy consumption within the organization	
	302-3	Energy intensity	
GRI 305: Emissions	305-2	Energy indirect (Scope 2) GHG emissions	
	305-4	GHG emissions intensity	
Water Management			
GRI 103: Management Approach	103-2	The management approach and its components	Consuming Responsibly – Water (Pgs 88-89)
	103-3	Evaluation of the management approach	
GRI 303: Water	303-1	Water withdrawal by source	

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
Staff Retention and Development			
GRI 103: Management Approach	103-2	The management approach and its components	Focusing on People – Diversity & Inclusion (Pgs 91-92)
	103-3	Evaluation of the management approach	Focusing on People – Skills & Leadership (Pg 92)
GRI 401: Employment	401-1	New employee hires and employee turnover	Focusing on People – Diversity & Inclusion (Pgs 91-92)
GRI 404: Training and Education	404-1	Average hours of training per year per employee development reviews	Focusing on People – Skills & Leadership (Pg 92)
	404-2	Programs for upgrading employee skills and transition assistance programs	Focusing on People – Skills & Leadership (Pg 92)
	404-3	Percentage of employees receiving regular performance and career development reviews	Focusing on People – Diversity & Inclusion (Pg 91)
Labour/Management Relations			
GRI 103: Management Approach	103-2	The management approach and its components	Focusing on People – Diversity & Inclusion (Pgs 91-92)
	103-3	Evaluation of the management approach	
GRI 402: Labour/ Management Relations	402-1	Minimum notice periods regarding operational changes	This is currently not covered in Group-wide collective agreements. The notice period varies.
Health and Safety			
GRI 103: Management Approach	103-2	The management approach and its components	Focusing on People – Health & Well-being (Pg 93)
	103-3	Evaluation of the management approach	FCT is represented in the Sponsor’s Health & Safety senior management committee.
GRI 403: Occupational Health and Safety	403-1	Workers representation in formal joint management-worker health and safety committees	
	403-2	Types of injuries and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	
Local Communities			
GRI 103: Management Approach	103-2	The management approach and its components	Focusing on People – Community Connectedness (Pgs 94-95)
	103-3	Evaluation of the management approach	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	
Additional Disclosure			
Effluents and Waste			
GRI 103: Management Approach	103-2	The management approach and its components	Consuming Responsibly – Waste (Pg 89)
	103-3	Evaluation of the management approach	
GRI 306: Effluents and Waste	306-2	Waste by type and disposal method	

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 rules of the SGX-ST (the “**Listing Rules**”) 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 (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 explain the reason for the variation and how the practices nevertheless are consistent with the intent of the relevant principle of the CG Code. The Manager is also guided by the voluntary Practice Guidance which was issued to complement the CG Code and which sets out best practices for issuers; as this will build investor and stakeholder confidence in FCT and the Manager. A summary of compliance with the express disclosure requirements in the principles and provisions of the CG Code is set out on pages 134 to 136.

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. and its wholly-owned subsidiary, Asiamalls Management Pte. Ltd., in its day-to-day management of the properties within FCT’s portfolio, namely, Anchorpoint, Causeway Point, Northpoint City North Wing and Yishun 10 retail podium, YewTee Point, Bedok Point, Changi City Point, Waterway Point (40% 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 focussed 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.

CORPORATE GOVERNANCE REPORT

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 (Chapter 289 of Singapore) ("**SFA**"), the listing manual of the SGX-ST (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 and restated) (the "**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.

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 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 41.05% 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 and the Manager's approach to corporate governance, including the organisational culture, values and ethical standards of conduct, and works with Management on its implementation across all levels of the organisation, as well as focus on value creation, innovation and sustainability. 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. It also oversees Management to ensure transparency and accountability to key stakeholder groups.

The Chairman

The chairman of the Board (the "**Chairman**") leads the Board. The Chairman sets the right ethical and behavioural tone and ensures the Board's effectiveness by, among other things, encouraging active and effective engagement, participation by and contribution from all directors of the Manager (the "**Directors**") and facilitating positive relations among and between them and Management. The Chairman promotes a culture of openness 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.

CORPORATE GOVERNANCE REPORT

Role of Management

The Management is led by the Chief Executive Officer (the “**CEO**”) of the Manager. The CEO is responsible and is accountable to the Board for the conduct and performance of Management. Senior Management comprising the CEO and the Chief Financial Officer (the “**CFO**”) of the Manager (collectively, “**Key Management Personnel**”) are responsible for executing the Manager’s strategies and policies and are accountable to the Board for the planning, direction, control, conduct and performance of the business operations of the Manager.

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. There are two Board Committees, namely, the Audit, Risk and Compliance Committee (the “**ARCC**”), and the Nominating and Remuneration Committee (the “**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.

Membership	Audit, Risk and Compliance Committee ⁽¹⁾	Key Objectives
Ms Koh Choon Fah, <i>Chairman</i> ⁽²⁾ Dr Cheong Choong Kong, <i>Member</i> Mr Ho Chai Seng, <i>Member</i> Mr Ho Chee Hwee Simon, <i>Member</i> ⁽³⁾	•	Assist the Board in fulfilling responsibility for overseeing the quality and integrity of the accounting, auditing, internal controls, risk management and financial practices of the Manager

Notes:

- (1) Unless otherwise stated, the information provided herein is as of 30 September 2020.
- (2) Ms Koh Choon Fah was appointed as a non-executive and independent Director, a member of the ARCC and a member of the NRC with effect from 1 October 2019. Ms Koh Choon Fah was appointed as the chairman of the ARCC with effect from 1 November 2019.
- (3) Mr Ho Chee Hwee Simon served as the Chairman of the ARCC until 1 November 2019. With effect from 1 November 2019, Mr Ho Chee Hwee Simon relinquished his role as the chairman of the ARCC and remains as a non-executive and non-independent Director and a member of the ARCC and the NRC.

As at 30 September 2020, the ARCC is made up of non-executive Directors, the majority of whom, including the chairman of the ARCC, are independent Directors. The 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.

CORPORATE GOVERNANCE REPORT

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 outsourced;
- Financial Reporting: reviewing and reporting to the Board, the significant financial reporting issues and judgments 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 CFO 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;
- 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.

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, including reviewing the audit plans, and evaluating the internal accounting controls, the audit reports 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.

CORPORATE GOVERNANCE REPORT

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. Further information on the key activities conducted by the ARCC can be found in the sections titled "Financial Performance, Reporting and Audit" on page 123 and "Governance of Risk and Internal Controls" on pages 125 to 128.

Nominating and Remuneration Committee	
Membership	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>	- 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

As at 30 September 2020, 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 Board appointments and re-appointments, 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 making recommendations to the Board on training and professional development programmes for the Board and the Directors.

CORPORATE GOVERNANCE REPORT

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 109
- “Board Composition” on pages 109 to 117
- “Directors’ Independence” on pages 112 to 116
- “Board Performance Evaluation” on page 117

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.

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 which are not overly generous. 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 Resources 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 Authority (the “**MOA**”). The MOA 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 and asset enhancement initiatives.

While day-to-day operations of the business are delegated to Management, in the Board’s exercise of its leadership and oversight of FCT, the MOA contains a schedule of matters specifically reserved for approval by the Board. These include approval of annual budgets, financial plans, business strategies and material transactions, namely, major acquisitions, divestments, funding and investment proposals, and appointment of key executives.

CORPORATE GOVERNANCE REPORT

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 the financial year ended 30 September 2020 ("FY20"):

	Board Meetings	Audit, Risk and Compliance Committee Meetings	Nominating and Remuneration Committee Meetings	Annual General Meeting	Extraordinary General Meeting ⁽¹⁾
Meetings held for FY20	6	4	2	1	1
Dr Cheong Choong Kong	6 (C) ⁽²⁾	4	2	1 (C) ⁽²⁾	1 (C) ⁽²⁾
Mr Philip Eng Heng Nee ⁽³⁾	1	1	N.A.	N.A.	N.A.
Mr Ho Chai Seng	6	4	2 (C) ⁽²⁾	1	1
Mr Ho Chee Hwee Simon	6	4 (C) ⁽²⁾⁽⁴⁾	2	1	1
Ms Koh Choon Fah	6	4 (C) ⁽²⁾⁽⁵⁾	2	1	1
Mr Low Chee Wah ⁽⁶⁾	5	N.A.	N.A.	1	1
Mr Christopher Tang Kok Kai	6	N.A.	2	1	1

Notes:

- (1) Extraordinary General Meeting held on 28 September 2020.
- (2) (C) refers to chairman.
- (3) Mr Philip Eng Heng Nee retired as a Director and a member of the ARCC on 3 January 2020.
- (4) Mr Ho Chee Hwee Simon served as the Chairman of the ARCC until 1 November 2019. With effect from 1 November 2019, Mr Ho Chee Hwee Simon relinquished his role as the chairman of the ARCC and remains as a non-executive and non-independent Director and a member of the ARCC and the NRC.
- (5) Ms Koh Choon Fah was appointed as the chairman of the ARCC with effect from 1 November 2019.
- (6) Mr Low Chee Wah was appointed as a non-executive Director on 3 January 2020.

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.

Directors are provided with Board papers setting out 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), 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. At least once a year and 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.

CORPORATE GOVERNANCE REPORT

Matters discussed by Board and Board Committees in FY20 BOARD

- | | | |
|----------------------------------|-------------------------|--|
| • Strategy | • Financial Performance | • Feedback from Board Committees |
| • Business and Operations Update | • Governance | • Acquisitions and Divestments Proposals |

Audit, Risk and Compliance Committee

- External and Internal Audit
- Financial Reporting
- Stress Tests on Liquidity and Loan Covenants
- Internal Controls and Risk Management
- Related/Interested Person Transactions
- Conflicts of Interests

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 also provides Directors with 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 on-going and timely basis to enable them to discharge their duties and responsibilities properly. 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 sufficient information to enable them to ensure that they prepare adequately for Board and Board Committee meetings, and devote sufficient time and attention to the affairs of FCT and the Manager. At Board and Board Committee meetings, the Directors 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.

The Company Secretary

The Company Secretary of the Manager ("**Company Secretary**"), who is legally trained and familiar with company secretarial practices, is responsible for administering and executing Board and Board Committee procedures in compliance with the Companies Act (Chapter 50 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 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 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.

CORPORATE GOVERNANCE REPORT

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 duties and obligations, including his or her responsibilities as fiduciaries and on the policies relating to conflicts of interest. 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.

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 FY20, the Directors were updated on (a) changes in Financial Reporting Standards; (b) SGX-ST Listing Rules revisions on enhancing continuous disclosures and; (c) tax regulations in relevant jurisdictions.

To ensure the Directors can fulfil their obligations 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.

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 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 ⁽²⁾	Non-Executive (Non-Independent) Director	•	•
Ms Koh Choon Fah ⁽³⁾	Non-Executive (Independent) Director	• (Chairman)	•
Mr Low Chee Wah ⁽⁴⁾	Non-Executive (Non-Independent Director)		
Mr Christopher Tang Kok Kai	Non-Executive (Non-Independent) Director		•

Notes:

- (1) Unless otherwise stated, the information provided herein is as of 30 September 2020.
- (2) Mr Ho Chee Hwee Simon served as the Chairman of the ARCC until 1 November 2019. With effect from 1 November 2019, Mr Ho Chee Hwee Simon relinquished his role as the chairman of the ARCC and remains as a non executive and non-independent Director and a member of the ARCC and the NRC.
- (3) Ms Koh Choon Fah was appointed as a non-executive and independent Director, a member of the ARCC and a member of the NRC with effect from 1 October 2019. Ms Koh Choon Fah was appointed as the chairman of the ARCC with effect from 1 November 2019.
- (4) Mr Low Chee Wah was appointed as a non-executive Director on 3 January 2020.

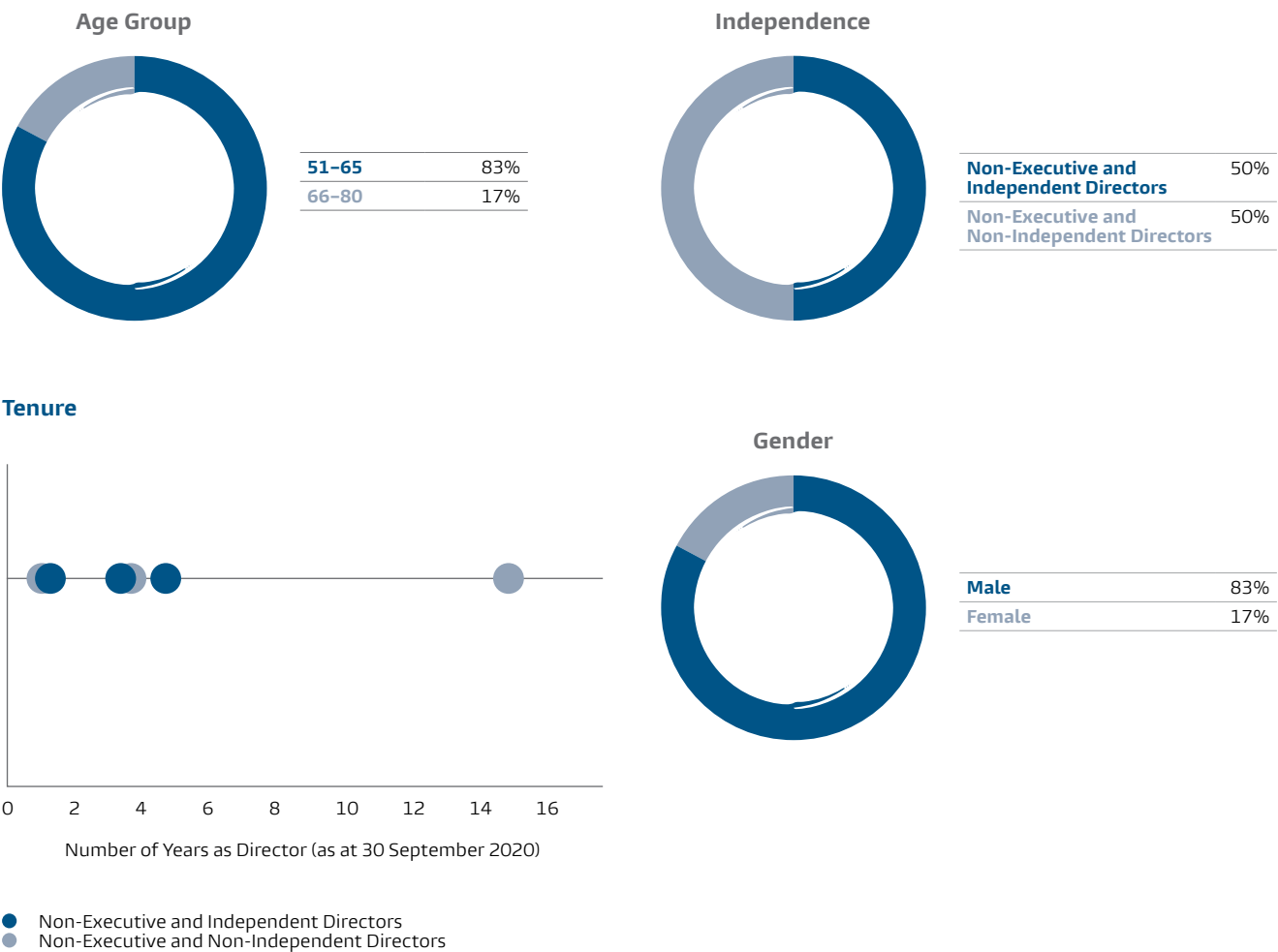
CORPORATE GOVERNANCE REPORT

Profiles of each of the Directors can be found at pages 16 to 19.

As can be seen from the table above, as at 30 September 2020, all of the Directors are non-executive and at least half of the Board comprises independent Directors.

The NRC reviews, on an annual basis, the Board structure, size, 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 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.

Board Composition in terms of Age Group, Independence, Tenure and Gender (as at 30 September 2020)



CORPORATE GOVERNANCE REPORT

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, each Director's experience, education, expertise, judgment, 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 to the Board and whether they are likely to have adequate time to discharge their duties.

The NRC considers a range of different channels to source and screen 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 assessing and selecting potential candidates. Suitable candidates are carefully evaluated by the NRC so that recommendations made on proposed candidates are objective and well supported. 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.

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 conducted by the external consultant, the Directors assess whether Board members effectively manage his or her directorships and have the time and ability to contribute to the Board. The assessment also takes into consideration Directors' commitment, conduct and contributions (such as participation, candour and ability to make quality decisions) at Board meetings, as well as whether Directors' engagement with Management is adequate and effective. Further details on the Board evaluation exercise is set out under the section "Board Performance Evaluation" on page 117.

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. 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/specific diversity targets, with a view to achieving an optimal Board composition, and these objectives/specific diversity targets may be reviewed by the NRC from time to time to ensure their appropriateness.

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.



CORPORATE GOVERNANCE REPORT

Directors' Independence

The Directors exercise their judgment 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. The Directors complete a declaration of independence annually which is reviewed by the NRC.

Based on the declarations of independence of the Directors, and having regard to the circumstances set forth in Provision 2.1 of the CG Code, Rule 210(5)(d) of the SGX-ST Listing Manual, 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 and the Board have determined that for FY20, 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

Dr Cheong Choong Kong is a director of the National Council of Social Services as at 30 September 2020. He has confirmed, *inter alia*, that he is:

- (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 judgment as a Director;
- (b) (i) is not an executive director of the Manager or any of its related corporations and is not employed by the Manager, any of its related corporations or the Trustee for FY20 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 FY20 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 or 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 has determined that, Dr Cheong Choong Kong is an independent director as at 30 September 2020.

CORPORATE GOVERNANCE REPORT

Mr Ho Chai Seng

As at 30 September, Mr Ho Chai Seng does not hold other directorships. He has confirmed, *inter alia*, that he is:

- (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 judgment as a Director;
- (b) (i) is not an executive director of the Manager or any of its related corporations and is not employed by the Manager, any of its related corporations or the Trustee for FY20 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 FY20 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 or 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 has determined that Mr Ho Chai Seng is an independent director as at 30 September 2020.

Ms Koh Choon Fah

As at 30 September 2020, Ms Koh Choon Fah is a director of the following companies:

- Edmund Tie & Company (SEA) Pte. Ltd.;
- Edmund Tie & Company (Thailand) Co., Ltd.;
- Edmund Tie & Company Hospitality Management Services Pte. Ltd.;
- Edmund Tie & Company Property Management Services Pte. Ltd.;
- Edmund Tie & Company Sdn. Bhd.;
- Edmund Tie Holdings Pte. Ltd.;
- ET Investment Holdings Pte. Ltd.;
- ET Investment Management (Singapore) Pte. Ltd.;
- New Horizon Holdings Pte. Ltd.; and
- OrangeTee & Tie (JV) Pte. Ltd.

CORPORATE GOVERNANCE REPORT

She has confirmed, *inter alia*, that she is:

- (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 her independent judgment as a Director;
- (b) (i) is not an executive director of the Manager or any of its related corporations and is not employed by the Manager, any of its related corporations or the Trustee for FY20 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 FY20 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 or 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 116, Ms Koh Choon Fah is an independent director as at 30 September 2020.

Notes:

- (1) A Director is "**connected**" to a substantial shareholder of the Manager or a substantial Unitholder if: (a) (where such shareholder or Unitholder is an individual) the Director is a member of the immediate family of such substantial shareholder or substantial Unitholder or employed by such substantial shareholder or substantial Unitholder or accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of such substantial shareholder or substantial Unitholder; and (b) (where such shareholder or Unitholder is a corporation) the Director is employed by or a director of such substantial shareholder, substantial Unitholder, their related corporations or associated corporations or 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.
- (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 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.

CORPORATE GOVERNANCE REPORT

The Board has considered the relevant requirements under the SFLCB Regulations and its views in respect of the independence of each Director for FY20 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⁾	Mr Christopher Tang Kok Kai ⁽⁴⁾
(i) had been independent from the management of the Manager and FCT during FY20	✓	✓	✓	✓		
(ii) had been independent from any business relationship with the Manager and FCT during FY20	✓		✓		✓	
(iii) had been independent from every substantial shareholder of the Manager and every substantial Unitholder during FY20	✓		✓	✓		
(iv) had not been a substantial shareholder of the Manager or a substantial Unitholder during FY20	✓	✓	✓	✓	✓	✓
(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 FY20	✓	✓	✓	✓	✓	

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 would receive director's fees amounting to S\$75,000 per year and advisor's fees amounting to S\$175,000 per year respectively. During the financial year ended 30 September 2019 ("FY19"), the NRC reviewed such appointments and was satisfied that such appointments did not affect his continued ability to exercise strong objective judgment and be independent in the expression of his views and in his participation in the deliberations and decision-making of the Board and the Board Committees of which he is a member and that Mr Ho Chee Hwee Simon is able to act in the best interests of Unitholders as a whole.

Mr Ho Chee Hwee Simon was subsequently 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 would receive director's fees of S\$75,000 per year. The total fees that Mr Ho Chee Hwee Simon will be receiving for the Prior Appointments and the FPS Appointment will amount to S\$325,000.

FPL wholly-owns the Manager and is a substantial Unitholder. Pursuant to the SFLCB Regulations, during FY20, 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 NRC and the Board after taking into consideration the scope of the FPS Appointment and the total fees that Mr Ho Chee Hwee Simon would be receiving for the Prior Appointments and the FPS Appointment, deemed that Mr Ho Chee Hwee Simon had ceased to be considered independent as he was not independent from any business relationship with the Manager and FCT; and not independent from every substantial shareholder of the Manager and every substantial Unitholder.

With effect from 1 November 2019, Mr Ho Chee Hwee Simon relinquished his role as the chairman of the ARCC and remains as a non-executive and non-independent Director and a member of the ARCC and the NRC.

The Board of the Manager is satisfied that, as at 30 September 2020, Mr Ho Chee Hwee Simon was able to act in the best interests of all Unitholders as a whole. As at 30 September 2020, Mr Ho Chee Hwee Simon was able to act in the best interests of all Unitholders as a whole.

CORPORATE GOVERNANCE REPORT

- (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**"), in respect of which Ms Koh Choon Fah is the chief executive officer and executive director (the "**ETCSEA Appointments**"). Pursuant to the SFLCB Regulations, Ms Koh Choon Fah is deemed to have a business relationship with the Manager and FCT.

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 and received fees therefor (the "**ETCSEA Fees**"). The fees paid by FCT to ETCSEA during FY20 amounted to approximately less than S\$60,000.

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 judgment 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. Ms Koh Choon Fah will also not be involved in the provision of such services to FCT, which will instead be provided by the other professionals of ETCSEA.

The Board of the Manager is satisfied that, as at 30 September 2020, Ms Koh Choon Fah was able to act in the best interests of all Unitholders as a whole. As at 30 September 2020, 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 and/or associated companies of FPL, which wholly owns the Manager and is a substantial Unitholder. As such, during FY20, 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 2020, Mr Low Chee Wah was able to act in the best interests of all Unitholders as a whole. As at 30 September 2020, Mr Low Chee Wah was able to act in the best interests of all Unitholders as a whole.
- (4) During FY20, Mr Christopher Tang Kok Kai was employed by a related corporation of the Manager and was a director of various subsidiaries and/or associated companies of FPL, which wholly owns the Manager and is a substantial Unitholder. Mr Christopher Tang Kok Kai retired on 31 December 2019. Following his retirement, Mr Christopher Tang Kok Kai is appointed as an advisor to FPL with effect from 1 January 2020 (the "**FPL Appointment**") and receives advisor's fees amounting to S\$216,000 per year. With effect from 1 April 2020, the advisory services relating to the FPL Appointment are performed by Mr Christopher Tang Kok Kai through CT Advisory, a sole-proprietorship of which Mr Christopher Tang Kok Kai is the sole-proprietor. As such, during FY20, he is deemed (i) to have a management relationship with the Manager and FCT; (ii) to have a business relationship with the Manager and FCT; and (iii) connected to a substantial shareholder of the Manager and substantial Unitholder. The Board of the Manager is satisfied that, as at 30 September 2020, Mr Christopher Tang Kok Kai was able to act in the best interests of all Unitholders as a whole. As at 30 September 2020, Mr Christopher Tang Kok Kai 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 judgment 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 2020, none of the independent Directors have been 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.

No alternate directors have been appointed on the Board for FY20.

Conflict Policy

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 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 2020, 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 (Chapter 50 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 criteria for evaluation of the performance of the Board as a whole, each of the Board Committees and the Directors.

The effectiveness of the Board as a whole, the Board Committees and the contribution by each Director to the effectiveness of the Board are assessed annually. The Board, with the recommendation of the NRC, has implemented a formal process for assessing the effectiveness of the Board and Board Committees and the contribution by each Director to the effectiveness of the Board.

For FY19 and FY20, an independent external consultant, Ernst & Young Advisory Pte. Ltd. was appointed to facilitate the process of conducting a Board evaluation survey. The external consultant has no connection with FCT or any of the Directors, apart from being the consultant in previous financial year(s). The outcome of the evaluation in relation to FY19 was satisfactory and based on the responses received, ratings were 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 FY20, the survey was 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. As part of the survey, the external consultant will facilitate questionnaires to be sent to all Directors as well as conduct interviews with some Directors to obtain their feedback.

The objective performance criteria covered in the Board evaluation exercise relate to the following key segments: (a) the Board's contribution to the overall development of FCT's strategic and performance orientation; (b) Board priorities; (c) Board composition and skills; (d) Governance of the Board and organisation focus; (e) the effectiveness of the Board's internal operations and Board dynamics, as well as engagement with key investors, Unitholders and strategic stakeholders; (f) the Board's relationship with Management; (g) the Board's role in respect of Director development and succession planning for the Board and Management; (h) Director performance, which includes an evaluation of whether each Director is willing to challenge and ask questions to address gaps in and add to others' thinking, effective in fulfilling and delivering value on his/her responsibilities and acts as a valuable resource in fulfilling the Board's accountabilities; (i) the Board's governance in the management of a REIT; and (j) the effectiveness of the Board Committees. The responses to the questionnaires and interviews would be summarised by the external consultant and its report would be submitted to the NRC. 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.

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.

CORPORATE GOVERNANCE REPORT

Compensation Philosophy

The Manager seeks to incentivise and reward consistent and sustained performance through market competitive, internally equitable, performance-orientated and Unitholder-aligned compensation programmes. 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 FY20, Korn Ferry 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.

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, 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.

CORPORATE GOVERNANCE REPORT

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

An 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.

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 People, Corporate Governance, Sustainability or specified projects. 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.

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 adopted 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.

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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 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, which also takes into account FCT’s performance and that of its employees.

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 judgment 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.

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 Total Return (against a peer group) and, (d) Targeted Asset Divestment/Recycling. 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) people development and branding, (ii) corporate governance and compliance, (iii) sustainability and (iv) IT and cyber-security. 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 FY20, the pre-determined target performance levels for the RUP grant were partially 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.

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Remuneration Packages of Key Management Personnel

The NRC reviews and makes recommendations on the specific packages and service terms for the Key Management Personnel for endorsement by the Board. 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.

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.

The Manager's Board fee structure during FY20 is set out below.

	Basic Fee per annum (S\$)	Attendance Fee per meeting ⁽¹⁾ (for physical attendance in Singapore) (S\$)	Attendance Fee per meeting (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

Note:

(1) The attendance fee applies for attendance in person in Singapore.

CORPORATE GOVERNANCE REPORT

Disclosure of Remuneration of Directors and Key Executives of the Manager

Information on the remuneration of Directors and key executives of the Manager for FY20 is set out below.

Directors of the Manager	Remuneration ^(*) S\$
Dr Cheong Choong Kong	129,166.67
Mr Philip Eng Heng Nee ⁽¹⁾	19,599.47
Mr Ho Chai Seng	91,791.67
Mr Ho Chee Hwee Simon	86,208.33 ⁽²⁾
Ms Koh Choon Fah	102,041.67
Mr Low Chee Wah ⁽³⁾	37,133.06
Mr Christopher Tang Kok Kai	58,875.00 ⁽⁴⁾

Notes:

- (1) Mr Philip Eng Heng Nee retired as a Director on 3 January 2020.
- (2) Excludes S\$75,000 and S\$275,000 being payment of director's fees and advisor's fees respectively for the Prior Appointments, and S\$75,000 being payment of director's fees for the FPS Appointment, from FPL Group (excluding the Manager).
- (3) Mr Low Chee Wah was appointed as a Director with effect from 3 January 2020. Director's fees are paid to Frasers Property Corporate Services Pte. Ltd.
- (4) During FY20, Mr Christopher Tang Kok Kai was employed by a related corporation of the Manager and was a director of various subsidiaries and/or associated companies of FPL, which wholly owns the Manager and is a substantial Unitholder. Mr Christopher Tang Kok Kai retired on 31 December 2019. Director's fees are paid to Frasers Property Corporate Services Pte. Ltd. during his employment with the FPL Group till 31 December 2019. Director's fees are paid to Mr Christopher Tang Kok Kai directly with effect from 1 January 2020.
Excludes S\$162,000 being payment of the advisor's fees for the FPL Appointment from 1 January 2020 to 30 September 2020, from FPL Group (excluding the Manager).
- (*) The Board had approved the waiver of 10% of non-executive Directors' fees for the period from 1 May 2020 to 30 September 2020, and this has been reflected in the amount of remuneration.

	Salary %	Bonus %	Allowances and Benefits %	Long-Term Incentives %	Total ⁽³⁾ %
Remuneration of CEO for FY20					
Between S\$750,001 to S\$1,000,000					
Mr Richard Ng ⁽¹⁾	47	18	5	30	100

	Salary %	Bonus %	Allowances and Benefits %	Long-Term Incentives %	Total ⁽³⁾ %
Remuneration of key executives of the Manager ⁽²⁾ (excluding CEO) for FY20					
Ms Tay Hwee Pio					
Ms Pauline Lim ⁽⁵⁾					
Mr Chen Fung Leng	57 ⁽⁴⁾	20 ⁽⁴⁾	2 ⁽⁴⁾	21 ⁽⁴⁾	100 ⁽⁴⁾
Mr Rene Lee ⁽⁶⁾					
Mr Alex Chia ⁽⁷⁾					
Aggregate Total Remuneration (including CEO)			S\$2,285,504		

Notes:

- (1) The amount excludes one-off payments contractually agreed in connection with his appointment within FPL Group which has been paid/will become payable upon satisfaction of a stipulated period of his appointment.
- (2) The key executives of the Manager (excluding the CEO) listed in this table are the CFO and the division heads of the Manager.
- (3) Certain key executives of the Manager have taken a reduction in their remuneration for the period from 1 May 2020 to 30 September 2020 and this has been reflected in the amount of total remuneration.
- (4) 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.
- (5) Calculated from 16 June 2020 to 30 September 2020. Ms Pauline Lim was appointed as Head of Investment and Asset Management on 16 June 2020.
- (6) Pending the appointment of the Head of Investment, Mr Rene Lee was leading the investment team of the Manager till 15 June 2020. Following Ms Pauline Lim's appointment as Head of Investment and Asset Management on 16 June 2020, Mr Rene Lee ceased to lead the investment team with effect from 16 June 2020.
- (7) Calculated from 1 October 2019 to 30 April 2020. Mr Alex Chia ceased to be the Head of Asset Management with effect from 1 May 2020.

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For FY20, there were no termination, retirement and post-employment benefits granted to the Directors, the CEO and Key Management Personnel.

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 (including the CEO), for the following reasons:

- (i) competition for talent in the REIT management industry is very keen and the Manager has, in the interests of Unitholders, opted not to disclose the exact remuneration of its CEO and the other key executives of the Manager as this may give rise to recruitment and talent retention issues as well as the risk of unnecessary key management turnover;
- (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) 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
- (iv) 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 146, 197 and 217 to 218 of this Annual Report.

As at 30 September 2020, 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 Unit Trusts" issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the CIS Code issued by the MAS and the provisions of the Trust Deed.

Quarterly financial results were provided to Unitholders for the financial quarters ended 31 December 2019 and 31 March 2020. Following the amendments to Rule 705(2) of the SGX-ST Listing Manual which took effect from 7 February 2020, the Manager announced on 13 May 2020 that it would cease to announce its financial statements on a quarterly basis and would announce its financial statements on a half-yearly basis, commencing from the financial results announcement for the full-year ended 30 September 2020. The Manager would provide business updates to Unitholders for the first and third quarter performance of FCT, commencing with the third quarter ended 30 June 2020. The Board also provides Unitholders with business updates, other price sensitive information and material corporate developments through announcements to the SGX-ST and, where appropriate, press releases, FCT's website and media and analysts' briefings.



CORPORATE GOVERNANCE REPORT

External Audit

The ARCC conducts an assessment of the external auditors, and recommends its appointment, re-appointment and 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.

At the annual general meeting (“**AGM**”) held on 13 January 2020, KPMG LLP was re-appointed by Unitholders as the external auditors of FCT for FY20. 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 current KPMG LLP audit partner for the Group was appointed at the AGM held on 21 January 2016. There will be a new audit partner in charge for the financial year ending 30 September 2021.

During FY20, 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 payable to the external auditors in respect of audit and non-audit services for FY20 are set out in the table below:

Fees relating to external auditors for FY20	S\$'000
For audit and audit-related services	201.5
For non-audit services	43.0
Total	244.5

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 FY20, 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.

CORPORATE GOVERNANCE REPORT

In the review of the financial statements for FY20, 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	The ARCC considered the methodologies and key assumptions applied by the valuers in arriving at the valuation of the properties. 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. The ARCC was satisfied with the valuation process, the methodologies used and the valuation for investment properties as adopted as at 30 September 2020.
Accounting on Acquisitions	The ARCC reviewed the accounting of the Group's acquisition of additional 12.07% stake in AsiaRetail Fund Limited. The ARCC considered the legal and contractual arrangements of the acquisition and the purchase price allocation assessment performed by the Manager. The ARCC was satisfied that the acquisition has been appropriately accounted for as a business combination.

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 FCT's and its Unitholders' interests. The 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.

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, compliance, operational 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.

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.

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 72 to 73.

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, risk tolerance statements setting out the nature and extent of significant risks which the Manager is willing to take in achieving its strategic objectives have been formalised and adopted.

The Board has received assurance from the CEO and the CFO that as at 30 September 2020:

- (a) the financial records of FCT have been properly maintained and the financial statements for FY20 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 2020 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 2020 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 the Manager will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives.

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 judgment in decision-making, human error, losses, fraud or other irregularities.

The ARCC concurs with the Board's view that as at 30 September 2020, the internal controls of FCT (including financial, operational, compliance and information technology controls) and risk management systems 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 the FPL Group IA, who is a Certified Fraud Examiner and a Fellow of the Institute of Singapore Chartered Certified Accountants, CPA Australia and ACCA, reports directly to the chairman of the ARCC, and administratively to the Group Chief Executive Officer of the Sponsor or such other officer as may be charged with this responsibility from time to time. The appointment and removal of the FPL Group's internal audit department as the service provider of the Manager's internal audit function requires the approval of the ARCC. 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.

As at 30 September 2020, FPL Group IA comprises 22 professional staff. The Head of the 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 and employs suitably qualified staff with the requisite skills and experience. Such staff are given relevant training and development opportunities to update their technical knowledge and auditing skills. All staff members of FPL Group IA also receive relevant technical training and attend 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 to key risks of FCT. The results of the risk assessments determine the level of focus and the review intervals for the various activities audited. Higher risk areas are subject to more intense reviews which are also carried out more frequently. FPL Group IA conducts its reviews based on the internal audit plan approved by the ARCC. FPL Group IA has unfettered access to all of FCT's and the Manager's documents, records, properties and personnel, including access to the ARCC members. 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 will submit reports to the ARCC on the status of the audit plan and on audit findings and actions taken by Management on such findings. Key findings are highlighted at ARCC meetings for discussion. The ARCC monitors the timely and proper implementation of the required follow-up measures undertaken by Management. The ARCC is satisfied that for FY20, the internal audit function is independent, effective and 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 the financial year ended 30 September 2018.

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 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. For employees, the Whistle-Blowing Policy provides assurance that employees will be treated fairly, and protected from reprisals or victimisation for whistle-blowing in good faith.

The improprieties 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 during staff training. 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 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.

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, to Unitholders and the investment community, to enable them to make informed investment decisions.

The Manager’s dedicated (“**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.

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. 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. Analysts’ briefings, conference calls and/or investors’ post-results calls were conducted after the announcements of FY20 financial results/business updates for each quarter. Webcasts 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.

CORPORATE GOVERNANCE REPORT

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 office¹.

Conduct of general meetings

In view of the COVID-19 pandemic, the forthcoming 12th Annual General Meeting ("**AGM 2021**") will be held on 21 January 2021 via 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 ("**COVID-19 Temporary Measures Order**"). Alternative arrangements relating to attendance at the AGM 2021 (including arrangements by which the AGM 2021 can be electronically accessed via live audio-visual webcast or live audio-only stream, submission of questions in advance of the AGM 2021, addressing of substantial and relevant questions prior to or at the AGM 2021 and voting by appointing the chairman of the meeting as proxy at the AGM 2021) are set out in the Manager's announcement dated 29 December 2020. The description below sets out FCT's usual practice for Unitholders meetings when there are no pandemic risks and the COVID-19 Temporary Measures Order is not in operation.

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.

At general meetings, the Manager sets out separate resolutions on each substantially separate issue. 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 to the SGX-ST 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.

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 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 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.

¹ Prior appointment with the Manager is appreciated.

CORPORATE GOVERNANCE REPORT

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 quarterly basis. Following the amendments to Rule 705(2) of the SGX-ST Listing Manual which took effect from 7 February 2020, the Manager announced on 13 May 2020 that it would cease to announce its financial statements on a quarterly basis and would announce its financial statements on a half-yearly basis, commencing from the financial results announcement for the full-year ended 30 September 2020. The Manager also announced on 13 May 2020 that FCT will make distributions at half-yearly intervals with effect from the second half of FY20. For FY20, FCT made three distributions to Unitholders.

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.

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 have been 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.

The Code of Business Conduct has been recently updated in FY20 to keep current with today's business practices and requirements. The updated policy covers key aspects such as avoiding conflicts of interest, working with external stakeholders (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 updated 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.

CORPORATE GOVERNANCE REPORT

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 referenced the requirements of ISO22301 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 Group Business Continuity Management Committee oversees FCT's BCM programme and activities.

The Manager is in the midst of enhancing its BCM programme that will boost its resilience and capability in responding, managing, and recovery from adverse business disruptions and unforeseen catastrophic events. Management has strengthened its Crisis Management Plan, Business Continuity Plans and Emergency Response Plans to prepare themselves in case of disruptions that may negatively impact on the business. 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 plans. Crisis Management Team and staff are trained periodically, and the plans are updated regularly. The BCM programme ensures FCT is 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 are accessible to all employees on the FPL Group intranet.

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 74 to 100 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 FY20.



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 quarterly 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 financial results of each of the first three quarters of the financial year, and (b) one month before the announcement of full year results, and ending on the date of such announcements, and following the Manager's announcement on the SGXNET on 13 May 2020², 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 ("**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 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 (where applicable) property valuations, and ending on the date of such announcements; or
- (ii) whenever it is in possession of unpublished material price sensitive information.

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	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. The Base Fee is payable quarterly in the form of cash and/or Units as the Manager may elect.	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. 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.

² Following the amendments to Rule 705(2) of the SGX-ST Listing Manual which took effect from 7 February 2020, the Manager announced on 13 May 2020 that it would cease to announce its financial statements on a quarterly basis and would announce its financial statements on a half-yearly basis, commencing from the financial results announcement for the full-year ended 30 September 2020. The Manager would provide business updates to Unitholders for the first and third quarter performance of FCT, commencing with the third quarter ended 30 June 2020.

CORPORATE GOVERNANCE REPORT

ADDITIONAL DISCLOSURE ON FEES PAYABLE TO THE MANAGER (CONT'D)

Type of Fee	Computation and Form of Payment	Rationale and Purpose
Performance Fee	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. The Performance Fee is payable in the form of cash and/or Units as the Manager may elect. With effect from 1 October 2016, the Performance Fee shall be paid annually, in compliance with the Property Funds Appendix.	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.
Acquisition Fee	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. 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.	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. 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. 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.
Divestment Fee	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. 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.	

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

		Page Reference of Annual Report 2020
Principles and Provisions of the 2018 Code of Corporate Governance		
BOARD'S CONDUCT OF AFFAIRS		
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CORPORATE GOVERNANCE REPORT

SUMMARY OF COMPLIANCE WITH EXPRESS DISCLOSURE REQUIREMENTS IN PRINCIPLES AND PROVISIONS OF CG CODE (CONT'D)

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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.	123
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CORPORATE GOVERNANCE REPORT

SUMMARY OF COMPLIANCE WITH EXPRESS DISCLOSURE REQUIREMENTS IN PRINCIPLES AND PROVISIONS OF CG CODE (CONT'D)

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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, Chapter 289 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 145 to 211, 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
23 November 2020

STATEMENT BY THE MANAGER

In the opinion of the directors of Frasers Centrepoint Asset Management Ltd., the accompanying financial statements set out on pages 145 to 211, comprising the consolidated balance sheet and consolidated portfolio statement of the Group and the balance sheet and portfolio statement of the Trust as at 30 September 2020, and the consolidated statement of total return, consolidated distribution statement, consolidated statement of movement in unitholders' funds and reserves and consolidated cash flow statement of the Group and the statement of total return, distribution statement, statement of movements in unitholders' funds and reserves 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 portfolio statement of the Group and the financial position and the portfolio statement of the Trust as at 30 September 2020, the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and reserves and consolidated cash flows of the Group and the total return, distributable income, movements in unitholders' funds and reserves of the Trust for the year then ended, in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* 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
23 November 2020

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS
FRASERS CENTREPOINT TRUST
(CONSTITUTED UNDER A TRUST DEED (AS AMENDED) IN THE REPUBLIC OF SINGAPORE)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Frasers Centrepoint Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated balance sheet and consolidated portfolio statement of the Group and the balance sheet and portfolio statement of the Trust as at 30 September 2020, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and reserves and consolidated cash flow statement of the Group and the statement of total return, distribution statement and statement of movements in unitholders' funds and reserves 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 145 to 211.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet, statement of total return, distribution statement and statement of movements in unitholders' funds and reserves 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 and the portfolio holdings of the Trust as at 30 September 2020 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and reserves and consolidated cash flows of the Group and the total return, distributable income and movements in unitholders' funds and reserves 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 Unit Trusts* 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
FRASERS CENTREPOINT TRUST
(CONSTITUTED UNDER A TRUST DEED (AS AMENDED) IN THE REPUBLIC OF SINGAPORE)

Valuation of investment properties

(Refer to Portfolio Statement and Note 4 to the financial statements)

Risk

The Group and the Trust own suburban retail malls located all around Singapore. These malls, classified as investment properties, are all located within close proximity to Mass Rapid Transit stations and bus interchanges in populated residential areas. As at 30 September 2020, the investment properties, with carrying amount of \$2.75 billion (2019: \$2.85 billion), and asset held for sale, with carrying amount of \$108 million (2019: Nil), represent the single largest asset category on the consolidated balance sheet of the Group and balance sheet of the Trust.

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 in deriving future cash flows, the capitalisation rates, discount rates and terminal yield rates; where a change in the assumptions can have a significant impact to the valuation.

The valuation reports obtained from the external valuers also highlighted that given the unprecedented set of circumstances on which to base a judgement, less certainty and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact of the 2019 Novel Coronavirus ("COVID-19") pandemic might have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review.

Our response

We evaluated the qualifications and competence of the external valuers and held discussions with the external valuers to understand their valuation methods and assumptions and basis used, where appropriate.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We tested the integrity of inputs of the projected cashflows used in the valuation to supporting leases and other documents. We evaluated the appropriateness of the discount, capitalisation and terminal yield rates used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the external valuers. We also discussed with Manager and the external valuers to understand how they have considered the implications of COVID-19 and market uncertainty in the valuations.

Our findings

We found the external valuers to be objective and competent. The external valuers are members of generally-recognised professional bodies for valuers. The valuation methodologies used are in line with generally accepted market practices and the key assumptions used are within the range of market data.

Accounting of acquisitions

(Refer to Note 7 to the financial statements)

Risk

The Group makes acquisitions as part of its business strategy. For the financial year ended 30 September 2020, the Group acquired an additional 12.07% stake in AsiaRetail Fund Limited ("ARF") for an aggregate considerations of \$197.2 million.

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS
FRASERS CENTREPOINT TRUST
(CONSTITUTED UNDER A TRUST DEED (AS AMENDED) IN THE REPUBLIC OF SINGAPORE)

Such transactions can be complex and judgement is involved in determining whether each transaction is a business combination or an acquisition of an asset, with different accounting treatment applicable. In accounting for a business combination, judgements are applied and there exist inherent uncertainty in estimating the fair value of the identified assets and liabilities that make up the acquisition; and allocating the overall purchase price to those identified assets and liabilities, with any excess or shortfall being recognised as goodwill on the balance sheet or a bargain purchase in the statements of total return respectively.

The assessment of this judgement is a key focus area of our audit.

Our response

We have assessed the accounting of the acquisitions by examining legal and contractual documents to determine whether these acquisitions are business combinations or the acquisition of assets.

When an acquisition is determined to be a business combination, we read the purchase price allocation report and assessed the allocation of the purchase price to significant identified assets and liabilities acquired. We compared the methodologies and key assumptions used in deriving the significant allocated values to generally accepted market practices and market data.

Our findings

The additional acquisition in ARF has been appropriately accounted for as a business combination. The methods and assumptions used in estimating the fair values of significant identified assets and liabilities and the resulting allocation in the purchase price were appropriate.

Other Information

Frasers 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 Statistics of Unitholdings (the "Report") which is 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 Report, 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.

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.

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS
FRASERS CENTREPOINT TRUST
(CONSTITUTED UNDER A TRUST DEED (AS AMENDED) IN THE REPUBLIC OF SINGAPORE)

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.

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.

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS
FRASERS CENTREPOINT TRUST
(CONSTITUTED UNDER A TRUST DEED (AS AMENDED) IN THE REPUBLIC OF SINGAPORE)

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 Karen Lee Shu Pei.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

23 November 2020

BALANCE SHEETS

AS AT 30 SEPTEMBER 2020

	Note	2020 \$'000	Group 2019 \$'000	2020 \$'000	Trust 2019 \$'000
Non-current assets					
Investment properties	4	2,749,500	2,846,000	2,749,500	2,846,000
Fixed assets	5	229	85	229	85
Investment in subsidiaries	6	–	–	190,200	1
Investment in associates	7	696,406	457,470	62,784	64,608
Investment in joint ventures	8	177,197	177,273	173,626	173,558
Loan to joint venture	8	113,810	113,810	113,810	113,810
		<u>3,737,142</u>	<u>3,594,638</u>	<u>3,290,149</u>	<u>3,198,062</u>
Current assets					
Trade and other receivables	9	9,686	3,142	191,533	193,346
Cash and cash equivalents	10	28,583	13,103	27,958	12,834
Asset held for sale	11	108,000	–	108,000	–
		<u>146,269</u>	<u>16,245</u>	<u>327,491</u>	<u>206,180</u>
Total assets		<u>3,883,411</u>	<u>3,610,883</u>	<u>3,617,640</u>	<u>3,404,242</u>
Current liabilities					
Trade and other payables	12	43,277	47,329	43,286	47,380
Financial derivatives	13	466	–	466	–
Current portion of security deposits		16,856	22,609	16,856	22,609
Deferred income	14	1	2	1	2
Interest-bearing borrowings	15	255,000	295,049	255,000	295,049
Provision for taxation		86	11	–	–
Liabilities held for sale	11	1,427	–	1,427	–
		<u>317,113</u>	<u>365,000</u>	<u>317,036</u>	<u>365,040</u>
Non-current liabilities					
Financial derivatives	13	6,901	975	6,901	975
Interest-bearing borrowings	15	997,308	744,756	807,164	554,900
Non-current portion of security deposits		23,813	29,093	23,813	29,093
		<u>1,028,022</u>	<u>774,824</u>	<u>837,878</u>	<u>584,968</u>
Total liabilities		<u>1,345,135</u>	<u>1,139,824</u>	<u>1,154,914</u>	<u>950,008</u>
Net assets		<u>2,538,276</u>	<u>2,471,059</u>	<u>2,462,726</u>	<u>2,454,234</u>
Represented by:-					
Unitholders' funds		2,562,605	2,489,921	2,467,368	2,454,234
Translation reserve	16	(18,999)	(18,829)	–	–
Hedging reserve	17	(5,330)	(33)	(4,642)	–
Unitholders' funds and reserves		<u>2,538,276</u>	<u>2,471,059</u>	<u>2,462,726</u>	<u>2,454,234</u>
Units in issue ('000)					
	18	<u>1,119,447</u>	<u>1,116,284</u>	<u>1,119,447</u>	<u>1,116,284</u>
Net asset value per Unit (\$)	19	<u>2.27</u>	<u>2.21</u>	<u>2.20</u>	<u>2.20</u>

* Denotes amount less than \$500

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF TOTAL RETURN

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	Note	Group 2020 \$'000	2019 \$'000	Trust 2020 \$'000	2019 \$'000
Gross revenue	20	164,377	196,386	164,377	196,386
Property expenses	21	(53,489)	(57,103)	(53,489)	(57,103)
Net property income		110,888	139,283	110,888	139,283
Interest income		14	-	14	-
Other income	22	586	131	-	-
Interest income from joint venture		2,211	587	2,211	587
Borrowing costs	23	(27,603)	(24,648)	(23,498)	(24,596)
Asset management fees	24	(18,430)	(16,756)	(18,430)	(16,756)
Valuation fees		(121)	(101)	(121)	(101)
Trustee's fees		(577)	(477)	(577)	(477)
Audit fees		(138)	(115)	(136)	(113)
Other professional fees		(768)	(557)	(762)	(554)
Other charges		(655)	(670)	(633)	(671)
Net income		65,407	96,677	68,956	96,602
Distributions from subsidiary		-	-	11,909	7,060
Distributions from associate		-	-	1,629	3,547
Distributions from joint ventures		-	-	10,579	2,920
Share of results of associates	7	75,280	22,548	-	-
Share of results of joint ventures	8	11,200	6,409	-	-
Impairment loss on investment in joint venture		-	(1,132)	-	(1,132)
Impairment loss on investment in associate		-	-	(1,824)	-
Surplus on revaluation of investment properties	4	4,747	93,290	4,747	93,290
Unrealised loss from fair valuation of derivatives		(1,095)	(998)	(1,095)	(998)
Expenses in relation to acquisitions of an associate and a joint venture		(3,781)	(10,838)	(3,781)	(10,838)
Total return before tax		151,758	205,956	91,120	190,451
Taxation	25	(82)	(11)	-	-
Total return for the year		151,676	205,945	91,120	190,451
Earnings per Unit (cents)	26				
Basic		13.57	20.78	8.15	19.22
Diluted		13.55	20.74	8.14	19.18

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

DISTRIBUTION STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Income available for distribution to Unitholders at beginning of year	32,551	27,483	32,548	27,480
Net income	65,407	96,677	68,956	96,602
Net tax adjustments (Note A)	(8,011)	8,368	8,073	8,589
Distribution from subsidiary	-	-	11,909	7,060
Distributions from associates	33,171	10,753	1,629	3,547
Distributions from joint ventures	10,579	2,920	10,579	2,920
	101,146	118,718	101,146	118,718
Income available for distribution to Unitholders	133,697	146,201	133,694	146,198
Distributions to Unitholders:				
Distribution of 2.862 cents per Unit for period from 1/7/2018 to 30/9/2018	-	26,550	-	26,550
Distribution of 3.020 cents per Unit for period from 1/10/2018 to 31/12/2018	-	28,021	-	28,021
Distribution of 3.137 cents per Unit for period from 1/1/2019 to 31/3/2019	-	29,158	-	29,158
Distribution of 1.909 cents per Unit for period from 1/4/2019 to 27/5/2019	-	17,746	-	17,746
Distribution of 1.091 cents per Unit for period from 28/5/2019 to 30/6/2019	-	12,175	-	12,175
Distribution of 2.913 cents per Unit for period from 1/7/2019 to 30/9/2019	32,553	-	32,553	-
Distribution of 3.060 cents per Unit for period from 1/10/2019 to 31/12/2019	34,202	-	34,202	-
Distribution of 1.610 cents per Unit for period from 1/1/2020 to 31/3/2020	18,000	-	18,000	-
	84,755	113,650	84,755	113,650
Income available for distribution to Unitholders at end of year	48,942	32,551	48,939	32,548
Distribution per unit (cents) *	9.042	12.070	9.042	12.070
Note A – Net tax adjustments relate to the following items:				
- Asset management fees paid/payable in Units	4,798	5,518	4,798	5,518
- Amortisation of loan arrangement fees	1,347	1,136	1,060	1,134
- Amortisation of lease incentives	1,436	1,303	1,436	1,303
- Deferred income and amortisation of rental deposits	1	1	1	1
- Other items	(15,593)	410	778	633
Net tax adjustments	(8,011)	8,368	8,073	8,589

* The Distribution per unit relates to the distributions in respect of the relevant financial year. The distribution relating to the 2nd half of 2020 will be paid after 30 September 2020.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS AND RESERVES

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net assets at beginning of year	2,471,059	1,933,756	2,454,234	1,932,054
Operations				
Total return for the year	151,676	205,945	91,120	190,451
Unitholders' transactions				
Creation of Units				
– proceeds from equity fund raising	–	437,366	–	437,366
– issued/issuable as satisfaction of asset management fees	4,798	5,518	4,798	5,518
– issued as satisfaction of acquisition fees	1,972	8,999	1,972	8,999
Issue expenses	(1)	(6,504)	(1)	(6,504)
Distributions to Unitholders	(84,755)	(113,650)	(84,755)	(113,650)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(77,986)	331,729	(77,986)	331,729
Share of movements in other reserves of an associate and a joint venture	(1,006)	(325)	–	–
Movement in translation reserve (Note 16)	(170)	(13)	–	–
Movement in hedging reserve (Note 17)	(5,297)	(33)	(4,642)	–
Net assets at end of year	2,538,276	2,471,059	2,462,726	2,454,234

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENTS

AS AT 30 SEPTEMBER 2020

GROUP

Description of Property	Term of Lease	Location	Existing Use	Occupancy Rate as at	At Valuation		Percentage of Total Assets	
				30 September 2020 %	2020 \$'000	2019 \$'000	2020 %	2019 %
Investment properties in Singapore								
Causeway Point	99-year leasehold from 30 October 1995	1 Woodlands Square	Commercial	96.6	1,305,000	1,298,000	33.6	35.9
Northpoint City North Wing	99-year leasehold from 1 April 1990	930 Yishun Avenue 2	Commercial	96.2	771,500	771,500	19.9	21.4
Anchorpoint	Freehold	368 & 370 Alexandra Road	Commercial	92.7	110,000	113,500	2.8	3.1
YewTee Point	99-year leasehold from 3 January 2006	21 Choa Chu Kang North 6	Commercial	97.1	190,000	189,000	4.9	5.2
Bedok Point	99-year leasehold from 15 March 1978	799 New Upper Changi Road	Commercial	92.0	– (a)	94,000	–	2.6
Changi City Point	60-year leasehold from 30 April 2009	5 Changi Business Park Central 1	Commercial	90.4	338,000	342,000	8.7	9.5
Yishun 10 Retail Podium	99-year leasehold from 1 April 1990	51 Yishun Central 1	Commercial	68.8	35,000	38,000	0.9	1.1
Investment properties, at valuation					2,749,500	2,846,000	70.8	78.8
Asset held for sale in Singapore (Note 11)								
Bedok Point	99-year leasehold from 15 March 1978	799 New Upper Changi Road	Commercial	92.0	108,000 (a)	–	2.8	–
Investment in associates (Note 7)					696,406	457,470	17.9	12.7
Investment in joint ventures, including loan to joint venture (Note 8)					291,007	291,083	7.5	8.0
					3,844,913	3,594,553	99.0	99.5
Other assets					38,498	16,330	1.0	0.5
Total assets attributable to Unitholders					3,883,411	3,610,883	100.0	100.0

(a) Classified as "Asset held for sale" as at 30 September 2020 (Note 11).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENTS

AS AT 30 SEPTEMBER 2020

TRUST

Description of Property	Term of Lease	Location	Existing Use	Occupancy Rate as at 30 September 2020 %	At Valuation		Percentage of Total Assets	
				2020 \$'000	2019 \$'000	2020 %	2019 %	
Investment properties in Singapore								
Causeway Point	99-year leasehold from 30 October 1995	1 Woodlands Square	Commercial	96.6	1,305,000	1,298,000	36.1	38.1
Northpoint City North Wing	99-year leasehold from 1 April 1990	930 Yishun Avenue 2	Commercial	96.2	771,500	771,500	21.3	22.7
Anchorpoint	Freehold	368 & 370 Alexandra Road	Commercial	92.7	110,000	113,500	3.0	3.3
YewTee Point	99-year leasehold from 3 January 2006	21 Choa Chu Kang North 6	Commercial	97.1	190,000	189,000	5.3	5.6
Bedok Point	99-year leasehold from 15 March 1978	799 New Upper Changi Road	Commercial	92.0	– (a)	94,000	–	2.8
Changi City Point	60-year leasehold from 30 April 2009	5 Changi Business Park Central 1	Commercial	90.4	338,000	342,000	9.3	10.0
Yishun 10 Retail Podium	99-year leasehold from 1 April 1990	51 Yishun Central 1	Commercial	68.8	35,000	38,000	1.0	1.1
Investment properties, at valuation					2,749,500	2,846,000	76.0	83.6
Asset held for sale in Singapore (Note 11)								
Bedok Point	99-year leasehold from 15 March 1978	799 New Upper Changi Road	Commercial	92.0	108,000 (a)	–	3.0	–
Investment in associates (Note 7)					62,784	64,608	1.7	1.9
Investment in joint ventures, including loan to joint venture (Note 8)					287,436	287,368	8.0	8.4
					3,207,720	3,197,976	88.7	93.9
Other assets					409,920	206,266	11.3	6.1
Total assets attributable to Unitholders					3,617,640	3,404,242	100.0	100.0

(a) Classified as "Asset held for sale" as at 30 September 2020 (Note 11).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENTS

AS AT 30 SEPTEMBER 2020

Independent valuations of the investment properties were undertaken by CBRE Pte Ltd ("CBRE"), Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers") and Savills Valuation and Professional Services (S) Pte Ltd ("Savills"). Independent valuations of asset held for sale were undertaken by Jones Lang LaSalle LP ("JLL") and Colliers. The Manager believes that these independent valuers possess appropriate professional qualifications and recent experience in the location and category of the investment properties being valued. The valuations were performed based on the following methods:

			Valuation	
Description of Property	Valuer	Valuation Method	2020 \$'000	2019 \$'000
Investment Properties				
Causeway Point	Savills (2019: Savills)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2019: Capitalisation approach, discounted cash flow analysis and direct comparison method)	1,305,000	1,298,000
Northpoint City North Wing	Colliers (2019: Colliers)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2019: Capitalisation approach, discounted cash flow analysis and direct comparison method)	771,500	771,500
Anchorpoint	Colliers (2019: Colliers)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2019: Capitalisation approach, discounted cash flow analysis and direct comparison method)	110,000	113,500
YewTee Point	CBRE (2019: CBRE)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2019: Capitalisation approach, discounted cash flow analysis and direct comparison method)	190,000	189,000
Bedok Point	Not applicable (2019: CBRE)	Not applicable (2019: Capitalisation approach, discounted cash flow analysis and direct comparison method)	– (a)	94,000
Changi City Point	Savills (2019: Savills)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2019: Capitalisation approach, discounted cash flow analysis and direct comparison method)	338,000	342,000
Yishun 10 Retail Podium	Savills (2019: Savills)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2019: Capitalisation approach, discounted cash flow analysis and direct comparison method)	35,000	38,000
<i>Asset held for sale in Singapore (Note 11)</i>				
Bedok Point	JLL & Colliers (2019: Not applicable)	Residual method and direct comparison method (2019:Not applicable)	108,000 (a)	--

(a) Classified as "Asset held for sale" as at 30 September 2020 (Note 11).

The net changes in fair values of these investment properties have been recognised in the Statements 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 rent, recognised in the Statements of Total Return of the Group and the Trust amounted to \$7,824,000 (2019: \$9,441,000).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	Note	Group 2020 \$'000	2019 \$'000
Operating activities			
Total return before tax		151,758	205,956
Adjustments for:			
Allowance for doubtful receivables		1,297	8
Write back of allowance for doubtful receivables		(1,099)	(16)
Borrowing costs		27,603	24,648
Asset management and acquisition fees paid/payable in Units		6,770	14,517
Interest income		(14)	-
Depreciation of fixed assets		56	93
Amortisation of intangible assets		-	12
Share of associates' results		(75,280)	(22,548)
Share of joint ventures' results		(11,200)	(6,409)
Impairment loss on investment in joint venture		-	1,132
Surplus on revaluation of investment properties		(4,747)	(93,290)
Unrealised loss from fair valuation of derivatives		1,095	998
Amortisation of lease incentives		1,436	1,303
Deferred income recognised		(1)	(13)
Fixed assets write off		6	-
Operating income before working capital changes		97,680	126,391
Changes in working capital:			
Trade and other receivables		(8,097)	255
Trade and other payables		(11,446)	4,109
Tax paid		(7)	-
Cash flows generated from operating activities		78,130	130,755
Investing activities			
Distributions received from associates		34,017	9,907
Distributions received from joint ventures		10,579	2,920
Interest received		14	-
Capital expenditure on investment properties		(10,901)	(4,990)
Acquisition of fixed assets		(206)	(29)
Acquisition of investment in associate		(197,237)	(379,953)
Acquisition of investment in joint venture		(68)	(174,689)
Loan to a joint venture		-	(113,810)
Cash flows used in investing activities		(163,802)	(660,644)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 \$'000	Group 2019 \$'000
Financing activities			
Proceeds from borrowings		793,000	1,121,115
Proceeds from issue of new units		–	437,366
Repayment of borrowings		(580,083)	(892,032)
Borrowing costs paid		(25,755)	(22,627)
Distributions to Unitholders		(84,755)	(113,650)
Payment of transaction costs		(1,254)	(2,540)
Payment of issue expenses		(1)	(6,504)
Cash flows generated from financing activities		101,152	521,128
Net increase/(decrease) in cash and cash equivalents		15,480	(8,761)
Cash and cash equivalents at beginning of year		13,103	21,864
Cash and cash equivalents at end of year	10	28,583	13,103

Significant Non-Cash Transactions

During the financial years, 1,994,085 (2019: 2,116,627) Units were issued and issuable in satisfaction of asset management fees payable in Units, amounting to a value of \$4,798,241 (2019: \$5,518,174) in respect of the financial year.

827,060 units were issued on 11 August 2020 in satisfaction of acquisition fees of \$1,972,373 in connection with the acquisition of an additional stake of 12.07% in ARF completed on 6 July 2020. (2019: 1,445,217 and 141,216 units were issued on 16 April 2019 and 6 May 2019 respectively in satisfaction of acquisition fees of \$3,760,320 in connection with the acquisition of ARF completed on 4 April and 26 April 2019 respectively. 1,819,199 units were issued on 17 July 2019 in satisfaction of acquisition fees of \$4,333,333 in connection with the acquisition of 33⅓% stake in SST completed on 11 July 2019. 317,996 and 14,388 units were issued on 24 September 2019 in satisfaction of acquisition fees of \$905,881 in connection with the acquisition of 6⅔% stake in SST completed on 18 September 2019 and payment of an additional sum of \$3.9 million in connection with the acquisition of ARF).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

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

1. GENERAL

Frasers Centrepoint Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to a trust deed dated 5 June 2006, and any amendment or modification thereof (the "Trust Deed"), between Frasers Centrepoint Asset Management Ltd. (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (collectively, the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). The address of the Trustee's registered office is 10 Marina Boulevard Marina Bay Financial Centre Tower 2 #48-01 Singapore 018983.

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.

The financial statements were authorised for issue by the Manager and the Trustee on 23 November 2020.

The Trust has entered into several service agreements in relation to management of the Trust and its property operations. The fee structures of these services are as follows:

1.1 Property management fees

Under the property management agreements, fees are charged 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.

The property management fees are payable monthly in arrears.

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
- (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 (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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

1. GENERAL (CONT'D)

1.2 Asset management fees (cont'd)

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 2020, the Manager has opted to receive 20% to 50% (2019: 20% to 55%) 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 future acquisitions or disposals of properties or investments.

1.3 Trustee's fees

Pursuant to the Trust Deed, the Trustee's fees 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.

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 Unit Trusts* 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 ("FRS").

This is the first set of the Group's annual financial statements in which FRS 116 *Leases* and amendments to recognition and measurement principles of FRS 109 *Financial Instruments*, FRS 39 *Financial Instruments: Recognition and Measurement* and FRS 107 *Financial Instruments: Disclosures* in relation to the project on interest rate benchmark have been applied. The related changes to significant accounting policies are described in note 2.2.

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.

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.



NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

2. BASIS OF PREPARATION (CONT'D)

2.1 Basis of preparation (cont'd)

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 associates; and
- (iii) Note 8 – 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 the following notes:

- (i) Note 4 – Valuation of investment properties; and
- (ii) Note 13 – Valuation of financial derivatives.

2.2 Changes in accounting policies

New standards and amendments

The Group has applied the following FRS, amendments to and interpretations of FRSs for the first time for the annual period beginning on 1 October 2019:

- FRS 116 *Leases*
- FRS INT 123 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to FRS 28)
- *Prepayment Features with Negative Compensation* (Amendments to FRS 109)
- *Previously Held Interest in a Joint Operation* (Amendments to FRS 103 and 111)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to FRS 12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to FRS 23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to FRS 19)

In addition, the Group early adopted the amendments to recognition and measurement principles of FRS 109 *Financial Instruments*, FRS 39 *Financial Instruments: Recognition and Measurement* and FRS 107 *Financial Instruments: Disclosures* on 1 October 2019 in relation to the project on interest rate benchmark reform. The Group applied the interest rate benchmark reform amendments retrospectively to hedging relationship that existed at 1 October 2019 or were designated thereafter and that are directly affected by interest rate benchmark reform. These amendments also apply to the gain or loss accumulated in the hedging reserve in unitholders' funds and reserves that existed at 1 October 2019. The details of the accounting policies are disclosed in Notes 3.4(vi) and 29(b)(ii) for related disclosures about the risks and hedge accounting.

Other than FRS 116, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

2. BASIS OF PREPARATION (CONT'D)

2.2 Changes in accounting policies (cont'd)

FRS 116 Leases

The Group applied FRS 116 using the modified retrospective approach. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under FRS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in FRS 116 have not generally been applied to comparative information.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under INT FRS 104 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in FRS 116.

On transition to FRS 116, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied FRS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under FRS 17 and INT FRS 104 were not reassessed for whether there is a lease under FRS 116. Therefore, the definition of a lease under FRS 116 was applied only to contracts entered into or changed on or after 1 October 2019.

As a lessor

The Group leases out its investment property and has classified these leases as operating leases.

The Group is not required to make any adjustments on transition to FRS 116 for leases in which it acts as a lessor.

The Group has applied FRS 115 *Revenue from Contracts with Customers* to allocate consideration in the contract to each lease and non-lease component.

Impact on financial statements

There is no impact to the Group on transition to FRS 116.

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 control is transferred to the Group.

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,

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

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 statements 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 statements 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 equity. 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 statements 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 balance sheet, 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 statements 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 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(iii) Investments in associates 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 associates 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 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 associates 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 associates are carried at cost less accumulated impairment losses.

A list of the associate and joint venture is shown in Notes 7 and 8, 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 2020

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) Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses are Trustee's fees which are 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; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

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.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

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.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statements of total return.

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 statements of total return. Any gain or loss on derecognition is recognised in the statements of total return.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statements of total return. Directly attributable transaction costs are recognised in the statements 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 statements of total return.

(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 balance sheets, 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.

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 statements 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(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 statements of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statements 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.

Applicable from 1 October 2019 for hedges directly affected by 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. A similar exception is also provided for a discontinued cash flow hedging relationship.

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 interest rate benchmark-based 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(vi) Derivative financial instruments and hedge accounting (cont'd)

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 statements of total return.

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 statements of total return in the same period or periods as the hedged expected future cash flows affect the statements 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 statements of total return.

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 statements 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 statements of total return as incurred.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Fixed assets (cont'd)

(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 statements 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.

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 profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an equity investment designated as at 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Foreign currency (cont'd)

(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 that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss 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 profit or loss.

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 equity.

3.7 Leases

The Group has applied FRS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under FRS 17 and INT FRS 104. The details of accounting policies under FRS 17 and INT FRS 104 are disclosed separately.

Policy applicable from 1 October 2019

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. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in FRS 116.

This policy is applied to contracts entered into, on or after 1 October 2019.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Leases (cont'd)

As a lessor (cont'd)

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'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from FRS 116.

Leases - Policy applicable before 1 October 2019

For contracts entered into before 1 October 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

Rental income from investment property is recognised as "revenue" on a straight-line basis over the term of the lease. Rental income from sub-leased property is recognised as "other income".

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

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 balance sheets

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.

(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 CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statements of total return.

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

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 statements 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 Assets held for sale

The fair value of the Group's investment properties held for sale is either valued by an independent valuer or based on agreed contractual selling price on a willing buyer seller basis. For investment properties held for sale valued by an independent valuer, the valuer has considered the direct comparison and residual method in arriving at the open market value as at the reporting date. In determining the fair value, the valuer used valuation techniques which involve certain estimates.

3.10 Intangible assets

Software is initially recognised at cost and subsequently carried at cost less accumulated amortisation.

Amortisation is recognised in the statements of total return on a straight-line basis over its estimated useful life of 5 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.12 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- the foreign currency gain or loss on financial assets and financial liabilities;
- the gain on the remeasurement to fair value of any pre-existing interest in an acquiree in a business combination; and
- hedge ineffectiveness recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

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.

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.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.13 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 statements of total return as a net revaluation surplus or deficit in the 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 statements 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 and the Trust may claim capital allowances on assets that qualify as plant and machinery under the Singapore Income Tax Act.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 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 cost.

3.15 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.

Turnover rental income

Contingent rentals, which include gross turnover rental, 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.

3.16 Security deposits and deferred income

Security deposits relate to rental 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 statements of total return as gross rental income on a straight line basis over individual lease term.

3.17 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 borrowing costs and asset management fees.

Segment capital expenditure is the total cost incurred to acquire investment properties and fixed assets.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Taxation

Tax expense comprises current and deferred tax. Current tax and deferred tax expense is recognised in the statements of total return except to the extent that it relates to a items 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 arrangements 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Taxation (cont'd)

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 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 foreign funds 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 foreign funds, the Trustee and the Manager will deduct/withhold tax at a reduced rate of 10% from the distributions.

A Qualifying non-individual investor refers to a non-resident non-individual unitholder or foreign fund who:

does not have any permanent establishment in Singapore (other than a fund manager in Singapore); or

- (i) 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.

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 (Cap. 37) or established by any written law, town councils, statutory boards, co-operative societies registered under the Co-operatives Societies Act (Cap. 62) or trade unions registered under the Trade Unions Act (Cap. 333);
- (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 (Cap. 145); or
- (vi) real estate investment trust exchange-traded funds ("REIT ETFs") which have been accorded the tax transparency treatment.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Taxation (cont'd)

Tax transparency (cont'd)

A qualifying Non-resident Fund is a non-resident fund that qualifies for tax exemption under Section 13CA, 13X or 13Y of the Income Tax Act (Cap.134) 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.

(iv) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the IRAS is included as part of receivables or payables on the Balance Sheets.

3.19 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.

3.20 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 profit or loss 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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.21 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 2019 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 Company's statement of financial position.

- *Amendments to References to Conceptual Framework in FRS Standards*
- *Definition of a Business* (Amendments to FRS 103)
- *Definition of Material* (Amendments to FRS 1 and FRS 8)
- *FRS 117 Insurance Contracts*

4. INVESTMENT PROPERTIES

	Group and Trust	
	2020	2019
	\$'000	\$'000
At beginning	2,846,000	2,749,000
Capital expenditure	8,189	5,013
	2,854,189	2,754,013
Surplus on revaluation taken to Statements of Total Return	3,311	91,987
Reclassification to asset held for sale (Note 11)	(108,000)	–
At end	2,749,500	2,846,000

The investment properties owned by the Group and the Trust are set out in the Portfolio Statements on pages 149 to 151.

Anchorpoint has been mortgaged as security for a \$80 million secured five-year term loan from DBS Bank Ltd (Note 15(a)(ii)). The loan has been prepaid on 7 October 2020 and discharge of its mortgage is in progress.

Changi City Point has been mortgaged as security for a \$190 million secured three- and five-year term loan from BNP Paribas (Note 15(a)(iv)).

NOTES TO THE FINANCIAL STATEMENTS

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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 property being valued. In accordance with the CIS code, the Group rotates the independent valuers every two years and has appointed valuers to value the same property for a third consecutive financial year for the current financial year ended 30 September 2020.

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 independent valuers have considered available information as at 15 September 2020 relating to COVID-19 and have made necessary adjustments to the valuation. The valuation reports also highlighted that given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that COVID-19 might have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review. 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 15 September 2020.

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).

As a result of the COVID-19 pandemic, assessing fair value as at the reporting date involved considering uncertainties around the underlying assumptions and inputs to fair value given the forward-looking nature of these assumptions. The COVID-19 pandemic has also created unprecedented economic uncertainty, in particular the absence of a significant level of market transactions which are ordinarily a key source of evidence for assessing the fair value of investment properties.

As such, the 15 September 2020 valuation process has been adjusted for the current period compared to the process that would typically be followed and adopted in more normalised market conditions.

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 2020				
Non-financial assets				
Investment properties	-	-	2,749,500	2,749,500
At 30 September 2019				
Non-financial assets				
Investment properties	-	-	2,846,000	2,846,000

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

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 2020 \$'000	Valuation techniques	Key unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties	2,749,500 (2019: 2,846,000)	Capitalisation approach	Capitalisation rate	3.75% – 5.00% (2019: 3.75% – 5.00%)	The higher the rates, the lower the fair value.
		Discounted cash flow analysis	Discount rate	7.00% – 7.50% (2019: 7.00% – 7.50%)	The higher the rates, the lower the fair value.
			Terminal yield	4.00% – 5.25% (2019: 4.00% – 5.25%)	The higher the rates, the lower the fair value.
		Direct comparison method	Transacted prices	\$1,805 – \$4,205 psf (2019: \$1,209 – \$4,379 psf) ⁽¹⁾	The higher the comparable values, the higher the fair value.

(1) For Causeway Point, YewTee Point, Changi City Point and Yishun 10 (2019: Causeway Point, YewTee Point, Bedok Point, Changi City Point and Yishun 10)

A significant reduction in the capitalisation rate and/or discount rate in isolation would result in a significantly higher fair value of the investment properties.

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 2020

4. INVESTMENT PROPERTIES (CONT'D)

Level 3 fair value measurements (cont'd)

The net change in fair value of the properties recognised in the Statements of Total Return has been adjusted for amortisation of lease incentives as follows:

	Group and Trust	
	2020	2019
	\$'000	\$'000
Surplus on revaluation	3,311	91,987
Amortisation of lease incentives	1,436	1,303
Surplus on revaluation recognised in Statements of Total Return	4,747	93,290

Direct operating expenses (including repairs and maintenance) arising from rental generating properties are disclosed on Note 21 to the financial statements.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

5. FIXED ASSETS

	Equipment, furniture and fittings, and others	
	2020	2019
	\$'000	\$'000
Cost		
At beginning	401	421
Additions	206	29
Disposals/write-offs	(141)	(49)
At end	466	401
Accumulated depreciation		
At beginning	316	272
Charge for the year	56	93
Disposals/write-offs	(135)	(49)
At end	237	316
Carrying amount		
At beginning	85	149
At end	229	85

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

6. INVESTMENT IN SUBSIDIARIES

	2020 \$'000	Trust 2019 \$'000
Unquoted equity investments, at cost	190,200	1

Details of the subsidiaries are as follows:

Name of subsidiary	Place of incorporation/business	Effective equity interest held by the Trust	
		2020 %	2019 %
FCT MTN Pte. Ltd. ⁽¹⁾	Singapore	100	100
FCT Holdings (Sigma) Pte. Ltd. ⁽¹⁾	Singapore	100	100

(1) Audited by KPMG LLP, Singapore

FCT MTN Pte. Ltd. ("FCT MTN") is a wholly-owned subsidiary with share capital of \$2 comprising 2 ordinary shares. The principal activity of the subsidiary is the provision of treasury services, including lending to the Trust the proceeds from issuance of notes under an unsecured multicurrency medium term note programme.

FCT Holdings (Sigma) Pte. Ltd. ("FCT Sigma") is a wholly-owned subsidiary with share capital of \$190,200,000 (2019: \$1,000) comprising 190,200,000 (2019: 1,000) ordinary shares. The principal activity of the subsidiary is investment holding.

7. INVESTMENT IN ASSOCIATES

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Investments, at cost	651,774	454,537	74,584	74,584
Share of post-acquisition reserves	70,390	28,521	-	-
Translation difference	(18,999)	(18,829)	-	-
	703,165	464,229	74,584	74,584
Allowance for impairment	(6,759)	(6,759)	(11,800)	(9,976)
	696,406	457,470	62,784	64,608

Details of the associates are as follows:

Name of associates	Place of incorporation/business	Effective equity interest held by the Group		Effective equity interest held by the Trust	
		2020 %	2019 %	2020 %	2019 %
Hektar Real Estate Investment Trust ⁽¹⁾	Malaysia	31.15	31.15	31.15	31.15
AsiaRetail Fund Limited ("ARF") ^{(2) (3)}	Bermuda/Singapore	36.89	21.13 ⁽⁴⁾	-	-

(1) Audited by BDO, Malaysia

(2) Audited by KPMG LLP, Singapore

(3) ARF is formerly known as "PGIM Real Estate AsiaRetail Fund Limited".

(4) Following the investors' share redemption in the capital of ARF on 30 September 2019, the Group's equity interest was 24.82%.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

7. INVESTMENT IN ASSOCIATES (CONT'D)

- (a) 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.

The Group assesses at each reporting date whether there is any objective evidence that investment in associates is impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based on the revalued net book value of the associates. As at 30 September 2020, the Trust provided for an impairment loss of \$1,824,000 to write down the carrying amount of the investment in associates to the share of the revalued net book value of the associates.

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 2020, the Group has estimated the results of H-REIT for the quarter ended 30 September 2020 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% (2019: 10%) withholding tax in Malaysia.

The fair value of H-REIT based on published price quotations was \$27,695,000 (2019: \$46,774,000).

The following summarised financial information relating to the associate has not been adjusted for the percentage of ownership interest held by the Group:

	2020 \$'000	2019 \$'000
Assets and liabilities⁽⁵⁾		
Non-current assets	405,411	403,744
Current assets	17,008	11,422
Total assets	422,419	415,166
Current liabilities	26,539	23,717
Non-current liabilities	197,422	184,167
Total liabilities	223,961	207,884
Results⁽⁶⁾		
Revenue	40,666	44,742
Expenses	(32,095)	(31,746)
Revaluation surplus/(deficit)	1,219	(3,076)
Total return for the year	9,790	9,920

(5) The "Assets and liabilities" is based on the latest available unaudited management accounts as at 30 June 2020 and 30 June 2019, respectively.

(6) The "Results" is for six months ended 30 June 2020 and 30 June 2019 respectively and pro-rated six month results from the audited financial statements for the period ended 31 December 2019 and 31 December 2018, respectively.

As at 30 September 2020, 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

7. INVESTMENT IN ASSOCIATES (CONT'D)

- (b) AsiaRetail Fund Limited ("ARF") is an open-end private investment vehicle set up as a company incorporated in Bermuda and the largest non-listed retail mall fund in Singapore.

On 6 July 2020, the Group's equity interest in ARF increased from 24.82% to 36.89%, through an acquisition by its wholly-owned subsidiary, FCT Holdings (Sigma) Pte. Ltd., which purchased 48,229 shares in the capital of ARF for a total consideration of approximately S\$197.2 million.

No disclosure of fair value is made for the associate as it is not quoted on any market.

The following summarised financial information relating to the associate has not been adjusted for the percentage of ownership interest held by the Group:

	2020 \$'000	2019 \$'000
Assets and liabilities ⁽¹⁾		
Non-current assets	3,169,878	3,014,711
Current assets	122,598	251,991
Total assets	3,292,476	3,266,702
Current liabilities	146,133	768,962
Non-current liabilities	1,450,635	920,476
Total liabilities	1,596,768	1,689,438
Results ⁽²⁾		
Revenue	196,534	118,380
Expenses	(124,960)	(80,864)
Revaluation surplus	156,204	92,915
Other comprehensive income	(1,192)	(1,396)
Total return for the period	226,586	129,035

(1) The "Assets and liabilities" is based on the latest available unaudited management accounts as at 30 September 2020 and 30 September 2019, respectively.

(2) The "Results" is for twelve months ended 30 September 2020 and six months ended 30 September 2019 respectively.

As at 30 September 2020, the associate's property portfolio comprises Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square and Tampines 1 and an office property (Central Plaza) in Singapore and Setapak Central Mall in Kuala Lumpur.

	2020 \$'000	2019 \$'000
Group's interest in associates at beginning of the year	457,470	66,060
Group's share of:		
– Profit after taxation	75,280	22,548
– Other comprehensive income	(240)	(325)
Total comprehensive income	75,040	22,223
Additions during the year	197,237	379,953
Dividends received during the year	(33,171)	(10,753)
Translation difference	(170)	(13)
Carrying amount of interest at end of the year	696,406	457,470

NOTES TO THE FINANCIAL STATEMENTS

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8. INVESTMENT IN JOINT VENTURES

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Unquoted equity investments, at cost	174,758	174,690	174,758	174,690
Share of post-acquisition reserves	3,571	3,715	–	–
	178,329	178,405	174,758	174,690
Allowance for impairment	(1,132)	(1,132)	(1,132)	(1,132)
Loan to joint venture	113,810	113,810	113,810	113,810
	291,007	291,083	287,436	287,368

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	
		2020 %	2019 %
Changi City Carpark Operations LLP	Singapore	43.68	43.68
Sapphire Star Trust	Singapore	40.00	40.00
FC Retail Trustee Pte. Ltd.	Singapore	40.00	40.00

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.

Loan to joint venture is unsecured and not expected to be repaid within the next twelve months. The loan bears effective interest rates of between 1.053% to 2.529% (2019: 2.708% per annum).

No disclosure of fair value is made for the joint ventures as they are not quoted on any market.

NOTES TO THE FINANCIAL STATEMENTS

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8. INVESTMENT IN JOINT VENTURES (CONT'D)

The following summarised financial information relating to the material joint venture has not been adjusted for the percentage of ownership interest held by the Group.

	2020 \$'000	2019 \$'000
Assets and liabilities⁽¹⁾		
Non-current assets	1,300,031	1,300,010
Current assets ^(a)	45,900	42,891
Total assets	1,345,931	1,342,901
Current liabilities ^(b)	608,625	39,594
Non-current liabilities	302,959	869,157
Total liabilities	911,584	908,751

(a) Includes cash and cash equivalents of \$41,600,000 (2019: \$40,914,000)

(b) Includes current bank borrowings and derivative financial instruments of \$577,733,000 (2019: \$575,477,000)

Results⁽²⁾		
Revenue	63,930	16,444
Expenses ^(c)	(39,317)	(8,840)
Revaluation surplus	737	221
Total return for the period	25,350	7,825

(c) Includes:

- depreciation of \$10,000 (2019: \$2,000)
- interest income \$202,000 (2019: \$82,000)
- interest expense \$20,620,000 (2019: \$5,200,000)

(1) The "Assets and liabilities" is based on the latest available unaudited management accounts as at 30 September 2020 and 30 September 2019, respectively.

(2) The "Results" is for twelve months ended 30 September 2020 and 12 July 2019 to 30 September 2019, respectively.

	2020 \$'000	2019 \$'000
Group's interest in joint ventures at beginning of the year	291,083	227
Group's share of:		
- Profit after taxation	11,200	6,409
Other comprehensive income	(765)	-
Total comprehensive income	10,435	6,409
Investment during the year	68	174,689
Loan to joint venture	-	113,810
Dividends received during the year	(10,579)	(2,920)
Allowance for impairment	-	(1,132)
Carrying amount of interest at end of the year	291,007	291,083

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

9. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade receivables	4,874 ^(a)	1,419	4,874	1,419
Allowance for doubtful receivables	(209)	(11)	(209)	(11)
Net trade receivables	4,665	1,408	4,665	1,408
Deposits	68	66	68	66
Prepayments	3,809	189	3,782	162
Amount due from a subsidiary (non-trade)	–	–	181,874	190,231
Amount due from related parties (non-trade)	6	23	6	23
Other receivables	1,074	884	1,074	884
Loan arrangement fees	64	572	64	572
	9,686	3,142	191,533	193,346

Trade receivables are recognised at their original invoiced amounts which represent their fair values on initial recognition. Non-trade amounts due from a subsidiary and related parties are unsecured, interest-free and repayable on demand.

(a) Subsequent to 30 September 2020, \$3.27 million have been collected as of 6 November 2020.

10. CASH AND CASH EQUIVALENTS

For purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the balance sheet date:

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at bank and on hand	28,583	13,103	27,958	12,834

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

11. ASSETS/LIABILITIES HELD FOR SALE

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Investment property	108,000	–	108,000	–
Asset held for sale	108,000	–	108,000	–
Rental deposits	1,427	–	1,427	–
Liability held for sale	1,427	–	1,427	–

On 3 September 2020, the Trust entered into a put and call option agreement to sell Bedok Point. Accordingly, the investment property was classified to asset held for sale as at 30 September 2020.

The carrying amount of the investment property held for sale as at 30 September 2020 was based on independent valuations undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Jones Lang LaSalle IP, Inc using the residual valuation method. The valuation method used in determining the fair value involves certain estimates including the gross development value (psf) and cost of construction (psf). The specific risks inherent in the property are taken into consideration in arriving at the property valuation. 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 2020.

The fair value measurement has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. The significant unobservable input includes gross development value per square foot and cost of construction per square foot. An increase in the gross development value per square foot or a decrease in the cost of construction per square foot would result in a higher fair value.

12. TRADE AND OTHER PAYABLES

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade payables and accrued operating expenses	24,084	23,277	24,110	23,298
Amounts due to related parties (trade)	11,123	11,187	11,120	11,187
Amounts due to a subsidiary (non-trade)	–	–	–	81
Deposits and advances	2,449	2,866	2,449	2,866
Interest payable	5,582	5,084	5,568	5,033
Other payables	37	76	37	76
Withholding tax	2	4,839	2	4,839
	43,277	47,329	43,286	47,380

Included in trade payables and accrued operating expenses is an amount due to the Trustee of \$99,566 (2019: \$92,423).

Included in amounts due to related parties are amounts due to the Manager of \$7,742,022 (2019: \$6,965,686) and the Property Manager of \$2,903,502 (2019: \$4,008,647) respectively. The amounts due to related parties are unsecured, interest free and payable within the next 3 months.

NOTES TO THE FINANCIAL STATEMENTS

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13. FINANCIAL DERIVATIVES

	Group and Trust	
	2020	2019
	\$'000	\$'000
Derivative liabilities		
Interest rate swaps used for hedging		
– Current	466	–
– Non-current	6,901	975
	<u>7,367</u>	<u>975</u>
Financial derivatives as a percentage of net assets	0.29%	0.04%

The Trust 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 2020, the Group has seven (2019: four) interest rate swap contracts with a total notional amount of \$332 million (2019: \$213 million). Under the contracts, the Group pays fixed interest rate in the range of 1.319% to 1.905% (2019: 1.587% to 1.905%).

The fair value of the interest rate swaps is determined using valuation technique as disclosed in Note 28(b).

As at 30 September 2020, 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 \$5.30 million loss (2019: \$0.03 million loss) was recognised in the hedging reserve. There was no ineffectiveness recognised from the hedge.

14. DEFERRED INCOME

	Group and Trust	
	2020	2019
	\$'000	\$'000
Cost		
At beginning	31	144
Additions	–	–
Fully amortised	(29)	(113)
At end	<u>2</u>	<u>31</u>
Accumulated amortisation		
At beginning	29	129
Charge for the year	1	13
Fully amortised	(29)	(113)
At end	<u>1</u>	<u>29</u>
Net deferred income	<u>1</u>	<u>2</u>
This comprises:		
Current portion	1	2
Non-current portion	–	–
	<u>1</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS

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15. INTEREST-BEARING BORROWINGS

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current liabilities				
Term loan (unsecured)	80,000	–	80,000	–
Medium Term Notes (unsecured)	50,000	159,966	–	–
Loan from subsidiary (unsecured)	–	–	50,000	159,966
Short term loans (unsecured)	125,000	135,083	125,000	135,083
	<u>255,000</u>	<u>295,049</u>	<u>255,000</u>	<u>295,049</u>
Non-current liabilities				
Term loans (secured)	189,335	405,049	189,335	405,049
Term loan (unsecured)	508,296	189,856	318,152	–
Loan from subsidiary (unsecured)	–	–	299,677	149,851
Medium Term Notes (unsecured)	299,677	149,851	–	–
	<u>997,308</u>	<u>744,756</u>	<u>807,164</u>	<u>554,900</u>

(a) Term loans (secured)

- (i) In December 2016, the Trust entered into a facility agreement with DBS Bank Ltd for a secured five-year term loan of \$70 million (the “\$70 million Secured Term Loan”).

The \$70 million Secured Term Loan is principally secured by the following:

- a mortgage over Bedok Point;
- an assignment of the rights, benefits, title and interest of the Trust in, under and arising out of the insurances effected in respect of Bedok Point; and
- an assignment and charge of the rights, benefits, title and interest of the Trust 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 Bedok Point.

The \$70 million Secured Term Loan had been fully repaid on 21 June 2019 and its collaterals had been discharged.

- (ii) In March 2016, the Trust entered into a facility agreement with DBS Bank Ltd for a secured five-year term loan of \$80 million (the “\$80 million Secured Term Loan”).

The \$80 million Secured Term Loan is principally secured by the following:

- a mortgage over Anchorpoint;
- an assignment of the rights, benefits, title and interest of the Trust in, under and arising out of the insurances effected in respect of Anchorpoint; and
- an assignment and charge of the rights, benefits, title and interest of the Trust 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 Anchorpoint.

The \$80 million Secured Term Loan has been prepaid on 7 October 2020 and discharge of the above collaterals is in progress.

NOTES TO THE FINANCIAL STATEMENTS

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15. INTEREST-BEARING BORROWINGS (CONT'D)

(a) Term loans (secured) (cont'd)

- (iii) In June 2016, the Trust entered into a facility agreement with Oversea-Chinese Banking Corporation Limited and DBS Bank Ltd for a secured five-year term loan of \$136 million (the "\$136 million Secured Term Loan").

The \$136 million Secured Term Loan is principally secured by the following:

- a mortgage over YewTee Point;
- an assignment of the rights, benefits, title and interest of the Trust in, under and arising out of the insurances effected in respect of YewTee Point; and
- an assignment and charge of the rights, benefits, title and interest of the Trust 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 YewTee Point.

The \$136 million Secured Term Loan had been fully repaid on 11 May 2020 and its collaterals had been discharged.

- (iv) In April 2019, the Trust entered into a facility agreement with BNP Paribas for a secured three- and five-year term loan of S\$190 million (the "S\$190 million Secured Term Loan").

The S\$190 million Secured Term Loan is principally secured on the following:

- a mortgage over Changi City Point;
- an assignment of the rights, benefits, title and interest of the Trust in, under and arising out of the insurances effected in respect of Changi City Point;
- an assignment and charge of the rights, benefits, title and interest of the Trust 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 Changi City Point; and
- a first fixed and floating charge over all present and future assets of FCT in connection with Changi City Point.

(b) Term loans (unsecured)

In September 2019, FCT Holdings (Sigma) Pte. Ltd. entered into a facility agreement with DBS Bank Ltd, Citibank N.A. Singapore branch and BNP Paribas for an unsecured four-year term loan of \$191 million.

In December 2019, the Trust entered into a facility agreement with DBS Bank Ltd, Citibank N.A. Singapore branch and BNP Paribas for an unsecured four-year term loan of \$119 million.

NOTES TO THE FINANCIAL STATEMENTS

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15. INTEREST-BEARING BORROWINGS (CONT'D)

(c) 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.

As at 30 September 2020, the aggregate balance of the Notes issued by the Group under the FCT MTN Programme amounted to \$150 million (2019: \$310 million), consisting of:

- (i) \$Nil million (2019: \$70 million) Fixed Rate Notes which mature on 21 January 2020 and bear a fixed interest rate of 3.000% per annum payable semi-annually in arrear;
- (ii) \$50 million (2019: \$50 million) Fixed Rate Notes which mature on 21 June 2021 and bear a fixed interest rate of 2.760% per annum payable semi-annually in arrear;
- (iii) \$Nil million (2019: \$90 million) Fixed Rate Notes which mature on 3 April 2020 and bear a fixed interest rate of 2.365% per annum payable semi-annually in arrear;
- (iv) \$30 million (2019: \$30 million) Fixed Rate Notes which mature on 6 June 2022 and bear a fixed interest rate of 2.645% per annum payable semi-annually in arrear; and
- (v) \$70 million (2019: \$70 million) Fixed Rate Notes which mature on 8 November 2024 and bear a fixed interest rate of 2.770% per annum payable semi-annually in arrears.

(d) 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 2020, \$200 million (2019: \$Nil million) Fixed Rate Notes which mature on 11 May 2023 and bear a fixed rate interest rate of 3.200% per annum payable semi-annually in arrears has been issued under this programme.

NOTES TO THE FINANCIAL STATEMENTS

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15. INTEREST-BEARING BORROWINGS (CONT'D)

(e) Revolving credit facilities (Non-current and unsecured)

In July 2020, the Trust entered into an agreement with DBS Bank Ltd for a committed 18-month term revolving credit facility of \$120 million and with Oversea-Chinese Banking Corporation Limited for a committed 18-month term revolving credit facility of \$80 million. As at 30 September 2020, total borrowings drawn down by the Trust on these unsecured facilities amounted to \$200 million.

(f) Short term loans (current and unsecured)

The Trust has obtained unsecured credit facilities totalling \$245 million (2019: \$314 million). As at 30 September 2020, total borrowings drawn down by the Trust on these facilities amounted to \$125.0 million (2019: \$135.1 million).

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities Interest- bearing borrowings \$'000	Interest payable \$'000	Derivative liabilities held to hedge borrowings Interest rate swap – assets \$'000	Interest rate swap – liabilities \$'000	Total \$'000
Group					
Balance at 1 October 2018	812,588	4,213	(56)	–	816,745
Changes from financing cash flows					
Proceeds from borrowings	1,121,115	–	–	–	1,121,115
Repayment of borrowings	(892,032)	–	–	–	(892,032)
Borrowing costs paid	–	(22,627)	–	–	(22,627)
Payment of transaction costs	(2,540)	–	–	–	(2,540)
Total changes from financing cash flows	226,543	(22,627)	–	–	203,916
Change in fair value	–	–	56	975	1,031
Liability-related other changes					
Borrowing costs	–	23,498	–	–	23,498
Amortisation of loan arrangement fees	674	–	–	–	674
Total liability-related other changes	674	23,498	–	–	24,172
Balance at 30 September 2019	1,039,805	5,084	–	975	1,045,864
Balance at 1 October 2019	1,039,805	5,084	–	975	1,045,864
Changes from financing cash flows					
Proceeds from borrowings	793,000	–	–	–	793,000
Repayment of borrowings	(580,083)	–	–	–	(580,083)
Borrowing costs paid	–	(25,755)	–	–	(25,755)
Payment of transaction costs	(1,254)	–	–	–	(1,254)
Total changes from financing cash flows	211,663	(25,755)	–	–	185,908
Change in fair value	–	–	–	6,392	6,392
Liability-related other changes					
Borrowing costs	–	26,253	–	–	26,253
Amortisation of loan arrangement fees	840	–	–	–	840
Total liability-related other changes	840	26,253	–	–	27,093
Balance at 30 September 2020	1,252,308	5,582	–	7,367	1,265,257

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

16. TRANSLATION RESERVE

The translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

	Group	
	2020 \$'000	2019 \$'000
At beginning	18,829	18,816
Net effect of exchange loss arising from translation of financial statements of foreign associate	170	13
At end	18,999	18,829

17. HEDGING RESERVE

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss.

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At beginning	33	-	-	-
Net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss	5,297	33	4,642	-
At end	5,330	33	4,642	-

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

18. UNITS IN ISSUE

	Group and Trust	
	2020	2019
	No. of Units	No. of Units
	'000	'000
Units in issue		
At beginning	1,116,284	926,392
Issue of Units		
– Private placement and preferential offering	–	184,000
– issued as satisfaction of asset management fees	2,336	2,154
– issued as satisfaction of acquisition fee	827	3,738
At end	1,119,447	1,116,284
Units to be issued		
– as asset management fees payable in Units	883	1,225
Total issued and issuable Units at end	1,120,330	1,117,509

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.

NOTES TO THE FINANCIAL STATEMENTS

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19. NET ASSET VALUE PER UNIT

	Group		Trust	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000

Net asset value per Unit is based on:

Net assets	2,538,276	2,471,059	2,462,726	2,454,234
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	'000	'000	'000	'000
Total issued and issuable Units (Note 18)	1,120,330	1,117,509	1,120,330	1,117,509

20. GROSS REVENUE

	Group and Trust	
	2020	2019
	\$'000	\$'000
Gross rental income	147,190	173,494
Turnover rental income	7,824	9,441
Carpark income	3,007	4,656
Others	6,356	8,795
	<u>164,377</u>	<u>196,386</u>

Gross rental income

The Group has granted rental relief to a number of its tenants in light of mandatory government shutdowns, increased social distancing and work from home measures. Each rental relief request has been reviewed and considered on a case-by-case basis. The relief provided are mainly rental rebates, rental payment deferrals or a combination of these.

NOTES TO THE FINANCIAL STATEMENTS

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21. PROPERTY EXPENSES

	Group and Trust	
	2020	2019 ⁽²⁾
	\$'000	\$'000
Property tax	18,159	16,911
Maintenance	14,877	13,916
Property management fees	6,184	7,569
Staff costs ⁽¹⁾	7,250	8,185
Marketing expenses	4,340	7,255
Utilities	1,657	2,063
Allowance for doubtful receivables	1,297	8
Write back of allowance for doubtful receivables	(1,099)	(16)
Others	762	1,107
Depreciation of fixed assets	56	93
Amortisation of intangible assets	-	12
Fixed assets write off	6	-
	<u>53,489</u>	<u>57,103</u>

(1) Relates to reimbursement of staff costs paid/payable to the Property Manager.

(2) During the financial year, the Group and Trust reclassified certain property expenses and comparative figures have been reclassified to conform with the current year's presentation.

The Group and the Trust do not have any employees.

22. OTHER INCOME

	Group		Trust	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Government grant income	18,533	-	18,533	-
Government grant expense	<u>(18,533)</u>	<u>-</u>	<u>(18,533)</u>	<u>-</u>

23. BORROWING COSTS

	Group		Trust	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Interest expense	26,256	23,512	22,438	23,462
Amortisation of loan arrangement fees	1,347	1,136	1,060	1,134
	<u>27,603</u>	<u>24,648</u>	<u>23,498</u>	<u>24,596</u>

NOTES TO THE FINANCIAL STATEMENTS

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24. ASSET MANAGEMENT FEES

Asset management fees comprise \$11,936,345 (2019: \$9,567,971) of base fee and \$6,494,110 (2019: \$7,187,918) of performance fee computed in accordance with the fee structure as disclosed in Note 1.2 to the financial statements.

An aggregate of 1,994,085 (2019: 2,116,627) Units were issued or are issuable to the Manager as satisfaction of the asset management fees payable for the financial year ended 30 September 2020.

25. TAXATION

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Reconciliation of effective tax				
Net income	65,407	96,677	68,956	96,602
Income tax using Singapore tax rate of 17% (2019: 17%)	11,119	16,435	11,723	16,422
Non-tax deductible items	(4,699)	1,398	1,372	1,460
Income not subject to tax	5,639	1,828	2,301	1,803
Income exempt from tax	(11,977)	(19,650)	(15,396)	(19,685)
	82	11	-	-

26. 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.

	Group		Trust	
	2020	2019	2020	2019
Total return for year after tax (\$'000)	151,676	205,945	91,120	190,451
Weighted average number of Units in issue ('000)	1,118,086	991,076	1,118,086	991,076

(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:

	Group		Trust	
	2020	2019	2020	2019
Total return for year after tax (\$'000)	151,676	205,945	91,120	190,451
Weighted average number of Units in issue ('000)	1,119,618	992,819	1,119,618	992,819

NOTES TO THE FINANCIAL STATEMENTS

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27. 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:

	Group and Trust	
	2020	2019
	\$'000	\$'000
Related Corporations		
Property management fees and reimbursement of expenses paid/payable to the Property Manager ⁽¹⁾	16,231	18,231
Acquisition fees paid in units to the Manager in relation to the acquisitions	1,972	8,999
Reimbursement of expenses paid/payable to the Manager	28	64
Acquisition of investment in a joint venture from a related company of the Manager	68	145,665
Reimbursement of expenses/capital expenditure paid/payable to related companies of the Manager	418	144
Recovery of expenses paid on behalf of related companies of the Manager	(132)	(122)
Income from related companies of the Manager	(190)	(16)
Purchase of services from a related company of the Manager	41	-
Reimbursement of carpark income received on behalf of a related company of the Manager	1,578	1,932
Net carpark expenses paid/payable to the Property Manager	89	170
Joint Ventures		
Interest income received/receivable from a Joint Venture	(2,211)	(587)
Loan to a Joint Venture	-	113,810
Car park expenses paid/payable to a Joint Venture	27	33

(1) In accordance with service agreements in relation to management of the Trust and its property operations.

28. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Liabilities measured at fair value

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Group and Trust				
At 30 September 2020				
<u>Financial liabilities</u>				
Interest rate swaps	-	7,367	-	7,367
At 30 September 2019				
<u>Financial liabilities</u>				
Interest rate swaps	-	975	-	975

During the financial years ended 30 September 2020 and 2019, there have been no transfers between the respective levels.

NOTES TO THE FINANCIAL STATEMENTS

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28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(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.

(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:

	2020 \$'000		2019 \$'000	
	Carrying amount	Fair value	Carrying amount	Fair value
Group				
Financial liabilities				
Interest-bearing borrowings (non-current)	997,308	1,011,974	744,756	773,654
Security deposits (non-current)	23,813	23,422	29,093	27,911
	<u>1,021,121</u>	<u>1,035,396</u>	<u>773,849</u>	<u>801,565</u>
Trust				
Financial liabilities				
Interest-bearing borrowings (non-current)	807,164	817,707	554,900	569,656
Security deposits (non-current)	23,813	23,422	29,093	27,911
	<u>830,977</u>	<u>841,129</u>	<u>583,993</u>	<u>597,567</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.

NOTES TO THE FINANCIAL STATEMENTS

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29. 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 depository property before 1 January 2022 and on or after 1 January 2022, should not exceed 45.0% of the fund's depository property.

As at 30 September 2020, the Group's Aggregate Leverage stood at 35.9% (2019: 32.9%) of its depository 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.

(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 impairment 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 Balance Sheets. At the reporting date, approximately 19.5% (2019: 25.0%) 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

29. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Trade receivables that are past due but not impaired

The Group and the Trust have trade receivables amounting to \$4,665,000 (2019: \$1,408,000) that are past due at the balance sheet date but not impaired. The aging of receivables at the balance sheet date is as follows:

	Group and Trust	
	2020	2019
	\$'000	\$'000
Trade receivables past due but not impaired:		
Less than 30 days	2,271	1,222
30 to 60 days	1,767	99
61 to 90 days	*	55
91 to 120 days	479	19
More than 120 days	148	13
	<u>4,665</u>	<u>1,408</u>

* Denotes amount less than \$500

Subsequent to 30 September 2020, \$3.37 million of trade receivables have been collected as of 7 November 2020.

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 and Trust	
	2020	2019
	\$'000	\$'000
Trade receivables	209	11
Allowance for doubtful receivables	(209)	(11)
	<u>-</u>	<u>-</u>
Movement in allowance account:		
At beginning of the year	11	19
Allowance for doubtful receivables recognised	1,297	8
Write back of allowance for doubtful receivables	(1,099)	(16)
At end of the year	<u>209</u>	<u>11</u>

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant difficulties and have defaulted on payments. The allowance for impairment 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

29. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

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.

Amount due from related parties and subsidiaries

Outstanding balances with related party are unsecured and repayable on demand. ELC 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 debts arising from these outstanding balances as the ECL is not material.

Loan to joint venture

The Group has loan to joint venture of \$113,810,000 (2019: \$113,810,000). The loan to joint venture is to satisfy their long term funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, the exposure is considered to have low credit risk. Therefore impairment on the balance has been measured on the 12-month expected credit loss basis; and the amount of the allowance is insignificant.

Cash and cash equivalent

Cash is placed with financial institutions which are regulated. The maximum exposure to credit risk is represented by the carrying value on the balance sheets. Impairment on cash and cash equivalent 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.

(ii) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to its interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Manager on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Manager adopts a policy of fixing the interest rates for a portion of its outstanding borrowings using financial derivatives or other suitable financial products.

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 Singapore swap offer rates ("SOR"). The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association ("ISDA")'s master agreements. The Group is currently in discussions with counterparties of respective contracts. No derivative instruments have been modified as at 30 September 2020.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

29. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Interest rate risk (cont'd)

Hedge accounting

The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by IBOR reform as at 30 September 2020. The Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rate which is SOR.

The Group's SOR cash flow hedging relationships extend beyond the anticipated cessation date for IBOR. However, there is uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. Such uncertainty may impact the hedging relationship. The Group applies the amendments to FRS 109 issued to those hedging relationships directly affected by IBOR reform.

Hedging relationships impacted by IBOR 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. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness.

The Group's exposure to SOR designated in hedging relationships is \$332 million notional amount at 30 September 2020, representing both the notional amount of the hedging interest rate swaps and principal amount of the Group's hedged bank loan liabilities.

Sensitivity analysis for interest rate risk

It is estimated that a twenty five basis points increase in interest rate at the reporting date, with all other variables held constant, would increase the Group's total return and Unitholders' funds and reserves by approximately \$204,000 (2019: \$644,000) and \$1,232,000 (2019: \$829,000) respectively and a twenty five basis points decrease in interest rate, with all other variables held constant, would decrease the Group's total return and Unitholders' funds and reserves by approximately \$203,000 (2019: \$671,000) and \$1,242,000 (2019: \$837,000) 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 a twenty five basis points increase in interest rate, with all other variables held constant, would decrease the Group's total return for the year and Unitholders' funds and reserves by approximately \$1,432,500 (2019: \$1,298,000) and a twenty five basis points decrease in interest rate, with all other variables held constant, would increase the Group's total return for the year and Unitholders' funds and reserves by approximately \$1,432,500 (2019: \$1,298,000), 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

30 SEPTEMBER 2020

29. 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.

	Within 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Total \$'000
As at 30 September 2020				
Group				
Trade and other payables	43,277	–	–	43,277
Derivative financial instruments	4,187	3,605	–	7,792
Security deposits	16,708	23,788	25	40,521
Interest-bearing borrowings	271,281	1,026,669	–	1,297,950
	335,453	1,054,062	25	1,389,540
Trust				
Trade and other payables	43,286	–	–	43,286
Derivative financial instruments	4,187	3,605	–	7,792
Security deposits	16,708	23,788	25	40,521
Interest-bearing borrowings	269,652	832,401	–	1,102,053
	333,833	859,794	25	1,193,652
As at 30 September 2019				
Group				
Trade and other payables	42,490	–	–	42,490
Derivative financial instruments	421	584	–	1,005
Security deposits	22,612	29,068	25	51,705
Interest-bearing borrowings	313,304	714,796	70,202	1,098,302
	378,827	744,448	70,227	1,193,502
Trust				
Trade and other payables	42,541	–	–	42,541
Derivative financial instruments	421	584	–	1,005
Security deposits	22,612	29,068	25	51,705
Interest-bearing borrowings	309,022	510,798	70,202	890,022
	374,596	540,450	70,227	985,273

NOTES TO THE FINANCIAL STATEMENTS

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30. SEGMENT REPORTING

Business segments

The Group is in the business of investing in the following shopping malls, which are considered to be the main business segments: Causeway Point, Northpoint City North Wing and Yishun 10 Retail Podium, Anchorpoint, YewTee Point, Bedok Point and Changi City Point. All these properties are located in Singapore.

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. Unallocated items comprise mainly income-earning assets, interest-bearing borrowings and their related revenue and expenses.

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 2020

30. SEGMENT REPORTING (CONT'D)

(a) Business segments

	Causeway Point \$'000	Northpoint City North Wing and Yishun 10 Retail Podium \$'000	Anchor- point \$'000	YewTee Point \$'000	Bedok Point* \$'000	Changi City Point \$'000	Group \$'000
2020							
<i>Revenue and expenses</i>							
Gross rental income	65,930	40,375	6,129	11,089	4,812	18,855	147,190
Others	7,307	4,021	744	1,399	837	2,879	17,187
Gross revenue	<u>73,237</u>	<u>44,396</u>	<u>6,873</u>	<u>12,488</u>	<u>5,649</u>	<u>21,734</u>	<u>164,377</u>
Segment net property income	<u>52,929</u>	<u>31,531</u>	<u>2,996</u>	<u>8,306</u>	<u>2,023</u>	<u>13,103</u>	<u>110,888</u>
Interest income							14
Other income							586
Interest income from joint venture							2,211
Unallocated expenses*							(48,292)
Net income							65,407
Unrealised loss from fair valuation of derivatives							(1,095)
Share of results of associates							75,280
Share of results of joint ventures							11,200
Expenses in relation to acquisitions of an associate and a joint venture							(3,781)
Surplus on revaluation of investment properties	(157)	(2,619)	(3,621)	920	14,106	(3,882)	<u>4,747</u>
Total return for the year before tax							151,758
Taxation							(82)
Total return for the year							<u>151,676</u>

* Bedok Point has been reclassified to Asset Held for Sale as at 30 September 2020 (Note 11).

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

30. SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

	Causeway Point \$'000	Northpoint City North Wing and Yishun 10 Retail Podium \$'000	Anchor- point \$'000	YewTee Point \$'000	Bedok Point \$'000	Changi City Point \$'000	Group \$'000
2019							
<i>Revenue and expenses</i>							
Gross rental income	76,562	47,411	7,367	12,534	5,786	23,834	173,494
Others	9,896	5,678	1,188	1,909	720	3,501	22,892
Gross revenue	86,458	53,089	8,555	14,443	6,506	27,335	196,386
Segment net property income	65,765	39,213	3,808	10,308	2,663	17,526	139,283
Other income							131
Interest income from joint venture							587
Unallocated expenses*							(43,324)
Net income							96,677
Unrealised loss from fair valuation of derivatives							(998)
Share of results of associates							22,548
Share of results of joint ventures							6,409
Impairment loss on investment in joint venture							(1,132)
Expenses in relation to acquisitions of an associate and a joint venture							(10,838)
Surplus on revaluation of investment properties	75,884	1,547	3,045	2,672	21	10,121	93,290
Total return for the year before tax							205,956
Taxation							(11)
Total return for the year							205,945

* Unallocated expenses include borrowing costs and asset management fees as disclosed in the Statements of Total Return.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

30. SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

	Causeway Point \$'000	Northpoint City North Wing and Yishun 10 Retail Podium \$'000	Anchor- point \$'000	YewTee Point \$'000	Bedok Point* \$'000	Changi City Point \$'000	Group \$'000
As at							
30 September 2020							
<i>Assets and liabilities</i>							
Segment assets	1,314,593	814,861	112,808	192,964	109,755	343,502	2,888,483
Investment in associate							696,406
Investment in joint venture							177,197
Loan to joint venture							113,810
Unallocated assets							7,515
Total assets							<u>3,883,411</u>
Segment liabilities	26,769	18,085	3,129	5,943	2,686	9,864	66,476
Unallocated liabilities							
– Trade and other payables							18,898
– Provision for taxation							86
– Financial derivatives							7,367
– Interest-bearing borrowings							1,252,308
Total liabilities							<u>1,345,135</u>
<i>Other segmental information</i>							
Allowance for doubtful receivables	626	336	20	64	46	205	1,297
Write back of allowance for doubtful receivables	(578)	(218)	(14)	(64)	(46)	(179)	(1,099)
Amortisation of lease incentives	(127)	1,136	(109)	(22)	116	442	1,436
Depreciation of fixed assets	12	8	16	4	5	11	56
Fixed assets write off	–	1	5	–	–	–	6
Capital expenditure							
– Investment properties	7,030	755	12	58	10	324	8,189
– Fixed assets	92	40	11	6	4	53	206

* Bedok Point has been reclassified to Asset Held for Sale as at 30 September 2020 (Note 11).

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

30. SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

	Causeway Point \$'000	Northpoint City North Wing and Yishun 10 Retail Podium \$'000	Anchor- point \$'000	YewTee Point \$'000	Bedok Point \$'000	Changi City Point \$'000	Group \$'000
As at							
30 September 2019							
<i>Assets and liabilities</i>							
Segment assets	1,303,265	812,136	114,720	190,584	95,231	343,458	2,859,394
Investment in associate							457,470
Investment in joint venture							177,273
Loan to joint venture							113,810
Unallocated assets							2,936
Total assets							<u>3,610,883</u>
Segment liabilities	32,251	22,821	4,372	5,585	3,548	12,884	81,461
Unallocated liabilities							
– Trade and other payables							17,572
– Provision for taxation							11
– Financial derivatives							975
– Interest-bearing borrowings							1,039,805
Total liabilities							<u>1,139,824</u>
<i>Other segmental information</i>							
Allowance for doubtful receivables	6	–	2	–	–	–	8
Write back of allowance for doubtful receivables	(16)	–	–	–	–	–	(16)
Amortisation of lease incentives	(133)	1,247	39	(147)	11	286	1,303
Depreciation of fixed assets	8	7	61	5	5	7	93
Amortisation of intangible assets	2	2	2	2	2	2	12
Capital expenditure							
– Investment properties	3,984	200	493	181	(10)	165	5,013
– Fixed assets	10	–	6	–	3	10	29

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

31. COMMITMENTS

	Group and Trust	
	2020	2019
	\$'000	\$'000
Capital expenditure contracted but not provided for	5,457	8,161

32. 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.

33. LEASES

Leases as lessor

The Group leases out its investment property consisting of its owned retail properties as well as leased property (see Note 4). All leases are classified as operating leases from a lessor perspective with the exception of a sub-lease, which the Group has classified as a finance sub-lease.

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 Statements set out information about the operating leases of investment property.

Rental income from investment properties recognised by the Group during 2020 was \$147,190,000 (2019: \$173,494,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	\$'000
2020 – Operating leases under FRS 116	
Less than one year	140,913
One to two years	87,181
Two to three years	33,943
Three to four years	3,692
Four to five years	944
More than five years	1,841
Total	268,514
2019 – Operating leases under FRS 17	
Less than one year	155,557
Between one and five years	171,708
More than five years	2,690
Total	329,955

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2020

34. FINANCIAL RATIOS

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

	2020 %	Group 2019 %
Expenses to weighted average net assets ⁽¹⁾ :		
– including performance component of asset management fees	0.57	0.88
– excluding performance component of asset management fees	0.84	0.54
Portfolio turnover rate ⁽²⁾	–	–

(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 Trust, excluding property expenses, interest expense and taxation.

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

35. SUBSEQUENT EVENTS

On 7 October and 27 October 2020, the Trust issued 244,681,000 and 324,639,666 new units at the issue price of \$2.350 per unit and \$2.340 per unit via a private placement and preferential offering respectively. The aggregate gross proceeds of \$1,334.7 million have been utilised to fund the completion of acquisition of approximately 63.11% of the total issued share capital of AsiaRetail Fund Limited of \$1,017,648,000 on 27 October 2020, paring down existing indebtedness of \$284,881,000 and the remaining proceeds of \$32,128,000 are earmarked to pay the estimated stamp duties, professional and other fees and expenses incurred or to be incurred by the Trust in connection with the acquisition and the Equity Fund Raising.

On 3 November 2020, the Manager declared a distribution of \$48,944,000 (or 4.372 cents per unit) to Unitholders in respect of the period from 1 April 2020 to 30 September 2020 including release of retention of the distributable income of the Trust for the period from 1 October 2019 to 31 March 2020.

On 5 November 2020, the Trust issued 883,069 new units issued at a price of \$2.4426 per Unit as payment of the following:-

- 20% of the performance fee component of its management fee for the period from 1 October 2019 to 31 December 2019;
- 20% of the performance fee component of its management fee for the period from 1 January 2020 to 31 March 2020;
- 50% of the performance fee component of its management fee for the period from 1 April 2020 to 30 June 2020; and
- 20% of the base fee component and performance fee component of its management fee for the period from 1 July 2020 to 30 September 2020.

On 9 November 2020, the Trust completed divestment of Bedok Point to Chempaka Pte Ltd at \$108.0 million.

On 12 November 2020, the Manager declared a DPU clean-up of \$1,478,000 (or 0.132 cents per unit) to Unitholders in respect of the period from 1 October 2020 to 6 October 2020.

USE OF PROCEEDS

Specific use of the proceeds from the private placement of 244,681,000 and preferential offering of 324,639,666 new units in the Trust (the “Equity Fund Raising”) completed on 7 October 2020 and 27 October 2020, respectively.

	Amount S\$ million
Gross proceeds from the Equity Fund Raising	1,334.7
Use of gross proceeds to fund the purchase consideration in relation to the acquisition of approximately 63.11% of the total issued share capital of AsiaRetail Fund Limited, stamp duties, professional and other fees and expenses incurred in connection with the Equity Fund Raising and the acquisition	(1,049.8)
Use of gross proceeds to pare down existing indebtedness	(284.9)
Balance of Proceeds	-

The use of proceeds from the Equity Fund Raising is in accordance with the stated use of proceeds previously disclosed in the Trust’s announcement dated 28 September 2020 in relation to, among other things, the Equity Fund Raising.

STATISTICS OF UNITHOLDINGS

ISSUED AND FULLY PAID-UP UNITS

There were 1,698,114,079 Units (voting rights: one vote per Unit) outstanding as at 27 November 2020.

There is only one class of Units.

The market capitalisation was approximately S\$3,990 million based on closing unit price of S\$2.35 on 27 November 2020.

TOP TWENTY UNITHOLDERS AS AT 27 NOVEMBER 2020

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	36.79
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	206,998,355	12.19
3.	HSBC (SINGAPORE) NOMINEES PTE LTD	183,226,021	10.79
4.	DBS NOMINEES (PRIVATE) LIMITED	178,095,887	10.49
5.	DBSN SERVICES PTE. LTD.	146,271,160	8.61
6.	RAFFLES NOMINEES (PTE.) LIMITED	76,468,543	4.50
7.	FRASERS CENTREPOINT ASSET MANAGEMENT LTD	72,452,501	4.27
8.	BPSS NOMINEES SINGAPORE (PTE.) LTD.	28,157,612	1.66
9.	DB NOMINEES (SINGAPORE) PTE LTD	9,942,756	0.59
10.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	7,457,521	0.44
11.	OCBC SECURITIES PRIVATE LIMITED	5,284,621	0.31
12.	PHILLIP SECURITIES PTE LTD	4,660,669	0.27
13.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,204,275	0.25
14.	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	3,687,659	0.22
15.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,444,469	0.20
16.	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,386,827	0.20
17.	UOB KAY HIAN PRIVATE LIMITED	3,305,939	0.19
18.	IFAST FINANCIAL PTE. LTD.	2,776,998	0.16
19.	CHAN WAI KHEONG	2,646,200	0.16
20.	ONG MIN KHIM	2,330,000	0.14
	Total	1,569,482,565	92.43

UNITHOLDINGS OF DIRECTORS OF THE MANAGER AS AT 21 OCTOBER 2020

Name of Director	Number of FCT Units held	
	Direct Interest	Deemed Interest
Mr Christopher Tang Kok Kai	59,000 ⁽¹⁾	792,220 ⁽²⁾
Dr Cheong Choong Kong	186,597 ⁽³⁾	–
Mr Ho Chee Hwee Simon	–	129,000 ⁽⁴⁾

(1) Includes rights arising from the provisional allotment of 9,000 new Units under a non-renounceable preferential offering launched by the Manager on 9 October 2020 (the "Preferential Offering").

(2) Includes rights arising from the provisional allotment of 153,000 new Units under the Preferential Offering.

(3) Includes rights arising from the provisional allotment of 41,948 new Units under the Preferential Offering.

(4) Includes rights arising from the provisional allotment of 29,000 new Units under the Preferential Offering.

STATISTICS OF UNITHOLDINGS

SUBSTANTIAL UNITHOLDERS AS AT 27 NOVEMBER 2020

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	36.79	–	–	624,684,552	36.79
Frasers Property Limited ⁽¹⁾	–	–	697,137,053	41.05	697,137,053	41.05
Thai Beverage Public Company Limited ⁽²⁾	–	–	697,137,053	41.05	697,137,053	41.05
International Beverage Holdings Limited ⁽³⁾	–	–	697,137,053	41.05	697,137,053	41.05
InterBev Investment Limited ⁽⁴⁾	–	–	697,137,053	41.05	697,137,053	41.05
Siriwana Co., Ltd. ⁽⁵⁾	–	–	697,137,053	41.05	697,137,053	41.05
Maxtop Management Corp ⁽⁶⁾	–	–	697,137,053	41.05	697,137,053	41.05
Risen Mark Enterprise Ltd. ⁽⁷⁾	–	–	697,137,053	41.05	697,137,053	41.05
Golden Capital (Singapore) Limited ⁽⁸⁾	–	–	697,137,053	41.05	697,137,053	41.05
MM Group Limited ⁽⁹⁾	–	–	697,137,053	41.05	697,137,053	41.05
TCC Assets Limited ⁽¹⁰⁾	–	–	697,137,053	41.05	697,137,053	41.05
Charoen Sirivadhanabhakdi ⁽¹¹⁾	–	–	697,137,053	41.05	697,137,053	41.05
Khunying Wanna Sirivadhanabhakdi ⁽¹²⁾	–	–	697,137,053	41.05	697,137,053	41.05

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 FCAM and FPRTH hold 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 (Chapter 289 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
 - FCAM and FPRTH hold 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
 - FCAM and FPRTH hold 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
 - FCAM and FPRTH hold 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 a greater than 20% 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
 - FCAM and FPRTH hold 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.

STATISTICS OF UNITHOLDINGS

- (6) Maxtop Management Corp. (“**MMC**”) together with Risen Mark Enterprise Ltd. (“**RM**”) and Golden Capital (Singapore) Limited (“**GC**”) collectively holds a greater than 20% 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
 - FCAM and FPRTH hold units in FCT.
- MMC therefore has a deemed interest in the units in FCT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (7) RM together with MMC and GC collectively holds a greater than 20% 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
 - FCAM and FPRTH hold units in FCT.
- RM 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) GC together with MMC and RM collectively holds a greater than 20% 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
 - FCAM and FPRTH hold units in FCT.
- GC 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) MM Group Limited (“**MM Group**”) holds a 100% direct interest in each of MMC, RM and GC;
- MMC, RM and GC collectively holds a greater than 20% 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
 - FCAM and FPRTH hold units in FCT.
- MM Group therefore has a deemed interest in the units in FCT in which FPL has an interest, by virtue of Section 4 of the SFA.
- (10) TCC Assets Limited (“**TCCA**”) holds a majority interest in FPL;
- FPL holds a 100% direct interest in each of FCAM and FPRTH; and
 - FCAM and FPRTH hold 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.
- (11) 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
 - FCAM and FPRTH hold 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.
- (12) 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
 - FCAM and FPRTH hold 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.

STATISTICS OF UNITHOLDINGS

DISTRIBUTION OF HOLDINGS

Size of Holdings	Number of Unitholders	Percentage of Unitholders (%)	Number of Units	Percentage of Units in Issue (%)
1 to 99	52	0.48	1,806	0.00
100 to 1,000	1,674	15.33	1,215,498	0.07
1,001 to 10,000	6,907	63.25	31,000,282	1.83
10,001 to 1,000,000	2,261	20.70	87,094,166	5.13
1,000,001 and above	26	0.24	1,578,802,327	92.97
Total	10,920	100.00	1,698,114,079	100.00

LOCATION OF UNITHOLDERS

Country	Number of Unitholders	Percentage of Unitholders (%)	Number of Units	Percentage of Units in Issue (%)
Singapore	10,539	96.51	1,692,649,686	99.68
Malaysia	273	2.50	4,118,994	0.24
Others	108	0.99	1,345,399	0.08
Total	10,920	100.00	1,698,114,079	100.00

FREE FLOAT

Based on information made available to the Manager as at 27 November 2020, approximately 59% 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 2020

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 associates			
- Asset management fees ⁽¹⁾	Associates of controlling shareholder of Manager	18,430	-
- Acquisition fees		1,972	-
- Property management fees ^{(1), (2) & (3)}	and controlling unitholder of FCT	15,231	-
- Reimbursement of expenses ^{(1), (2) & (3)}		13,735	-
- Purchase consideration ⁽⁴⁾		1,100	-
- Portfolio management fees ⁽⁵⁾		11,200	-
- Car park operator fees ⁽⁶⁾		524	-
HSBC Institutional Trust Services (Singapore) Limited			
- Trustee's fees	Trustee	577	-

(1) Includes FCT's interest in a joint venture.

(2) During the financial year, the property management agreement ("PMA") with Frasers Property Retail Management Pte Ltd (the "Property Manager") for Changi City Point has been renewed for the period 16 June 2019 to 4 July 2021. The fees payable and expenses reimbursable to the Property Manager pursuant to the PMA are estimated at S\$6.4 million. On or six months before the expiry of the Term, the Trustee and the Manager may give written request to the Property Manager to extend the appointment of the Property Manager for a further term of five years from the expiry of the Term. The fees payable and expenses reimbursable to the Property Manager pursuant to the PMA for a further term of five years are estimated at S\$14.8 million.

(3) Includes FCT's share of the property management fees payable and expenses reimbursable to Asiamalls Management Pte Ltd ("AMM") by AsiaRetail Fund Limited ("ARF"), which is in the proportion of its shareholding in ARF at the relevant times during the financial year ended 30 September 2020.

(4) Includes FCT's share of the purchase consideration received by ARF for the divestment of the entire issued share capital in AMM by ARF to the Property Manager, which is in the proportion of its shareholding in ARF at the relevant times during the financial year ended 30 September 2020.

(5) Includes FCT's share of the portfolio management fees paid to Frasers Property Corporate Services (Singapore) Pte. Ltd. by ARF, which is in the proportion of its shareholding in ARF at the relevant times during the financial year ended 30 September 2020.

(6) Includes FCT's share of the fees payable to the Property Manager under the car park operator agreements between the Property Manager and Changi City Carpark Operations LLP in respect of the operation, management and maintenance of the car park at Changi City, which is in the proportion of its partnership interest in Changi City Carpark Operations LLP.

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 unitholder of the Trust.

Please refer to **Note 27 Significant Related Party Transactions** to the Financial Statements on page 198.

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) 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.

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

Manager's Asset Management and Acquisition Fees Paid and Payable in Units

A summary of Units issued for payment of the Manager's management fees and acquisition fees in respect of the financial year are as follows:-

	Issue Date	Units Issued	Issue Price ⁽¹⁾
Manager's Base Fee Component			
1 October to December 2019	24 January 2020	213,085	S\$2.7439 ⁽¹⁾
1 January to 31 March 2020	24 April 2020	287,504	S\$2.0625 ⁽¹⁾
1 April to 30 June 2020	27 July 2020	610,427	S\$2.3984 ⁽¹⁾
1 July to 30 September 2020	5 November 2020	255,647	S\$2.4426 ⁽¹⁾
Manager's Performance Fee Component			
1 October 2019 to 30 September 2020	5 November 2020	627,422	S\$2.4426 ⁽¹⁾

Acquisition Fee

In respect of acquisition by FCT Holdings (Sigma) Pte. Ltd,
a wholly-owned subsidiary of FCT, of approximately

12.07% interest in AsiaRetail Fund Limited on 6 July 2020 11 August 2020 827,060 S\$2.3848 ⁽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 date of issue of the Units

SUBSCRIPTION OF THE TRUST UNITS

For the financial year ended 30 September 2020, an aggregate of 3,163,084 Units were issued and as at 30 September 2020, 1,119,447,127 Units were in issue. On 7 October and 27 October 2020, the Trust issued 244,681,000 new Units at the issue price of S\$2.350 per new Unit and 324,639,666 new Units at the issue price of S\$2.340 per new Unit via a private placement and preferential offering respectively. On 5 November 2020, the Trust issued 883,069 new Units to the Manager as payment of the base fee component of the Manager's management fees for the quarter ended 30 September 2020 and payment of the performance fee component of the Manager's management fees for the financial year ended 30 September 2020. On 27 November 2020, the Trust issued 8,231,488 new Units as payment of the acquisition fee of S\$19,343,997.43 in connection with the acquisition of approximately 63.11% of the total issued share capital of AsiaRetail Fund Limited and 231,729 new Units as payment of the divestment fee of S\$540,000.00 in connection with the divestment of a leasehold interest in the whole of the land lots 4710W, 4711V, 10529L and 10530N all of Mukim 27 together with the building erected thereon, situated at 799 New Upper Changi Road, Singapore 467351, currently known as Bedok Point at an issue price of S\$2.3500 per new Unit and S\$2.3303 per new Unit respectively.

NON-DEAL ROADSHOW EXPENSES

Non-deal roadshow expenses of S\$7,420 (2019: S\$33,645) were incurred during the year ended 30 September 2020.

NOTICE OF ANNUAL GENERAL MEETING



(CONSTITUTED IN THE REPUBLIC OF SINGAPORE PURSUANT TO A TRUST DEED DATED 5 JUNE 2006
(AS AMENDED AND RESTATED))

NOTICE IS HEREBY GIVEN that the 12th Annual General Meeting (the “**AGM**”) of the unitholders of FRASERS CENTREPOINT TRUST (“**FCT**”, and the unitholders of FCT, “**Unitholders**”) will be held by way of electronic means on 21 January 2021 at 10.00 a.m. for the following purposes:

ROUTINE BUSINESS

Resolution (1)

1. To receive and adopt the Report of the Trustee issued by HSBC Institutional Trust Services (Singapore) Limited, as trustee of FCT (the “**Trustee**”), the Statement by the Manager issued by Frasers Centrepoint Asset Management Ltd., as manager of FCT (the “**Manager**”) and the Audited Financial Statements of FCT for the financial year ended 30 September 2020.

Resolution (2)

2. To re-appoint KPMG LLP (“**KPMG**”) as Auditors of FCT to hold office until the conclusion of the next Annual General Meeting of FCT, and to authorise the Manager to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolution, with or without any modifications:

Resolution (3)

3. That authority be and is hereby given to the Manager, to:
 - (a)
 - (i) issue units in FCT (“**Units**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and
 - (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders shall not exceed twenty per cent. (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF ANNUAL GENERAL MEETING

- (2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:
 - (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the deed of trust constituting FCT (as amended and restated) (the “**Trust Deed**”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) unless revoked or varied by Unitholders in a general meeting, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next Annual General Meeting of FCT or (ii) the date by which the next Annual General Meeting of FCT is required by applicable law or regulations to be held, whichever is earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the Manager, any director of the Manager (“**Director**”) and the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director, or, as the case may be, the Trustee may consider expedient or necessary or in the interest of FCT to give effect to the authority conferred by this Resolution.

Frasers Centrepoint Asset Management Ltd.

(Company Registration No: 200601347G)

As manager of Frasers Centrepoint Trust

Catherine Yeo

Company Secretary

Singapore, 29 December 2020

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

- (1) The AGM is being convened, and will be held, by 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. Printed copies of this Notice will sent to Unitholders and will also be made available via publication on FCT's website at the URL <https://www.frasersproperty.com/reits/fct> and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- (2) **Due to the current COVID-19 restriction orders in Singapore, a Unitholder will not be able to attend the AGM in person.** Alternative arrangements relating to the attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only streaming), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are as set out below.
- (3) Unitholders will be able to observe and/or listen to the AGM proceedings through a live audio-visual webcast or live audio-only stream via their mobile phones, tablets or computers. In order to do so, Unitholders must register at FCT's pre-registration website accessible at the URL <https://www.frasersproperty.com/reits/fct> from now till 10.00 a.m. on 18 January 2021 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, by 10.00 a.m. on 20 January 2021. Unitholders who do not receive an email by 10.00 a.m. on 20 January 2021 but have registered by 10.00 a.m. on 18 January 2021 should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355 (during office hours) or by email to FCTagm2021@boardroomlimited.com.

- (4) Unitholders may also submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM. In order to do so, their questions must be submitted in the following manner by 10.00 a.m. on 18 January 2021:
 - (a) via FCT's pre-registration website at <https://www.frasersproperty.com/reits/fct>; or
 - (b) via email to the Manager, at ir@fraserscentrepointrust.com; or
 - (c) if submitted by post, be deposited at the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

Unitholders who submit questions by email or by post must provide the following information:

- (i) the Unitholder's full name;
- (ii) the Unitholder's address; and
- (iii) the manner in which the Unitholder holds Units in FCT (e.g., via CDP, CPF or SRS).

The Manager will address all the substantial and relevant questions received at least 72 hours before the AGM prior to or during the AGM. The Manager will publish the responses to the substantial and relevant questions which the Manager is unable to address during the AGM, on FCT's website and on SGXNET prior to the AGM. The Manager will publish the minutes of the AGM on FCT's website and on SGXNET, and the minutes will include the responses to the substantial and relevant questions which are addressed during the AGM. Unitholders will not be able to ask questions at the AGM live during the audio-visual webcast or audio-stream, and therefore it is important for Unitholders who wish to ask questions to submit their questions in advance of the AGM.



NOTICE OF ANNUAL GENERAL MEETING

- (5) If a Unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In addition to the printed copies of the Proxy Form for the AGM which will be sent to Unitholders, the Proxy Form is available on FCT's website and at the website of SGX-ST at the URLs <https://www.frasersproperty.com/reits/fct> and <https://www.sgx.com/securities/company-announcements> respectively. Additional printed copies of the Proxy Form, if required, can be requested from the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. by calling +65 6536 5355. Requests for printed copies of the Proxy Form should be made by 13 January 2021.

In appointing the Chairman of the AGM as proxy, a Unitholder must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

- (6) The Proxy Form must be submitted to the Manager c/o the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:
- (a) if submitted by post, be lodged at the office of the Unit Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - (b) if submitted electronically, be submitted via email to the Unit Registrar at FCTagm2021@boardroomlimited.com,

in either case, by 10.00 a.m. on 18 January 2021, being 72 hours before the time fixed for the AGM.

A Unitholder who wishes to submit a Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the COVID-19 restriction orders in Singapore and the related safe distancing measures which may make it difficult for Unitholders to submit completed Proxy Forms by post, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

- (7) Persons who hold Units through relevant intermediaries (as defined below), and who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings through live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

For the avoidance of doubt, CPF and SRS Investors who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings through live audio-visual webcast or live audio-only stream and/or (b) submitting questions in advance of the AGM should refer to paragraphs 3 and 4 above respectively. However, CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 12 January 2021, being seven (7) working days before the date of the AGM.

NOTICE OF ANNUAL GENERAL MEETING

“**relevant intermediary**” means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or
 - (c) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- (8) The Chairman of the AGM, as proxy, need not be a Unitholder of FCT.
- (9) The Annual Report for the financial year ended 30 September 2020 may be accessed at FCT’s website at the URL <https://www.frasersproperty.com/reits/fct>.
- (10) Due to the constantly evolving COVID-19 situation in Singapore, the Manager may be required to change the arrangements for the AGM at short notice. Unitholders should check FCT’s website at the URL <https://www.frasersproperty.com/reits/fct> for the latest updates on the status of the AGM.

EXPLANATORY NOTE:

Resolution 3

The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until the earliest of (i) the conclusion of the next AGM of FCT or (ii) the date by which the next AGM of FCT is required by the applicable laws and regulations or the Trust Deed to be held, whichever is earlier, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, to issue Units and to make or grant instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units, if any), with a sub-limit of 20% for issues other than on a pro rata basis to Unitholders.

For the purpose of determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units at the time Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents or service providers) for the purpose of the processing and administration by the Manager and the Trustee (or their agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Important Notice

The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of FCT is not necessarily indicative of the future performance of FCT.

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FRASERS CENTREPOINT TRUST
(CONSTITUTED IN THE REPUBLIC OF SINGAPORE
PURSUANT TO A TRUST DEED DATED 5 JUNE 2006
(AS AMENDED, RESTATED AND SUPPLEMENTED))

PROXY FORM
ANNUAL GENERAL MEETING

NOTE: This Proxy Form may be accessed at Frasers Centrepoint Trust's website at <https://www.frasersproperty.com/reits/fct>, and will be made available on the website of the SGX-ST at <https://www.sgx.com/securities/company-announcements>. Additional printed copies of the Proxy Form, if required, can be requested from Boardroom Corporate & Advisory Services Pte. Ltd. by calling +65 6536 5355. Requests for printed copies of the Proxy Form should be made by 13 January 2021.

Personal Data Privacy

By submitting an instrument appointing the Chairman of the AGM (as defined below) as proxy, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 29 December 2020.

IMPORTANT:

1. The AGM is being convened, and will be held, 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. In addition to the printed copies of the Notice of AGM dated 29 December 2020 which will be sent to unitholders, the Notice of AGM will also be available through electronic means via publication on Frasers Centrepoint Trust's website at <https://www.frasersproperty.com/reits/fct>, and will also be made available on the website of the SGX-ST at <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions either before or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Notice of AGM.
3. **Due to the current COVID-19 restriction orders in Singapore, a unitholder will not be able to attend the AGM in person. If a unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.**
4. If a CPF or SRS investor wishes to appoint the Chairman of the AGM as proxy, he/she should approach his/her respective CPF Agent Banks or SRS Operators to submit his/her votes by 5.00 p.m. on 12 January 2021, being 7 working days before the date of the AGM.
5. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the AGM as a unitholder's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

I/We _____ (Name(s) and NRIC No./Passport No./Company Registration No.) of _____ (Address) being a unitholder / unitholders of Frasers Centrepoint Trust ("FCT"), hereby appoint the Chairman of the AGM as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting (the "AGM") of FCT to be convened and held by way of electronic means on **Thursday, 21 January 2021 at 10.00 a.m.** and at any adjournment thereof.

I/We direct the Chairman of the AGM as my/our proxy to vote for or against, or to abstain from voting on, the resolutions to be proposed at the AGM as indicated hereunder.

No.	Resolutions	No. of Votes For*	No. of Votes Against*	No. of Votes to Abstain*
	ROUTINE BUSINESS			
1.	To receive and adopt the Trustee's Report, the Statement by the Manager, the Audited Financial Statements of FCT for the financial year ended 30 September 2020 and the Auditor's Report thereon			
2.	To re-appoint KPMG LLP as Auditors of FCT to hold office until the conclusion of the next Annual General Meeting, and to authorise the Manager to fix their remuneration			
	SPECIAL BUSINESS			
3.	To authorise the Manager to issue Units and to make or grant convertible instruments			

* Voting will be conducted by poll. If you wish the Chairman of the AGM as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with a "J" in the space provided under "For" or "Against". If you wish the Chairman of the AGM as your proxy to abstain from voting on a resolution, please indicate a "J" in the space provided under "Abstain". Alternatively, please indicate the number of units that the Chairman of the AGM as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Dated this _____ day of _____ 2020/2021 (delete as appropriate)

Total No. of Units held (Note 4)

Signature(s) of Unitholder(s) or
Common Seal of Corporate Unitholder

Email Address of Unitholder(s) (optional): _____

IMPORTANT: PLEASE READ NOTES ON THE REVERSE SIDE

Fold here, do not staple. Glue all sides firmly.

Notes:

1. **Due to the current COVID-19 restriction orders in Singapore, a unitholder will not be able to attend the AGM in person.** If a unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. This Proxy Form is available on FCT's website and on the website of the SGX-ST at the URLs <https://www.frasersproperty.com/reits/fct>, and <https://www.sgx.com/securities/company-announcements> respectively. In appointing the Chairman of the AGM as proxy, a unitholder must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
2. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 12 January 2021, being 7 working days before the date of the AGM.
3. The Chairman of the AGM, as proxy, need not be a unitholder of FCT.
4. A unitholder should insert the total number of units held. If the unitholder has units entered against the unitholder's name in the Depository Register maintained by The Central Depository (Pte) Limited, the unitholder should insert that number of units. If the unitholder has units registered in the unitholder's name in the Register of Unitholders of FCT, the unitholder should insert that number of units. If the unitholder has units entered against the unitholder's name in the said Depository Register and registered in the unitholder's name in the Register of Unitholders of FCT, the unitholder should insert the aggregate number of units. If no number is inserted, this Proxy Form will be deemed to relate to all the units held by the unitholder.
5. The Proxy Form must be submitted to the Manager c/o FCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:
 - (a) if submitted by post, be lodged at the office of FCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - (b) if submitted electronically, be submitted via email to FCT's Unit Registrar at FCTagm2021@boardroomlimited.com,

in either case, by 10.00 a.m. on 18 January 2021, being 72 hours before the time fixed for the AGM.

A unitholder who wishes to submit the Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the COVID-19 restriction orders in Singapore and the related safe distancing measures which may make it difficult for unitholders to submit completed Proxy Forms by post, unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of such power or authority must (failing previous registration with the Manager) if the Proxy Form is submitted by post, be lodged with the Proxy Form, or, if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. Any reference to a time of day is made by reference to Singapore time.

General

The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of units entered in the Depository Register, the Manager may reject a Proxy Form if the unitholder, being the appointor, is not shown to have units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.

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BUSINESS REPLY SERVICE

PERMIT NO. 09533



The Company Secretary

Fraser's Centrepoint Asset Management Ltd.
(as Manager of Fraser's Centrepoint Trust)

c/o Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

CORPORATE INFORMATION¹

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 018983²

TRUSTEE'S MAILING ADDRESS

HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre Tower 2 #45-01
Singapore 018983³

AUDITOR

KPMG LLP
16 Raffles Quay, #22-00 Hong Leong Building
Singapore 048581
Partner-in-charge: Ms Karen Lee Shu Pei
Appointed 21 January 2016

Phone: (65) 6213 3388

Fax: (65) 6225 0984

Website address: www.kpmg.com.sg

BANKERS

BNP Paribas
Crédit Industriel et Commercial
Citibank N.A.
DBS Bank Ltd
Oversea-Chinese Banking Corporation Ltd
Standard Chartered Bank

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place, #32-01 Singapore Land Tower
Singapore 048623
Phone: (65) 6536 5355
Fax: (65) 6536 1360

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
Website: www.frasersproperty.com/reits/fct

DIRECTORS OF THE MANAGER⁴

Dr Cheong Choong Kong (Chairman)
Non-Executive and Independent Director

Mr Ho Chai Seng
Non-Executive and Independent Director

Mr Ho Chee Hwee Simon⁵
Non-Executive and Non-Independent Director

Ms Koh Choon Fah⁶
Non-Executive and Independent Director

Mr Low Chee Wah⁷
Non-Executive and Non-Independent Director

Mr Christopher Tang Kok Kai
Non-Executive and Non-Independent Director

AUDIT, RISK AND COMPLIANCE COMMITTEE

Ms Koh Choon Fah (Chairman)⁶
Dr Cheong Choong Kong
Mr Ho Chai Seng
Mr Ho Chee Hwee, Simon⁵

NOMINATING AND REMUNERATION COMMITTEE

Mr Ho Chai Seng (Chairman)
Dr Cheong Choong Kong
Ms Koh Choon Fah
Mr Ho Chee Hwee Simon
Mr Christopher Tang Kok Kai

COMPANY SECRETARY

Ms Catherine Yeo

¹ Unless otherwise stated, the information herein is as of 30 September 2020.

² With effect from 16 March 2020.

³ With effect from 6 April 2020.

⁴ Mr Philip Eng Heng Nee retired as Non-Executive and Non-Independent Director of the Manager and a member of the Audit, Risk and Compliance Committee ("ARCC") on 3 January 2020.

⁵ Mr Ho Chee Hwee Simon served as the chairman of the ARCC until 1 November 2019. Mr Ho Chee Hwee Simon relinquished his role as the chairman of the ARCC and remains as a Non-executive and Non-Independent Director of the Manager and a member of the ARCC and the Nominating and Remuneration Committee ("NRC").

⁶ Ms Koh Choon Fah was appointed as a Non-Executive and Independent Director of the Manager, a member of the ARCC and a member of the NRC. Ms Koh Choon Fah was appointed as the chairman of the ARCC with effect from 1 November 2019.

⁷ Mr Low Chee Wah was appointed as a Non-Executive and Non-Independent Director of the Manager on 3 January 2020.

FRASERS CENTREPOINT ASSET MANAGEMENT LTD.

As Manager of Frasers Centrepoint Trust
Company Registration Number: 200601347G

438 Alexandra Road
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Singapore 119958

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