

FCT achieves healthy 1H24 results on robust operating performance

- ◆ 1H24 distribution per Unit (“DPU”) of 6.022 Singapore cents¹
- ◆ 1H24 rental reversion at 7.5% underpinned by healthy leasing traction; all retail malls achieved at least 99.0% in committed occupancy
- ◆ 2Q24 tenants’ sales and shopper traffic up 4.3% and 8.1% year-on-year (“y-o-y”) respectively

SINGAPORE, 25 APRIL 2024

Fraser's Centrepoint Asset Management Ltd. (“FCAM” or the “Manager”), the manager of Fraser's Centrepoint Trust (“FCT” or the “Trust”), is pleased to report a DPU of 6.022 Singapore cents¹ for the six-month period from 1 October 2023 to 31 March 2024 (“1H24”).

Mr Richard Ng, Chief Executive Officer of FCAM, said “FCT achieved a healthy set of results for 1H24 on robust operating performance. The Singapore suburban retail market remained resilient. Our portfolio achieved good leasing traction that underpinned better rental reversions and near-full occupancy across all our malls. Tenants’ sales and shopper traffic growth were also encouraging with some larger malls registering stronger traffic compared to pre-COVID levels.

We started 2024 on a strong footing with the acquisition of an additional 24.5% effective interest in NEX which brought our total effective interest in the mall to 50.0%; and the successful completion of an equity fund raising that raised S\$200 million in gross proceeds to partially fund the acquisition. These actions strengthened our retail portfolio and financial position for FCT’s next phase of growth. We are executing the growth plans at NEX through asset enhancement initiatives (“AEI”), tenant remix strategy and rental improvements. We are also concurrently reviewing AEI plans for other malls in our portfolio and will announce them in due course. The AEI at Tampines 1 is on schedule to complete this September and thereafter contribute to its full capacity.

We remain positive on the outlook of the suburban retail sector in Singapore, and we believe FCT will continue to deliver stable and resilient performance going forward.”

Summary of 1H24 results

In S\$'000 unless otherwise stated	1H24 Six-month period ended 31/3/2024	1H23 Six-month period ended 31/3/2023	Increase/ (Decrease)
Gross revenue	172,212	185,660	(7.2%) ²
Net property income (“NPI”)	124,612	136,031	(8.4%) ²
Distributions to Unitholders	104,906 ^a	104,679 ^b	0.2%
DPU (S cents)	6.022 ^a	6.130 ^b	(1.8%)

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

- In determining the distribution relating to 1H24, FCT released S\$1.1 million of its tax-exempt income available for distribution to Unitholders which had been previously retained in 2H23. This includes the advanced distribution of 4.250 S cents for 1 October 2023 to 4 February 2024. The advanced distribution was paid to the Unitholders on 2 April 2024.
- In determining the distribution relating to 1H23, FCT released S\$1.7 million of its tax-exempt income available for distribution to Unitholders which had been previously retained in the 2H22 and retained S\$3.0 million of its tax-exempt income available for distribution to Unitholders.

¹ This includes the advanced distribution of 4.250 S cents per unit for 1 October 2023 to 4 February 2024 paid to the Unitholders on 2 April 2024. The DPU for 5 February 2024 to 31 March 2024 is 1.772 S cents per unit. The books closure date for the 1.772 S cents DPU is 5.00 p.m. on 6 May 2024 and the payment date is 30 May 2024.

² Excluding the effects from the divestment of Changi City Point and Tampines 1 AEI, gross revenue and NPI registered healthy y-o-y growth of 2.9% and 2.1%, respectively.

Healthy financial performance and stable financial position

1H24 gross revenue declined 7.2% y-o-y to S\$172.2 million and NPI was 8.4% lower at S\$124.6 million. The declines were due to lower contributions from Changi City Point which was divested in October 2023 and from Tampines 1 due to the ongoing AEI works. Excluding the effects from the divestment of Changi City Point and Tampines 1 AEI, gross revenue and NPI registered healthy y-o-y growth of 2.9% and 2.1%, respectively. Distributions from investments³ for 1H24 rose 22.8% to approximately S\$20.8 million.

FCT's financial position is stable with aggregate leverage at 38.5% as at 31 March 2024, a slight increase from 37.2% a quarter ago. The average cost of borrowing for 1H24 was 4.2%, a decline from 4.3% a quarter ago. FCT has no borrowing maturing for the remaining period of FY24. Interest coverage ratio as at 31 March 2024 was approximately 3.26 times.

Robust operating performance: 99.9% committed occupancy, better rental reversion with higher tenants' sales and shopper traffic

The retail portfolio registered committed occupancy of 99.9%⁴, up 0.7%-points y-o-y and steady quarter-on-quarter. All retail malls⁴ achieved committed occupancy of at least 99.0%. The retail portfolio achieved 7.5%⁵ rental reversion for 1H24 on the back of healthy leasing traction, which is higher than the 4.3% achieved for 1H23. Retail portfolio tenants' sales⁶ for 2Q24 was 4.3% higher y-o-y and continued to average approximately 20% above pre-COVID levels. Shopper traffic for the retail portfolio⁶ in 2Q24 rose 8.1% y-o-y and is just 2% below pre-COVID levels. Key reasons for the better tenants' sales and shopper traffic are improved physical occupancy; stronger pre-festive shopping this year due to the timing of Chinese New Year and Hari Raya Puasa and the better performance post-renovation at the anchor spaces that include supermarkets and food courts.

The AEI at Tampines 1 is progressing on schedule with more than 99% of the AEI spaces already committed. The new tenants include ALUXE, Lenskart Studio, Love, Bonito, Mister Donut, Novela, SaSa, Sinpopo Brand and Tiong Bahru Bakery. Works are expected to complete by September 2024.

Sustainability: Rolling out Singapore's largest solarisation installation for retail malls across six FCT's retail properties; Introduction of an online ESG data book

FCT, together with Frasers Property and the SP Group, will be rolling out Singapore's largest solarisation installation for retail malls to date across six of its retail properties by end-2024. A total of 3,534 square metres of solar panels will be installed at Causeway Point, Century Square, Hougang Mall, Northpoint City North Wing, Tampines 1 and White Sands. This initiative is in line with Frasers Property Group's goal to achieve net-zero carbon by 2050. The solarisation installation targets to generate about 722,000 kWh of electricity per year, and this works out to about S\$179,000 savings in energy costs and a reduction of about 293 tonnes of carbon emissions yearly.

As part of FCT's commitment to enhance its ESG disclosure and transparency, FCT has recently introduced an inaugural online ESG Databook, offering stakeholders and investors an easy-to-use resource for FCT's ESG data disclosures. This ESG Databook is downloadable in spreadsheet format and it covers FCT's ESG disclosures from FY21 to FY23 including details of environmental data, additional Scope 3 disclosures and the assurance statement provided by an independent external assessor. The ESG Data book can be accessed at FCT's website at <https://www.frasersproperty.com/reits/fct/who-we-are/Sustainability#esg-databook>

³ It relates to the investment in Nex Partners Trust, SST, Changi City Carpark Operations LLP and Hektar REIT. It includes the distribution from Nex Partners Trust after it is a subsidiary of the Group.

⁴ Excludes Tampines 1 due to ongoing AEI works.

⁵ On an average-to-average basis, excludes Tampines 1 due to ongoing AEI works.

⁶ Excludes Tampines 1 (due to ongoing AEI works) and NEX.

Outlook

The Manager expects interest rate movements and rising operating expenses to remain the key factors affecting FCT's performance. Barring unforeseen circumstances, the Manager expects the average cost of borrowing for FCT to be around the low-4% level for FY24. The Manager will continue to work on various initiatives to drive the optimisation of operating costs and adopt appropriate hedging strategies for energy contracts to mitigate the impact to its utilities expenses.

FCT's portfolio of high-quality suburban retail properties has strong competitive advantages due to the malls' proximity to populous residential estates, healthy shopper traffic and excellent connections to public transportation network. FCT is well-positioned to ride on rising trends such as hybrid work arrangement and the shift to omnichannel retailing. These attributes and the focus on essential trades and services underpin the resilience of FCT's performance.

End

About Frasers Centrepoint Trust

Fraser's Centrepoint Trust ("**FCT**") is a leading developer-sponsored retail real estate investment trust ("**REIT**") and the largest suburban retail mall owners by net lettable area in Singapore with assets under management of approximately S\$7.1 billion. FCT's property portfolio comprises nine retail malls and an office building located in the suburban regions of Singapore, near homes and within minutes to transportation amenities. The retail portfolio has approximately 2.7 million square feet of net lettable area with over 1,600 leases with a strong focus on providing for necessity spending, food & beverage and essential services.

The portfolio comprises Causeway Point, Century Square, Hougang Mall, NEX (effective 50.0% interest), Northpoint City North Wing (including Yishun 10 Retail Podium), Tampines 1, Tiong Bahru Plaza, Waterway Point (effective 50.0% interest), White Sands and an office property (Central Plaza). FCT's malls enjoy stable and recurring shopper footfall supported by commuter traffic and residential population in the catchment areas.

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

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

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