

FCT FY2020 DPU decreased 25.1% year-on-year to 9.042 cents due to COVID-19 pandemic

- ◆ FY2020 financial performance impacted mainly by rental rebates dispensed in 2H20 to help tenants cope with challenges arising from COVID-19
- ◆ Excluding the impact from the rental relief, FY2020 revenue and NPI would have decreased 2.4% and 0.7% year-on-year, respectively
- ◆ Portfolio total tenants' sales recovered to near pre-COVID-19 level and shopper traffic stabilised at 60% to 70% of pre-COVID level

SINGAPORE, 3 NOVEMBER 2020

Fraser's Centrepoint Asset Management Ltd. ("**FCAM**" or the "**Manager**"), the manager of Fraser's Centrepoint Trust ("**FCT**" or the "**Trust**"), reported distribution per unit ("**DPU**") of 4.372 Singapore cents for the period from 1 April 2020 to 30 September 2020 ("**2H20**"), 26.1% lower year-on-year ("**y-o-y**"). This brings the total DPU for the financial year ended 30 September 2020 ("**FY2020**") to 9.042 cents, 25.1% lower compared with the previous year.

Unitholders as of record date on 6 October 2020 can expect to receive their DPU for 2H20 on 4 December 2020.

Mr Richard Ng, Chief Executive Officer of FCAM, said, "The COVID-19 pandemic has hit the retail sector hard, particularly in the second half of FY2020. We have been working with our tenants in various ways to support them through this difficult period, including the provision of rental rebates which impacted the financial performance in 2H20 and for the full year. Portfolio operating performance has remained resilient with portfolio occupancy holding steady at 94.9%.

Notwithstanding the challenging environment, we announced on 3 September 2020 the acquisition of the remaining 63.11% stake in AsiaRetail Fund Limited (the "**ARF**", and the acquisition, the "**ARF Acquisition**") for S\$1.06 billion and on 28 September 2020, an equity fund raising (the "**EFR**") to raise gross proceeds of approximately S\$1.33 billion to, *inter alia*, finance the ARF Acquisition and to pare down debts.

The ARF Acquisition is transformative for FCT. It elevates FCT to one of the largest suburban retail mall owners in Singapore, and enhances its competitive advantages through scale and offerings which are critical for FCT to stay resilient and relevant in the "new normal" post COVID-19. Following the EFR, FCT is among the top-10 largest Singapore REITS by market capitalisation. This raises FCT's profile among global investors and its representation in key benchmark indices, which improves FCT's competitiveness in the capital markets."

Summary of 2H20 and FY2020 results

In S\$ million unless otherwise stated	2H20 1/4/20 to 30/9/20	2H19 1/4/19 to 30/9/19	Increase/ (Decrease)	FY2020 1/10/19 to 30/9/20	FY2019 1/10/18 to 30/9/19	Increase/ (Decrease)
Gross revenue	64.46	97.37	(33.8%)	164.38	196.39	(16.3%)
Net property income (" NPI ")	38.61	67.45	(42.8%)	110.89	139.28	(20.4%)
Income available for distribution	30.12	62.22	(51.6%)	101.15	118.72	(14.8%)
Distribution to Unitholders	48.94	62.47	(21.7%)	101.15	119.65	(15.5%)
DPU (S cents)	4.372	5.913	(26.1%)	9.042	12.070	(25.1%)
Net asset value and net tangible asset value per Unit (S\$) ¹	2.27	2.21	2.7%			

¹ As at 30 September 2020 for 2H20 and 30 September 2019 for 2H19.

Lower financial performance due mainly to the provision of rental rebates

Performance in 2H20 was significantly impacted by the rental rebates provided to tenants. The total quantum of rental rebates provided was S\$27.35 million. Revenue in 2H20 declined 33.8% y-o-y to S\$64.46 million and net property income in 2H20 was down 42.8% y-o-y to S\$38.61 million. This, in turn led to a 16.3% y-o-y decline in full year revenue to S\$164.38 million and a 20.4% y-o-y decline in full year net property income to S\$110.89 million.

Distribution to unitholders in 2H20 was S\$48.94 million, down 21.7% y-o-y. The decline in 2H20 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")². The distribution to unitholders for the full year was S\$101.15 million, 15.5% lower y-o-y.

FCT's financial position remains healthy

FCT's financial position remains healthy with gearing level of 35.9%³ as at 30 September 2020. The all-in average cost of borrowing was 2.4%, compared with 2.6% in the previous year, due to the general decline in interest rates.

Total appraised value of FCT's portfolio of investment properties as at 30 September 2020 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 decline of 3.1% and 7.9% in 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 2020⁴. The appraised value of Waterway Point in which FCT has a 40% shareholding via a joint venture, remained unchanged at S\$1,300 million⁵.

Operating performance remains resilient

The operating performance of FCT's portfolio remains resilient despite the mandatory COVID-19 safe distancing and control measures. Portfolio occupancy⁶ held steady at 94.9% as at 30 September 2020, a slight improvement from 94.6% in the previous quarter but a decline from 96.5% a year ago.

A total of 235 leases accounting for 352,989 square feet or 24.3% of FCT's portfolio net lettable area ("NLA") were renewed in FY2020. A substantial portion of the renewals were completed in 1H20, prior to the "Circuit Breaker". The average portfolio rental reversion for FY2020 was 4.2%. All retailers with the exception of a few such as family karaoke and travel agencies, have resumed businesses. Portfolio tenants' sales have recovered to near pre-COVID-19 level since the re-opening of the economy in June 2020, but the recovery rate is uneven among trade sectors and tenants. Portfolio shopper traffic has remained relatively stable at 60% to 70% of pre-COVID-19 level.

² FCT owns 40.0% of Sapphire Star Trust which holds Waterway Point.

³ In accordance with Property Funds Appendix, the gearing ratio included FCT's proportionate share of deposited property value and borrowings in SST.

⁴ 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.

⁵ 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.

⁶ Includes Waterway Point

Outlook

The Ministry of Trade and Industry (“**MTI**”) announced on 14 October 2020 that based on advanced estimates for the third quarter of 2020, the Singapore economy expanded 7.9% on a quarter-on-quarter seasonally-adjusted basis, rebounding from the 13.2% contraction in the preceding quarter. The improved performance of the Singapore economy in the third quarter came on the back of the phased re-opening of the economy following the Circuit Breaker that was implemented between 7 April 2020 and 1 June 2020. MTI had warned about continuing uncertainties over how the COVID-19 situation will evolve in the coming quarters, and correspondingly, the trajectory of the economic recovery in both the global and domestic economies.

MTI had, on 11 August 2020, projected Singapore’s GDP contraction in 2020 to be in the range of -7.0% to -5.0%⁷.

On retail sales, the Singapore Department of Statistics reported retail sales index (excluding motor vehicles) (“**RSI ex auto**”) for August 2020⁸ at -8.4% year-on-year, and +0.1% month-on-month (seasonally adjusted). The RSI ex auto index continued to recover since May 2020, when it was -45.2% year-on-year.

FCT’s portfolio shopper traffic has recovered and remained stable at between 60% and 70% of pre-COVID-19 level in the months of July 2020 to September 2020, since the re-opening of the economy in June 2020. The portfolio total tenants’ sales have also recovered to near pre-COVID-19 level although there are variances across trades and tenants. Easing of safe distancing measures with Phase 3 re-opening would likely support further recovery of shopper traffic and tenant sales.

Post the completion of ARF Acquisition on 27 October 2020, FCT is now one of the largest suburban retail mall owners in Singapore with 11 suburban retail properties, an increase from seven previously.

The enlarged retail portfolio upon completion of the ARF acquisition provides FCT with significantly larger catchment population. 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. The Manager believes these factors will continue to underpin the long-term performance and resilience of FCT’s portfolio.

The Manager’s near-term focus is on managing the operating and financial performance of the enlarged property portfolio, taking into consideration the ongoing COVID-19 situation.

End

About Frasers Centrepoint Trust

Frasers Centrepoint Trust (“**FCT**”) is a leading developer-sponsored retail real estate investment trust (“**REIT**”) and one of the largest suburban retail mall owners in Singapore with total assets of approximately S\$6.7 billion. FCT’s current property portfolio comprises 11 retail malls⁹ and an office building located in the suburban regions of Singapore, near homes and within minutes to transportation amenities. The retail portfolio has over 2.3 million square feet of net lettable area with over 1,500 leases with a strong focus on providing for necessity spending, food & beverage and essential services.

The portfolio comprises Causeway Point, Northpoint City North Wing (including Yishun 10 Retail Podium), Anchorpoint, YewTee Point, Changi City Point, Waterway Point (40%-interest), Tiong Bahru Plaza, White Sands, Hougang Mall,

⁷ “MTI Narrows 2020 GDP Growth Forecast to “-7.0 to -5.0 Per Cent””. Ministry of Trade and Industry, Singapore, Press Release, 11 August 2020. URL: <https://www.mti.gov.sg/Newsroom/Press-Releases/2020/08/MTI-Narrows-2020-GDP-Growth-Forecast>

⁸ Monthly Retail Sales Index and Food & Beverage Services Index. Singapore Department of Statistics, Press Release, 5 October 2020. URL: <https://www.singstat.gov.sg/-/media/files/news/mrsaug2020.pdf>

⁹ After the completion of the divestment of Bedok Point, which is expected to take place on 9 November 2020

Century Square and Tampines 1) and an office property (Central Plaza). FCT's malls enjoy stable and recurring shopper footfall supported by commuter traffic and residential population in the catchment.

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

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

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

About Frasers Property Limited

Frasers Property Limited ("**Frasers Property**" and together with its subsidiaries, the "**Frasers Property Group**" or the "**Group**"), is a multi-national owner-operator-developer of real estate products and services across the property value chain. Listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and headquartered in Singapore, the Group has total assets of approximately S\$38.7 billion as at 31 March 2020.

Frasers Property's multi-national businesses operate across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities across Asia, Australia, Europe, the Middle East and Africa.

Frasers Property is also the sponsor of two real estate investment trusts ("**REITs**") and one stapled trust listed on the SGX-ST. Frasers Centrepont Trust and Frasers Logistics & Commercial Trust are focused on retail, and industrial & commercial properties respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties. In addition, the Group has two REITs listed on the Stock Exchange of Thailand. Frasers Property (Thailand) Public Company Limited is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on industrial & logistics properties in Thailand, and Golden Land Property Development Public Company Limited is the sponsor of Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial properties.

The Group is unified by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging its people, knowledge and capabilities from across markets to deliver value in its multiple asset classes.

For more information on Frasers Property, please visit www.frasersproperty.com

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