FRASERS CENTREPOINT TRUST

Enhancing **Resilience**

Annual Report 2019

A member of Frasers Property Group

FRASERS PROPERTY

Waterway Point

Contents

Northpoint City North Wing

About
Frasers Centrepoint Trust

Frasers Centrepoint Trust ("**FCT**") is a Singapore-domiciled retail real estate investment trust ("**REIT**"). FCT was listed on the mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 5 July 2006. FCT has a market capitalisation of approximately S$3.06 billion as at 30 September 2019.

FCT's principal activity is to invest in income-producing properties used primarily for retail purposes, in Singapore and overseas. The primary objectives of FCT are to deliver regular and stable distributions to its unitholders and to achieve long-term capital growth, through a combination of its organic, enhancement and acquisition growth strategies.

FCT's investment portfolio comprises seven quality suburban malls in Singapore namely, Causeway Point, Northpoint City North Wing (including Yishun 10 retail podium), Waterway Point (40% interest), Changi City Point, Bedok Point, YewTee Point and Anchorpoint. FCT's suburban malls are located in populous residential precincts with good shopper catchment and connection to public transport. The malls offer a wide range of products and services as well as diverse dining options which cater to the shoppers' needs and enhance shopper convenience. The malls enjoy high occupancy and steady shopper traffic which underpin the stability of FCT's portfolio performance.

FCT holds 24.82% stake in PGIM Real Estate AsiaRetail Fund Limited ("**PGIM ARF**") through its wholly owned subsidiary, FCT Holdings (Sigma) Pte. Ltd. as at 30 September 2019. PGIM ARF owns and manages five retail malls (Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square and Tampines 1) and an office property (Central Plaza) in Singapore and two retail malls in Malaysia. FCT also owns a 31.15% equity stake in Hektar Real Estate Investment Trust, which is listed on the Main Market of Bursa Malaysia Securities Berhad.

FCT is managed by the Manager of FCT, Frasers Centrepoint Asset Management Ltd., a real estate management company and a wholly-owned subsidiary of Frasers Property Limited.

Experience matters
We believe our *customers'* experience matters.

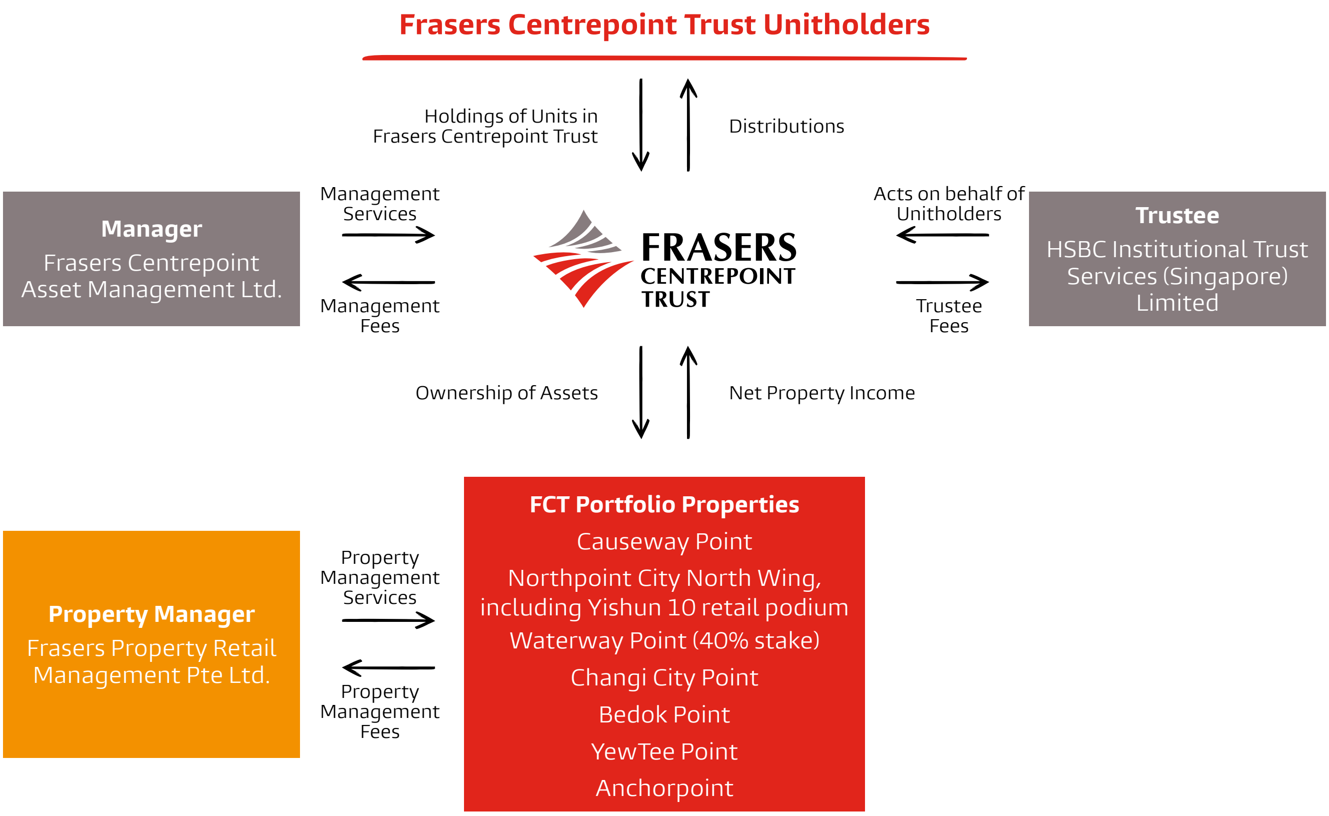
When we focus on our customers' needs, we gain valuable insights which guide our products and services. We create memorable and enriching experiences for our customers.

We believe *our* experience matters.

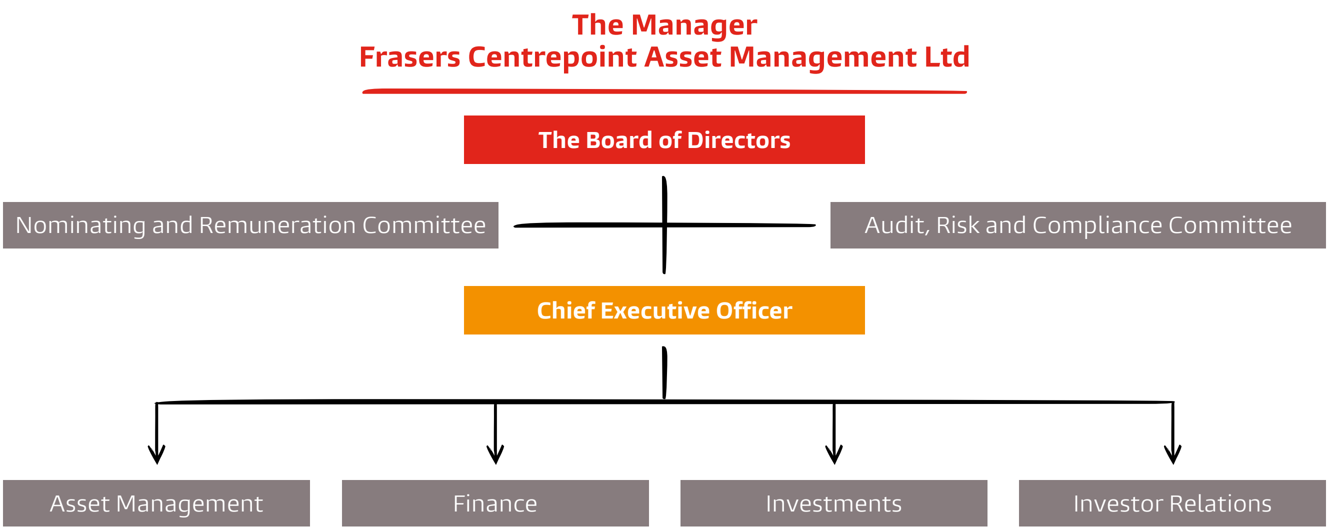
Our sponsor's legacy is valuable and inspires our approach. We bring the right expertise to the table to create value for our customers. We celebrate the diversity of our staff and the expertise they bring, and we commit ourselves to enabling their professional and personal development.

Changi City Point

Structure of **Frasers Centrepoint Trust**



Organisation Structure of The Manager



Business Objectives and Growth Strategies

FCT is a real estate investment trust set up to own and invest in income-producing properties or properties that could be developed or redeveloped into income-producing properties, used primarily for retail purposes in Singapore and overseas. FCT's objectives are to deliver regular and stable distributions to unitholders of FCT ("Unitholders") and to achieve long-term growth in its net asset value, so as to provide Unitholders with competitive rate of return 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 3rd party assets, in Singapore and overseas.

Enhancement Growth
This includes change of configuration and layout of the properties to achieve better asset yield and sustainable income growth; and to achieve value creation through Asset Enhancement Initiative ("AEI") to improve the income producing capability of the properties.

Organic Growth
Active lease management to achieve positive rental reversions, maintaining healthy portfolio occupancy to provide steady rental growth.

FCAM adopts prudent capital and risk management strategies in its course of business:

Capital Management
FCAM continues to maintain a prudent financial structure and adequate financial flexibility to ensure that it has access to capital resources at competitive cost. FCAM proactively manages FCT's cash flows, financial position, debt maturity profile, costs of capital, interest rates exposure and overall liquidity position.

Risk Management
Effective risk management is a fundamental part of FCT's business management. Key risks, mitigating measures and management actions are continually identified, reviewed and monitored by management as part of FCAM's enterprise-wide risk management framework. Recognising and managing risks are central to the business and to protecting Unitholders' interests.

Changi City Point

FY2019 Highlights

Gross Revenue
S$196.4 million
+1.6% year-on-year

FCT reported gross revenue of S$196.4 million in FY2019, up 1.6% compared with FY2018. This is also a new high for FCT since its inception in 2006. Excluding non-cash accounting adjustments , the underlying revenue was up 2.4% year-on-year to $197.7 million. Northpoint City North Wing and Changi City Point were the main contributors to the revenue increase with improved occupancy. Causeway Point saw a slight dip of 0.3% in revenue due to the impact from the ongoing asset enhancement works for the underground pedestrian link. The remaining malls saw slight increase in revenue year-on-year.

Net Property Income
$139.3 million
+1.5% year-on-year

FCT reported Net property income (NPI) of S$139.3 million in FY2019, a new high. The FY2019 NPI was 1.5% higher compared with FY2018. Excluding non-cash accounting adjustments[1], the underlying NPI was up 2.7% year-on-year to $140.6 million. All properties except Anchorpoint registered higher NPI compared with FY2018. Anchorpoint saw a 2.9% decrease in NPI due to higher property expenses during the year.

Appraised Value of Investment Properties
S$2.85 billion
+3.5% year-on-year

The aggregate value of FCT's property portfolio stood at S$2,846 million as at 30 September 2019, which is $97 million or 3.5% higher compared with S$2,749 million as at 30 September 2018. The increase was mainly driven by higher valuation achieved by Causeway Point, which registered S$80 million in property valuation gain. The remaining properties maintained or saw marginal increase in their respective valuations.

Net Asset Value and Net Tangible Asset per Unit
$2.21
+6.3% year-on-year

Despite an enlarged equity base subsequent to new equity issuance in connection with the equity fund raising during the year, FCT's NAV and NTA as at 30 September 2019 of $2.21 per unit[2] is 6.3% higher than the $2.08 a year ago. The increase was attributed to revaluation gain of the portfolio properties, investments in PGIM Real Estate AsiaRetail Fund Limited and Sapphire Star Trust (which owns Waterway Point).

Gearing Level
32.9%

FCT continues to maintain a healthy gearing level at 32.9%[3], which is below the average gearing level of 34.8% for the Singapore REIT sector.

Distribution per Unit
12.07 cents
+0.5% year-on-year

Total distribution per unit (DPU) for FY2019 was 12.07 cents, which is 0.5% higher than the 12.015 cents DPU in FY2018. This is also the thirteen-consecutive year of DPU growth since FCT's listing.

DPU Yield
4.4%

Based on the DPU of 12.07 cents for FY2019 and the closing price of S$2.74 on 30 September 2019, the DPU yield of FCT stood at 4.4%, which is 266 basis points above the Singapore Government 10-year bond yield of 1.74%[4].

1 Relating to FRS 116 and 109 accounting adjustments.
2 Included the distribution to be paid for the last quarter of the financial year 2019.
3 In accordance with the 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).
4 Source: Bloomberg

Key Events

2018

October 2018
- FCT announced its FY2018 financial results and its full year DPU hits new high at 12.015 cents

2019

January 2019
- FCT held its 10th Annual General Meeting on 21 January 2019 and all resolutions proposed were duly passed
- 1Q19 results announcement: 1Q19 DPU up 0.7% year-on-year to 3.02 cents
- CEO Dr Chew Tuan Chiong expressed his intention to retire before the end of 2019

February 2019
- Announced the proposed acquisition of 17.13% shares in PGIM Real Estate AsiaRetail Fund Limited (“PGIM ARF”) for S$342.5 million

March 2019
- Announced the proposed acquisition of a further 1.67% shares in PGIM ARF for S$33.5 million to bring FCT’s total stake in PGIM ARF to 18.8%

April 2019
- Mr Richard Ng appointed the CEO-designate of FCAM, the Manager of FCT
- 2Q19 results announcement: 2Q19 DPU up 1.2% year-on-year to 3.137 cents
- Completion of the acquisition of shares in the PGIM ARF on 5 and 26 April 2019 pursuant to the announcements in February and March 2019

May 2019
- Announced the proposed acquisition of 33⅓% interest in Waterway Point from a wholly-owned subsidiary of Frasers Property Limited for a total outlay of S$440.6 million
- Launched the Equity Fund Raising (“EFR”) by way of private placement (“Private Placement”) and a pro rata non-renounceable preferential offering (“Preferential Offering) to raise gross proceeds of no less than approximately S$421.7 million. The Private Placement drew strong demand from new and existing institutional and other accredited investors and was 2.3 times subscribed at the top end of the issue price range of between S$2.30 and S$2.382. The upsize option was exercised in full to raise total proceeds of approximately S$369.6 million
- Launch of the Preferential Offering (issue price at S$2.35 per Preferential Offer new unit) and the despatch of the Instruction Booklet to eligible Unitholders

June 2019
- Announced that the Preferential Offering was 196.8% subscribed and it raised gross proceeds of approximately S$67.7 million. Together with the gross proceeds of approximately S$369.6 million raised from the Private Placement, gross proceeds of a total of approximately S$437.4 million were raised from the EFR
- FCT held its EGM on 28 June 2019 and the ordinary resolution to approve the acquisition of a 33⅓% interest in Waterway Point from an interested person (subsidiary of Frasers Property Limited) was duly passed

July 2019
- Richard Ng took over as CEO of FCAM on 1 July from Dr Chew Tuan Chiong who retired as CEO and Executive Director
- Announced the increase of the share in PGIM ARF from 18.8% to 21.13% subsequent to shareholders’ redemption in PGIM ARF on 30 June 2019
- 3Q19 results announcement: 3Q19 distributable income up 12.4% year-on-year

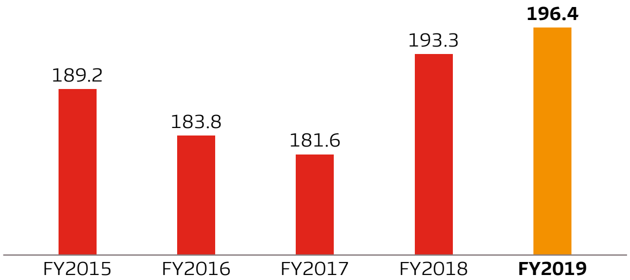
September 2019
- Announced and completed the acquisition of an additional 6⅔% interest in Waterway Point for a total outlay of S$89.6million to raise FCT’s total stake in Waterway Point to 40%
- Announced that FCT will be included in the FTSE EPRA/NAREIT Global Real Estate Index Series (Global Developed Index) with effect from 23 September 2019
- Announced the appointment of Ms Koh Choon Fah as non-executive and independent director, a member of the Audit, Risk and Compliance Committee and the Nominating and Remuneration Committee of FCAM, with effect from 1 October 2019

Subsequent Events

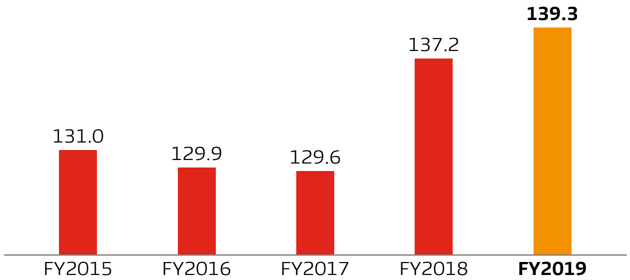
October 2019
- Announced the increase of the share in PGIM ARF from 21.13% to 24.82% subsequent to shareholders’ redemption in PGIM ARF on 30 September 2019
- 4Q19 results announcement: 4Q19 DPU up 1.8% year-on-year to 2.913 cents

5-Year Performance
At A Glance

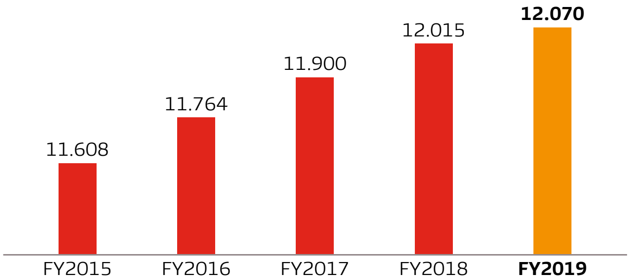
Revenue
(S$ Million)



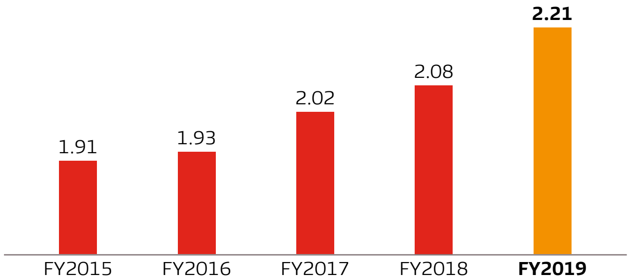
Net Property Income
(S$ Million)



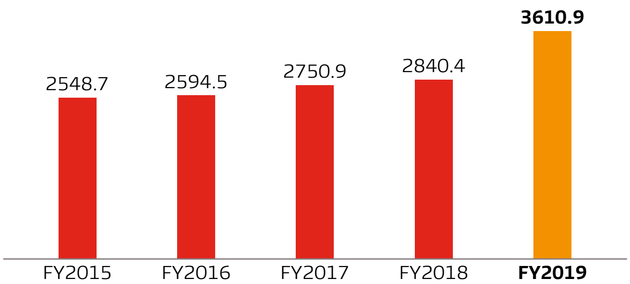
Distribution Per Unit
(S cents)



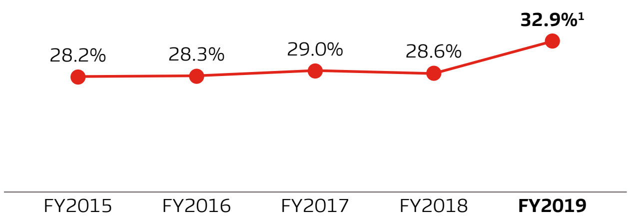
Net Asset Value per Unit
(S$)



Total Assets
(S$ Million)

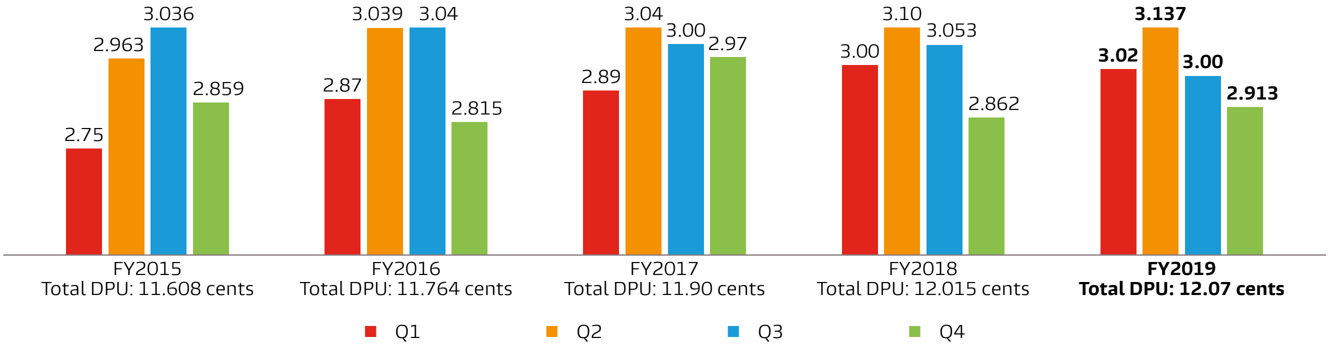


Gearing
(%)



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)



Group For the Financial Year ended 30 September	FY2015	FY2016	FY2017	FY2018	FY2019
Selected Income Statement and Distribution Data (S$'000)					
Gross Revenue	189,242	183,816	181,595	193,347	196,386
Net Property Income	131,043	129,852	129,558	137,186	139,283
Distributable Income	106,412	108,101	110,615	111,316	118,718
Selected Balance Sheet Data (S$ Million)					
Total Assets	2,548.7	2,594.5	2,750.9	2,840.4	3,610.9
Total Borrowings	718.0	734.0	798.0	813.0	1,042.0
Net Assets	1,754.5	1,775.6	1,872.2	1,933.8	2,471.0
Value of Portfolio Properties[1]	2,464.0	2,509.0	2,668.1	2,749.0	2,846.0
Other Financial Indicators					
Distribution per Unit (S cents)	11.608	11.764	11.90	12.015	12.070
Net Asset Value per Unit (S$)[2]	1.91	1.93	2.02	2.08	2.21
Ratio of Total Borrowings to Total Assets (Gearing)	28.2%	28.3%	29.0%	28.6%	32.9%[3]
Interest Coverage (Times)	6.61	7.33	6.85	6.25	5.74
Market Capitalisation (S$ million)	1,746.6	2,021.2	1,946.4	2,102.9	3,058.6[4]

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 Included the distribution to be paid for the last quarter of the Financial Year.
3 In accordance with the Property Funds Appendix, the gearing ratio included cludes FCT's proportionalte share (40%) of deposited property value and assets and underlying borrowings (40%) in Sapphire Star Trust (which owns holds the retail property Waterway Point).
4 Based on total outstanding 1,116,284,043 issued units and FCT's closing price of S$2.74 as at 30 September 2019.

Unit Price Performance

Weaker regional equity markets amidst trade war; slowing global economy and heightened geopolitical risks

The regional equity markets in Asia saw weaker year-on-year performance during the financial year in review (between 1 October 2018 and 30 September 2019) as the escalating trade war between the United States and China; slowing global economy growth outlook; and heightened geopolitical risks in the Middle East and in the Korean Peninsula continued to exert negative pressure on the markets. Japan's Nikkei 225 index was down 9.8%, Hong Kong's Hang Seng Index was down 6.1% and Singapore's FTSE Straits Times Index was down 4.2%. On the other hand, bond yields and interest rates continued to decline - the U.S. Federal Reserve cut interest rates in October for the third time in 2019 and the European Central Bank cut its benchmark interest rates to negative territory in September 2019 in its attempt to further stimulate the ailing eurozone economy.

Low interest rates benefitted REITs

The low interest rate environment and outlook has benefitted yield-centric asset class such as REITs as lower interest rates imply lower cost of debt to fund property acquisitions for growth. It also saw increase in share prices of REITs as yields compressed. In Singapore, the benchmark FTSE REIT Index has delivered calendar year-to-date total returns of 21.76%, much higher than the Straits Times Index of negative 0.49% amidst strong investor demand for SREITs.

FCT total returns outperformed the benchmark indices

Based on the closing price of S$2.74 on 30 September 2019, FCT delivered 20.8% in capital appreciation and a total return of 27.2% during the year under review, which outperformed both the FTSE REIT Index (total return: +21.8%) and the FTSE Straits Times Index (total return: -0.49%). FCT closing unit price reached an all-time high of S$2.85 on 5 September 2019, when FCT announced that it will be included in the FTSE EPRA/NAREIT Global Real Estate Index Series (Global Developed Index), a leading global benchmark index for real estate investors, from 23 September 2019.

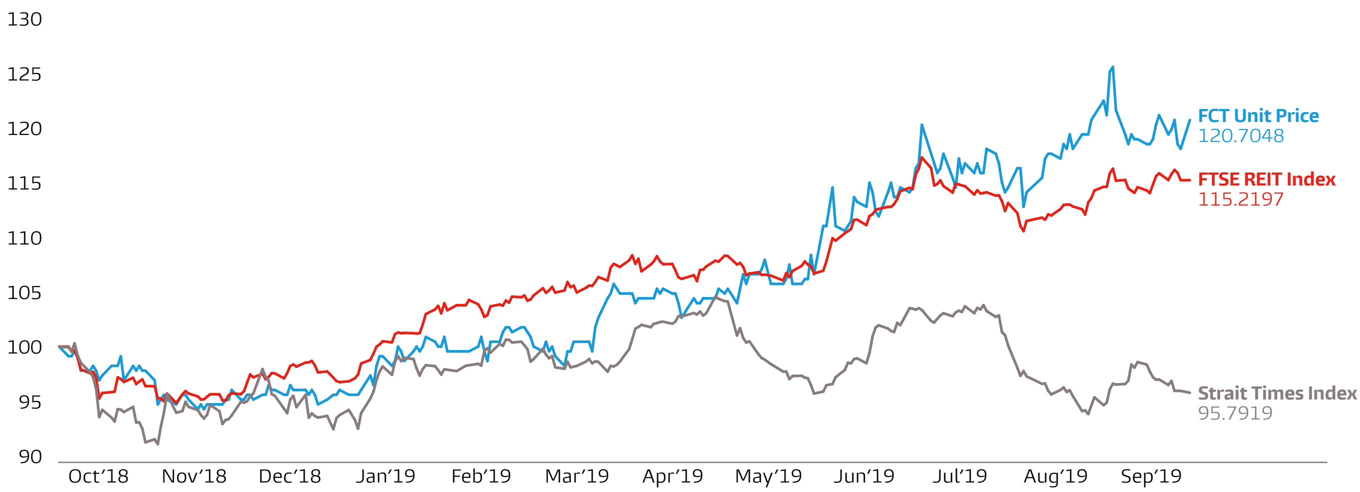
FCT's total and free-float market capitalisation improved significantly

FCT's total market capitalisation as at 30 September 2019 stood at S$3.06 billion, an increase of 45.7% year-on-year. The increase in total market capitalisation was the result of increase in FCT's unit price and larger total issued unit base following the Equity Fund Raising ("EFR"). FCT raised approximately S$437.4 million from the EFR. Post the EFR, the sponsor's holding in FCT decreased to about 36% from 42% previously. Correspondingly, FCT's free float market capitalisation rose to approximately S$1.95 billion, up 60% from about S$1.22 billion a year ago.

Over longer time horizon, FCT delivered total return of 46.56% and 91.96% over 3-year and 5-year periods, respectively, outperforming both the FTSE Straits Times Index and the FTSE REIT index.

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

Base=100



Source: Bloomberg

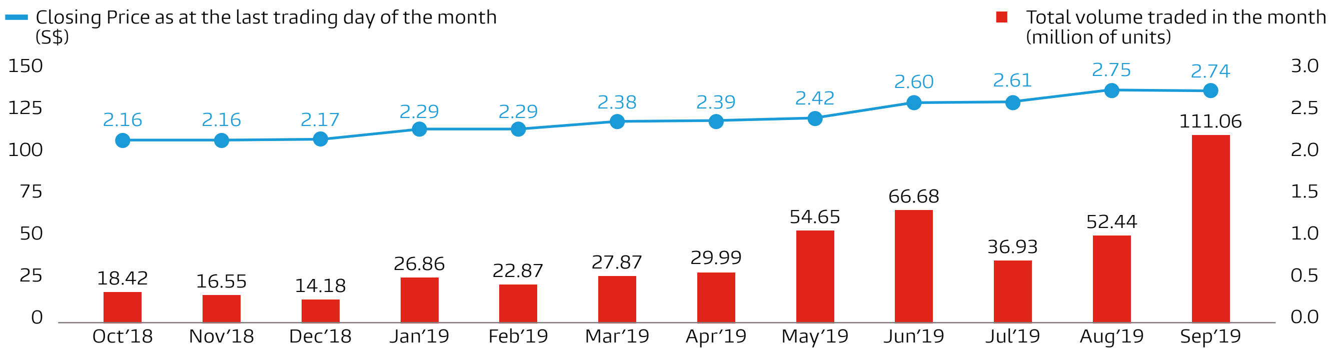
	1 Year 1 October 2018 to 30 September 2019		3 years 1 October 2016 to 30 September 2019		5 years 1 October 2014 to 30 September 2019	
	Price Change %	Total Return[1] %	Price Change %	Total Return[1] %	Price Change %	Total Return[1] %
FCT	20.81%	27.20%	24.66%	46.56%	45.49%	91.96%
FTSE REIT Index	15.22%	21.76%	19.98%	43.28%	23.36%	67.56%
FTSE Straits Times Index	-4.21%	-0.49%	8.73%	21.12%	-4.78%	13.99%

Source: Bloomberg
1 Assumes the distributions are reinvested.

FCT Monthly Trading Performance in FY2019

FCT's trading volume and the unit closing price for each month in FY2019 is shown in the chart "Trading Performance in FY2019". The unit price increased from S$2.16 at the end of October 2018 to S$2.74 at the end of September 2019. The highest closing price during this period was S$2.85 (on 5 September 2019) and the lowest closing price was S$2.14 (on 12 and 14 November 2018). The average daily trading volume in FY2019 was about 1.916 million units, which is a substantial improvement from the 1.085 million units during same period in the previous year.

Trading Performance in FY2019



The table below shows the historical trading information of FCT units in the past five financial years.

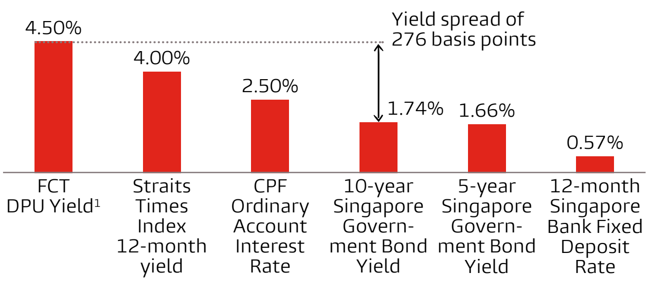
	FY2015	FY2016	FY2017	FY2018	FY2019
Opening price (S$)	1.885	1.905	2.200	2.110	2.270
Closing price (S$)[1]	1.905	2.200	2.110	2.270	2.740
Highest closing price (S$)	2.150	2.210	2.190	2.360	2.850
Lowest closing price (S$)	1.850	1.800	1.870	2.120	2.140
Total volume traded (million Units)	312.5	239.4	254.5	271.2	478.5
Average daily trading volume (million units)	1.265	0.950	1.014	1.085	1.916
Market capitalisation[2] (S$ billion)	1.747	2.021	1.946	2.103	3.059

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.

Comparative Yields - FCT offers attractive yield return compared to other investments

FCT's distribution per unit (DPU) yield stood at 4.40%[1] as at 30 September 2019, this is higher compared to the yields of the FTSE Straits Times Index, CPF Ordinary Account interest rate, the 12-month fixed deposit rate and the 5 & 10-year Singapore Government Bond yields. FCT's DPU yield spread over the 10-year Government bond yield is 276 basis points (FY2018: 280 basis points).

FCT Offers Attractive Yield Compared to Other Investments



Sources: Bloomberg, Central Provident Fund (CPF) website
1 Based on the distribution per unit (DPU) of 12.07 cents for the period 1 October 2018 to 30 September 2019 and the closing Unit price of S$2.74 on 30 September 2019.

Letter to **Unitholders**

Chairman Dr Cheong Choong Kong (right) and Chief Executive Officer Mr Richard Ng (left)

"FCT's consistent performance and stable growth through economic cycles underscored the resilience of its portfolio of suburban retail properties, and our focus to deliver stable returns and long-term growth to our 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 2019 ("FY2019").

Strong FY2019 results, thirteenth consecutive year of DPU growth

FCT delivered a strong set of results in FY2019 underpinned by improved performance across its portfolio properties, higher appraised valuation of its portfolio and maiden contributions from investments in associates made during the year.

Gross revenue rose 1.6% year-on-year to S$196.4 million and net property income ("NPI") was up 1.5% to S$139.3 million. Excluding non-cash accounting adjustments[1], the revenue and NPI year-on-year growth were higher at 2.4% and 2.7%, respectively. The growth was achieved on improved portfolio occupancy, higher rental income from step-up rent increases and, improved performance led by Northpoint City North Wing and Changi City Point.

Overall property expenses increased 1.7% to S$57.1 million, due mainly to higher property tax expenses from Northpoint City North Wing and marketing expenses, but partially offset by lower professional fees.

Total distributable income for FY2019 was up 6.6% to S$118.7 million, driven by maiden contributions from FCT's investments in associates PGIM Real Estate AsiaRetail Fund ("PGIM ARF"), and in Sapphire Star Trust ("SST") which holds the interests in Waterway Point. Including the full distribution of retained cash from previous years, total distribution to unitholders for FY2019 was S$119.6 million, up 7.5% from FY2018. Distribution per Unit (the "DPU") for FY2019 was 12.07 cents and it is the thirteenth consecutive year of DPU growth since FCT's inception.

1 Refers to Financial Reporting Standards (FRS) 116 and 109 accounting adjustments which are non-cash and do not affect distributable income.

Total assets as at 30 September 2019 stood at S$3,611 million, up 27% from S$2,840 million a year ago. The increase was attributed to the new investments in PGIM ARF and SST as well as the increase in the appraised value of FCT property portfolio. Net asset value per unit rose 6.3% from S$2.08 to S$2.21.

FCT's consistent performance and stable growth through economic cycles underscored the resilience of its portfolio of suburban retail properties, and our focus to deliver stable returns and long-term growth to our Unitholders.

Solid financial position amidst market volatilities

FCT's financial position remains solid with gearing level at 32.9%[2] as at 30 September 2019, which is lower than the average of about 35%[3] in the REIT industry. The all-in average cost of borrowings remained unchanged at 2.6%. The U.S. Federal Reserve cut interest rates in October for the third time in 2019, and Singapore interest rates declined in tandem. The 3-month Singapore swap offer rate (SOR), which is commonly used to price commercial loans, reached 1.46% on 1 November, down from this year's high of 2% in March[4]. The benign interest rate outlook should mitigate some concerns on the increase in borrowing costs going forward. Notwithstanding FCT's strong financial position, we remain prudent in our capital and risk management, and stay vigilant amidst market volatilities.

Steady and healthy portfolio performance despite sluggish retail market

The Singapore's Retail Sales Index excluding motor vehicle sales (the "RSI ex-motor") since January this year has been weaker than the same period last year[5], as the cautious economic outlook weighed on consumer sentiments, particularly for trade sectors relating to discretionary spending such as Furniture & Household Equipment, Telecommunications Apparatus & Computers and Watches & Jewellery[6].

Despite the sluggish retail market in Singapore, FCT's portfolio of suburban malls continues to deliver steady and healthy performance. The portfolio occupancy improved from 94.7% to 96.5% as new tenants took up more space at Northpoint City North Wing, Changi City Point, Bedok Point and YewTee Point. Causeway Point and Anchorpoint, however, registered lower occupancy, the former due to ongoing asset enhancement works and the latter to transitionary vacancy arising from tenant changeover. Total shopper traffic rose 9.6% to reach 118.1 million. Northpoint City, which comprises the North Wing owned by FCT and the South Wing owned by FCT's sponsor Frasers Property Limited, saw 16% increase in shopper traffic compared with last year. Causeway Point, Changi City Point and YewTee Point registered year-on-year shopper traffic increases of 3.9%, 4.5% and 7.4%, respectively, while the smaller malls Anchorpoint and Bedok Point saw flat growth.

The average rental reversion for the portfolio[7] of 4.5% was better than the 3.2% achieved the year before. Portfolio tenants' sales per square foot remained steady compared with last year and average occupancy cost of 17.0% was slightly higher than 16.6% in FY2018.

Stable shopper catchment, strong focus on non-discretionary spending and shopper experience, as well as connectivity to public transport continue to underpin our portfolio's resilience and stable performance.

Investments in PGIM ARF and Waterway Point expand FCT's market share, set stage for future growth

During the year, FCT invested approximately S$910 million, the largest amount in its history, to acquire significant stakes in PGIM ARF and Waterway Point. These acquisitions are aligned to FCT's investment strategy to increase market share in the suburban retail sector, expand and diversify income base and enhance total returns to Unitholders.

FCT acquired the initial 18.8% stake in PGIM ARF over two tranches for approximately S$380 million in April. The stake was subsequently raised to 24.8% following shareholder redemptions at PGIM ARF. Frasers Property Limited holds a separate 63.1% stake in PGIM ARF[8].

FCT announced on 16 May 2019 the acquisition of a 33⅓% share in SST, the private trust that holds the interest in Waterway Point, from Frasers Property Limited for a total outlay of approximately S$440 million. The stake in SST was subsequently increased to 40.0% after FCT acquired an additional 6⅔% for approximately S$89.6 million in September 2019 from one of the joint venture shareholders of SST.

The acquisitions in PGIM ARF and Waterway Point were financed by a combination of bank borrowings and gross proceeds from the Equity Fund Raising (the "EFR") which was launched in May 2019. The EFR saw strong support from investors and raised gross proceeds of S$437.4 million via a private placement and a non-renounceable preferential offering completed on 17 May 2019 and 10 June 2019, respectively.

2 In accordance with Property Funds Appendix, the gearing ratio included FCT's proportional share of deposited property value and borrowings in SST.
3 OCBC Investment Research, Weekly S-REITS Track, 11 November 2019.
4 "Sibor begins long-awaited slide; slips to 1.8% after hovering at 1.9-2% the past 10 months", The Business Times, 6 November 2019
5 Monthly Retail Sales and Food Beverage Service Indices, November 2019, Department of Statistics, Singapore. https://www.singstat.gov.sg/-/media/files/news/mrssep2019.pdf. Accessed: 12 November 2019
6 MARKETVIEW Singapore Q3 2019, CBRE Research, CBRE Ltd
7 Excluding Waterway Point for year-on-year comparability, as the stake in Waterway Point was acquired in FY2019.
8 Frasers Property Limited's and FCT's stake in PGIM ARF were acquired in separate transactions.

The acquisitions in PGIM ARF and in Waterway Point are strategic investments that fortify FCT as a leading player in the Singapore suburban retail sector. They also play a pivotal role in driving FCT's future growth. FCT now has a very strong pipeline of retail assets in Singapore to set the stage for an exciting phase of growth.

Strong total unitholders' return; inclusion in EPRA/NAREIT index a milestone

FCT has delivered a strong total return that outperformed the benchmark indices FTSE REIT Index and the FTSE Straits Times Index. Total return of FCT during the review period from 1 October 2018 to 30 September 2019 was 27.2%[9], higher than the total return of 21.8% for FTSE REIT Index and -0.5% for the FTSE Straits Times Index. Over 3- and 5-year periods, FCT registered total returns of 46.6% and 92.0%, respectively, outperforming both the FTSE REIT and the FTSE Straits Times indices.

FCT's market capitalisation on 30 September 2019 of S$3.06 billion was a 45.7% year-on-year increase, the result of strong price appreciation and increase in total issued units following completion of the EFR.

Another milestone during the year was the inclusion of FCT as a constituent in the FTSE EPRA/NAREIT Global Real Estate Index Series (Global Developed Index), from 23 September 2019. This index is a leading global benchmark index for real estate investors and inclusion in the index is a major step forward in extending FCT's outreach to global investors, raising its profile in global investment markets.

Doing more for sustainability

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 work towards carbon neutrality, achieve Green Mark certification for our properties, and improve the health and wellbeing of our people and stakeholders. Details are outlined in the Sustainability Report which is an integral part of this Annual Report.

Going forward

The Singapore economy continues to face headwinds as global trade growth moderated further during the year amidst trade tensions between the U.S. and China and increased uncertainties from geopolitical instabilities. The Ministry of Trade and Industry Singapore expects the Singapore economy to grow by 0.5 per cent to 1 per cent in 2019 and 0.5 per cent to 2.5 per cent in 2020[10].

We remain attentive to these external events and their likely impact on capital markets, our business and sources of funding, and we will take appropriate actions where necessary. We believe FCT's underlying business is resilient and its strong financial position will help ensure steady returns to our Unitholders and stakeholders.

For the next few years, we will continue to focus on improving performance and growing our portfolio. Our focus continues to be on Singapore and its suburban retail sector.

Acknowledgements

Dr Chew Tuan Chiong retired as CEO and Executive Director of FCAM on 1 July 2019. Tuan Chiong led FCT through a decade of acquisitions and asset enhancement initiatives which saw the Trust's assets grow 86% from S$1.52 billion in 2010 to S$2.84 billion, and its market capitalisation double to over S$2 billion, a remarkable journey that has been delivering DPUs ever higher every year since inception. On behalf of the Board of Directors, we express our thanks and appreciation to Tuan Chiong for his leadership, dedication and contributions to FCT. The Board wishes him all the best in his future endeavours.

In closing, we thank our Board members for the stewardship and wisdom that have enabled the Trust to grow from strength to strength. We would also like to thank management and staff for their dedication and relentless hard work, and our Unitholders, business partners, tenants and shoppers for their continued support.

Cheong Choong Kong
Chairman

Richard Ng
Chief Executive Officer

9 Source: Bloomberg. Total return includes the returns from price appreciation and distributions.
10 "Worst may be over, with better propsects for economy in 2020", The Straits Times, 22 November 2019

Board of Directors[1]

Dr Cheong Choong Kong

Chairman, Non-Executive and Independent Director

Mr Philip Eng Heng Nee

Non-Executive and Non-Independent Director

Mr Ho Chai Seng

Non-Executive and Independent Director

1 Unless otherwise stated, the information provided herein is as of 30 September 2019.

1 Dr Cheong Choong Kong, 78
Chairman, Non-Executive and Independent Director

Date of appointment as Director
18 May 2016

Length of service as Director (as at 30 September 2019):
3 years 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 2019

Listed companies
- Nil

Listed REITs/Trusts
- Nil

Others
- Director, RSVP Singapore

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 2016 to 30 September 2019)
- Nil

Past major appointments
- Chairman, Oversea-Chinese Banking Corporation
- Chairman, Singapore Broadcasting Corporation
- Chairman, NUS Council
- Deputy Chairman and CEO Singapore Airlines

Others
- Nil

2 Mr Philip Eng Heng Nee, 73
Non-Executive and Non-Independent Director

Date of appointment as Director
3 April 2006

Length of service as Director (as at 30 September 2019)
13 years 6 months

Board committees served on
- Audit, Risk and Compliance Committee (Member)

Academic & Professional Qualifications
- Bachelor of Commerce in Accountancy, University of New South Wales
- Chartered Accountant (Singapore)

Present Directorships in other companies (as at 30 September 2019)

Listed companies
- Frasers Property Limited (Chairman of Remuneration Committee and Member of Audit, Risk and Compliance Committee)
- PT Adira Dinamika Multi Finance, Tbk (Commissioner)

Listed REITs/Trusts
- Hektar Asset Management Sdn Bhd, Manager of Hektar Real Estate Investment Trust

Others
- ALPS Pte. Ltd. (fka Agency for Healthcare Supply Chain Pte. Ltd.)
- Frasers Hospitality International Pte. Ltd.
- Frasers Property Australia Pty Limited
- Transmex Systems International Pte. Ltd.

Major appointments (other than Directorships)
- Ministry of Foreign Affairs: Singapore's Non-Resident High Commissioner to Canada

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2016 to 30 September 2019)
- mDR Limited (Chairman)
- The Hour Glass Limited
- Ezra Holdings Limited

Past major appointment
- Group Managing Director, Jardine Cycle & Carriage Group

Others
- Nil

3 Mr Ho Chai Seng, 59
Non-Executive and Independent Director

Date of appointment as Director
30 June 2017

Length of service as Director (as at 30 September 2019)
2 year 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 2019)

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 2016 to 30 September 2019)
- Frasers Property (UK) Limited

Past major appointment
- 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

Others
- Nil

4

Mr Ho Chee Hwee, Simon

Non-Executive and Independent Director

5

Ms Koh Choon Fah

Non-Executive and Independent Director

6

Mr Christopher Tang Kok Kai

Non-Executive and Non-Independent Director

4 Mr Ho Chee Hwee, Simon, 58[2]
Non-Executive and Independent Director

Date of appointment as Director
9 February 2017

Length of service as Director (as at 30 September 2019):
2 year 7 months

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 Real Estate, National University of Singapore

Present Directorships in other companies (as at 30 September 2019)
Listed companies
- Nil

Listed REITs/Trusts
- Nil

Others
- Allgreen Properties Limited
- ALPS Pte. Ltd. (fka Agency for Healthcare Supply Chain Pte. Ltd.)
- Frasers Hospitality International Pte. Ltd.
- MOH Holdings Pte Ltd (Member of Audit & Risk Committee (as representative of ALPS Pte Ltd)

Major appointments (other than Directorships)
- Nil

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2016 to 30 September 2019)
- Nil

Past major appointments
- Deputy CEO of CapitaMalls Asia Limited (now known as CapitaLand Mall Asia Limited)
- CEO of the Manager of CapitaMall Trust (now known as CapitaLand Mall 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)

5 Ms Koh Choon Fah, 61[3]
Non-Executive and Independent Director

Date of appointment as Director
1 October 2019

Length of service as Director (as at 30 September 2019)
-

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 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 2019)
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 2016 to 30 September 2019)
- Nil

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

6 Mr Christopher Tang Kok Kai, 58
Non-Executive and Non-Independent Director

Date of appointment as Director
27 January 2006

Length of service as Director (as at 30 September 2019)
13 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 2019)
Listed companies
- Nil

Listed REITs/Trusts
- Frasers Commercial Asset Management Ltd., Manager of Frasers Commercial Trust

Others
- Ren Ci Hospital

Major appointments (other than Directorships)
- Chief Executive Officer, Singapore, Frasers Property Limited

Past Directorships in listed companies held over the preceding 3 years (from 1 October 2016 to 30 September 2019)
Listed companies
- Nil

Listed REITs/Trusts
- Hektar Asset Management Sdn Bhd, Manager of Hektar Real Estate Investment Trust

Past major appointments
- Chief Executive Officer, Frasers Centrepoint Commercial, Frasers Centrepoint Limited
- Chief Executive Officer, China, Frasers Centrepoint Limited
- Chief Executive Officer of Frasers Centrepoint Asset Management Ltd, the Manager of Frasers Centrepoint Trust

Others
- Previously worked with DBS Bank, DBS Land and British Petroleum

2 With effect from 1 November 2019, Mr Ho Chee Hwee Simon relinquished his role as the chairman of the Audit, Risk and Compliance Committee and remains as a non-executive and non-independent Director and a member of the Audit, Risk and Compliance Committee and the Nominating and Remuneration Committee.

3 Ms Koh Choon Fah was appointed as a non-executive and independent Director, a member of the Audit, Risk and Compliance Committee and a member of the Nominating and Remuneration Committee with effect from 1 October 2019. Ms Koh Choon Fah is appointed as the chairman of the Audit, Risk and Compliance Committee with effect from 1 November 2019.

Trust Management Team

From left to right: Mr Alex Chia, Mr Rene Lee, Ms Tay Hwee Pio, Mr Richard Ng, Mr Chen Fung Leng

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 27 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 Hwee Pio
Chief Financial Officer

Hwee Pio is responsible for the financial, taxation, treasury and compliance functions of Frasers Centrepoint Trust. She has over 20 years of financial experience in the real estate industry. Prior to joining FCT, Hwee Pio was based in Shanghai for 10 years, of which she was the financial controller for Frasers Property Limited's business operations in China since year 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.

Mr Alex Chia
Vice President, Asset Management

Alex leads the asset management team and is responsible for formulating and executing asset enhancement strategies that maximises value creation and performance potential for the properties in FCT's portfolio. Alex's team works closely with the property management team to enhance the operational and financial performance of each property.

Before heading the asset management team, Alex was the Head of Investment for 6 years, responsible for the expansion of FCT's asset portfolio through strategic acquisitions and investments. Alex has over 9 years of business development experience in serviced residence industry covering the Pan Asia market and 5 years of experience in the areas of retail operations and project planning. Alex holds a bachelor's degree in Business Administration from National University of Singapore and an MBA from University of Hull, United Kingdom.

Mr Rene Lee
Vice President, Investment

Rene leads the investment team and is responsible for sourcing, evaluating and executing suitable investment and divestment opportunities for FCT to improve the quality of FCT's portfolio and increase distributions to unit-holders. He has more than 10 years of experience investing in different asset classes across Asia-Pacific. Rene holds a Bachelor of Applied Science (Honours) in Civil Engineering from the University of Toronto and a Master of Business Administration from the University of California, Berkeley.

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.

Property Management Team

Ms Molly Lim
Senior Vice President, Head of Retail Properties, Frasers Property Singapore

Molly oversees the operations and business processes of 9 retail malls aggregating over 2 million square feet of net lettable area within the Frasers Property Singapore retail business. She has 28 years of experience in retail property management and commercial leasing. Prior to the current appointment, Molly was Senior Centre manager at Causeway Point for 18 years. She led the pioneer centre management team at the mall and established the foundation for the administrative and standard operational procedures. She was responsible for the operations and management of the mall, including tenancy and leasing management, customer service, as well as the implementation of retail policies and strategic retail initiatives of Frasers Property Group. She was instrumental in the transformational asset enhancement initiative (AEI) works at Causeway Point which was completed in 2012.

Molly holds a Bachelor of Social Sciences (Honours) degree majoring in Economics from the National University of Singapore. She also holds a Graduate Diploma in Business Administration from the Singapore Institute of Management.

Ms Jill Ng
Senior Vice President, Head of Strategic Marketing, Digital & Communications, Frasers Property Singapore

Jill leads the strategic marketing, digital and communications team at Frasers Property Singapore, which drives experiential marketing, loyalty and digital initiatives for the retail business unit while advocating the continued refinement of customer journeys. Across the Singapore strategic business unit, which comprises the residential, retail and commercial divisions, she champions corporate branding, internal communications, public affairs, CRM and the ongoing push towards a seamless brand experience. Recent team accolades include the Frasers Tribal Quest which won the Best Retail Event of the Year in Singapore Retailers Association Awards 2018 and Frasers Galactic Passport which won the Gold award for Emerging Digital Technology from International Council of Shopping Centers Gold Award for Emerging Technology at the 2017 ICSC Asia Pacific Awards and a Silver Award from Community Chest for continued community investment.

Prior to joining Frasers Property, she was part of the development marketing team for a greenfield retail mall. She also led Marketing Communications at Singapore's largest suburban mall where she spearheaded branding, loyalty, service excellence and promotions.

Jill has a Degree in Business Administration from Macquarie University and a Diploma in Hospitality Management from Temasek Polytechnic.

Ms Foo Chai Hong
Vice President, Head of Leasing, Frasers Property Singapore

Chai Hong oversees the retail function of 9 malls at Frasers Property Singapore and she is responsible for the leasing strategies and lease management for the retail group.

She has more than 15 years of experience in leasing negotiations and strategic lease planning in her previous roles at CapitaLand Mall Asia Limited, YTL Starhill Global Property Management Limited and APM Property Management.

Prior to joining Frasers Property, she was part of the Group Leasing team in AsiaMalls Management Pte Ltd where she was responsible for the marketing of the portfolio of malls. She also spearheaded leasing plans and marketing for the revamped malls in the portfolio.

Chai Hong started her career with Knight Frank Pte Ltd as a property valuer and had worked in various capacities at Jurong Town Corporation and DBS Workplace Solutions. She holds a bachelor's degree in Estate Management from the National University of Singapore.

Investor Relations

We are committed to open and transparent communications
Frasers Centrepoint Asset Management Ltd ("FCAM"), as Manager of Frasers Centrepoint Trust ("FCT"), is committed to maintaining open and transparent communications with its 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 Singapore Exchange Securities Trading Ltd ("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 of FCT. FCT convened its 10th AGM on 21 January 2019. All resolutions tabled at the AGM were duly passed. FCT convened an EGM on 28 June 2019 to seek Unitholders' approval for the sole ordinary resolution in relation to the acquisition of a 33⅓% interest in Waterway Point from an interested person of FCT. The resolution was duly passed. The voting for all resolutions at the AGM and EGM were conducted via electronic polls the results of the polls were announced on the SGX-ST and FCT websites on the same day of the events.

Proactive outreach to investors through many channels
FCAM proactively engages investors and the research analysts through many channels to extend its outreach and to raise the profile of FCT among investors. During FY2019, the FCAM management team met with over 200 investors in Singapore and overseas through participation in conferences; one-on-one meetings; investors' roadshows; and various investor engagement events organised by the securities firms, banks, SGX-ST and REIT Association of Singapore (REITAS). We also engage retail investors through participation in seminars, forums and large-scale symposium such as the Shareinvestor REIT Symposium, where retail investors could interact with our investor relations representative.

FCT was included in the FTSE EPRA/NAREIT Global Real Estate Index Series (Global Developed Index), a leading international benchmark for listed real estate investments, with effect from 23 September 2019. This marks a significant milestone in FCT's growth journey. The inclusion in the index enables FCT to reach out to the larger pool of institutional investors, raises FCT's profile in the international investment community and further improve FCT's trading liquidity.

During FY2019, we participated in the following investor relations activities:

Summary of investor relations activities	Singapore	Overseas	Total
Investor Roadshows / Forums	5	5	10
Post-results investors' events	8	0	8
Symposiums and seminars	2	0	2
Annual General Meeting	1	0	1
Extraordinary General Meeting	1	0	1
Total	**17**	**5**	**22**

Time Frame	Key Investor Relations Events	Date	Venue
1QFY19 1 October – 31 December 2018	Release of 4QFY18 and full year FY2018 results and post-results analysts' briefing	24 October 2018	Singapore
	Post-results investors' luncheon hosted by Maybank Kim Eng	24 October 2018	Singapore
	Non-Deal Roadshow hosted by UBS	26 November 2018	Amsterdam
	UBS Global Real Estate CEO/CFO Conference	27 November 2018	London
2QFY19 1 January – 31 March 2019	DBS Pulse of Asia Conference 2019	8 January 2019	Singapore
	10th Annual General Meeting	21 January 2019	Singapore
	Release of 1QFY19 results and post- results analysts' conference call	21 January 2019	Singapore
	Post-results investors' luncheon hosted by DBS	22 January 2018	Singapore
	Non-Deal Roadshow hosted by BNP	25-26 February 2018	Hong Kong
3QFY19 1 April – 30 June 2019	Non-Deal Roadshow hosted by CLSA	9-10 April 20189	Tokyo
	Release of 2QFY19 results and post-results analysts' briefing	24 April 2019	Singapore
	Post-results investors' lunch hosted by JP Morgan	24 April 2018	Singapore
	Launch of Equity Fund Raising	16 May 2019	Singapore
	ShareInvestor REIT Symposium 2019	18 May 2019	Singapore
	Investor Roadshow by DBS/Citi/BNP	21 May 2019	Singapore
	Investor Roadshow by DBS/Citi/BNP	24 May 2019	Hong Kong
	Launch of Preferential Offering	30 May 2019	Singapore
	Extraordinary General Meeting	28 June 2019	Singapore
4QFY19 1 July – 30 September 2019	Release of 3QFY19 results and post- results analysts' conference call	23 July 2019	Singapore
	Post-results investors' luncheon hosted by UBS	24 July 2019	Singapore
	Citi-REITAS-SGX C-Suite Singapore REITs and Sponsor Forum 2019	22 August 2019	Singapore
	Macquarie ASEAN Conference 2019	26 August 2019	Singapore
	HSBC - Singapore REITS Corporate Day	20 September 2019	Singapore
	FCT is included in the EPRA/NAREITGlobal developed market index	23 September 2019	-
	The Asia Pacific Best of The Breeds REITs Conference and Awards	26 September 2019	Singapore

FCAM CEO Mr Richard Ng receiving the award from Professor Lam Khee Poh, Guest of Honour at the awards event, Dean of the School of Design (SDE) and Environment, National University of Singapore.

Platinum Award of the Best Retail REIT (Singapore) at Asia Pacific Best of Breeds REITs

Accolade

FCT received the Platinum Award of the Best Retail REIT (Singapore) for companies with more than US$1 Billion Market Capitalisation at the Asia Pacific Best of Breeds REITs on 26 September 2019.

The award recognises companies and managers with the highest standards and performance in the Asia Pacific REITs sector, based on attributes including financial performance, market performance, corporate governance, quality of portfolio and the REIT manager and risk management policies. This is the second consecutive year FCT has received the Platinum Award for the Best Retail REIT (Singapore).

Coverage by equity research houses

As at 30 September 2019, there were 20 equity research firms which provided equity research coverage on FCT. BNP Paribas, which covered FCT previously has discontinued its equity research function in July 2019. MorningStar initiated coverage on FCT in September 2019.

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

* Initiated coverage on FCT in September 2019.

FY2020 Financial Calendar#

13 January 2020	Annual General Meeting
22 January 2020	1Q FY2020 Results Announcement
End February 2020	1Q FY2020 Distribution Payment
April 2020	2Q FY2020 Results Announcement
End May 2020	2Q FY2020 Distribution Payment
July 2020	3Q FY2020 Results Announcement
End August 2020	3Q FY2020 Distribution Payment
October 2020	4Q FY2020 Results Announcement
End November 2020	4Q FY2020 Distribution Payment

\# Dates are indicative and are subject to change.

Enquiries

For general enquiries on FCT, please contact:
Mr Chen Fung Leng
Vice President, Investor Relations
Frasers 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 & Financial Review

Waterway Point

Portfolio Occupancy as at 30 September 2019

96.5%

Portfolio Rental Reversion

+4.8%

Operations Review

Lease Renewals

A total of 313 leases were renewed in FY2019 (FY2018: 232). These leases accounted for 418,990 square feet or 28.9% of FCT's portfolio net lettable area[1] (the "NLA"). The average rental reversion of these renewals was positive 4.8%. Average rental reversion refers to the variance between the average rental rates of the renewed leases and the preceding expired leases which were contracted typically 3 years ago. All malls, with the exception of Changi City Point and Bedok Point, recorded positive rental reversions of between 0.9% and 7.4% 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 FY2019
(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	74	150,905	36.2%	7.4%
Northpoint City North Wing[2]	29	26,407	11.5%	1.6%
Waterway Point	124	148,097	39.9%	5.1%
Changi City Point	33	29,591	14.4%	(1.4%)
Bedok Point	13	21,307	25.8%	(1.0%)
YewTee Point	21	17,100	23.2%	0.9%
Anchorpoint	19	25,583	36.0%	2.2%
FCT Portfolio Average	**313**	**418,990**	**28.9%**	**4.8%**

Lease Expiry Profile

The portfolio lease expiry from FY2020 to FY2028 and the lease expiry by property in FY2020 are presented in tables below. 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.

The leases due in the next two years in FY2020 and FY2021 account for 35.7% and 26.9% of FCT's Gross Rental Income (the "GRI"), respectively. As at 30 September 2019, the weighted average lease expiry (the "WALE"[3]) of FCT portfolio stood at 1.72 years by NLA and 1.57 years by GRI.

The WALE (By GRI) of the new leases entered during FY2019, based on duration to lease expiry as at 30 September 2019 was 2.46 years. The weighted average lease tenure (By NLA) of these new leases is 2.47 years. These new leases account for 33.1% of the total GRI of FCT portfolio as at 30 September 2019.

The aggregate NLA of the leases in FCT portfolio, including that of Waterway Point, due for renewal in FY2020 is 457,060 square feet, of which 387,876 square feet or about 85% of this is attributed to the four larger malls - Causeway Point, Waterway Point, Northpoint City North Wing (including Yishun 10 retail podium) and Changi City Point.

Portfolio Lease Expiry[4] as at 30 September 2019

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2028	Total
Number of leases expiring	312	280	248	25	4	1	870
Leased area expiring (square feet)	457,060	358,075	420,199	128,942	11,765	21,248	1,397,289
Expiries as % of total leased area	32.7%	25.6%	30.1%	9.2%	0.9%	1.5%	100.0%
Expiries as % of total GRI	35.7%	26.9%	28.0%	8.6%	0.6%	0.2%	100.0%

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
4 Excluding vacancy

Lease Expiry[4] for FY2020 as at 30 September 2019

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	70	131,181	32.5%	35.3%
Northpoint City North Wing and Yishun 10 retail podium	92	87,640	38.5%	46.1%
Waterway Point	56	95,245	26.2%	30.6%
Changi City Point	40	73,810	37.5%	34.4%
Bedok Point	13	26,863	33.9%	34.9%
YewTee Point	15	20,271	28.3%	26.6%
Anchorpoint	26	22,050	39.3%	44.1%
Total FCT	**312**	**457,060**	**32.7%[5]**	**35.7%[6]**

5 As percentage of leased area of FCT portfolio, excluding vacancy, as at 30 September 2019.
6 As percentage of GRI of FCT portfolio for the month of September 2019, excluding gross turnover rent.

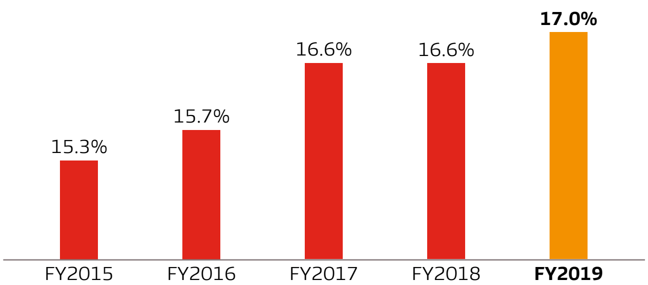
Portfolio Tenants' Sales and Occupancy Cost

FCT's portfolio tenants' sales in FY2019, on a per square foot basis and including Waterway Point, fell marginally by 0.2% compared with FY2018. The slight dip in overall tenant's sales was mainly attributed to the lower sales turnover at Causeway Point which saw partial closure of the basement level to facilitate works related to the underground pedestrian link. The malls that saw positive tenant sales growth include Northpoint City North Wing, Changi City Point and Waterway Point.

The average occupancy cost for FCT portfolio for the 12-month period between October 2018 and September 2019 stood at 17.0%, compared with 16.6% in FY2018.

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 FY2019 and the preceding 4 financial years is presented in the table below:

FCT Portfolio Occupancy Cost



Leases with Gross Turnover Rent and Step-Up Clauses

Nearly all our leases include step-up clauses that provide for annual rental increment of between 1% and 2% during the lease term. In addition, 93.5% of the occupied leases include Gross Turnover rent (the "GTO") clauses, which the tenants would pay between 0.5% and 1% of their sales as part of the gross rent under the lease agreements.

Percentage of occupied leases with GTO and Step-up Clauses

	FY2018	FY2019	Increase/ (Decrease)
With GTO clause	94.3%	93.5%	(0.7%-point)
With step-up clause	98.3%	97.8%	(0.5%-point)

Portfolio Occupancy

The portfolio occupancy stood at 96.5%[7] as at 30 September 2019, which is 1.8%-point higher compared with 94.7% a year ago. The improvement in overall portfolio occupancy is attributed to Northpoint City North Wing (due mainly to Yishun 10 retail podium); Changi City Point, Bedok Point and YewTee Point. The increase in occupancy was partially offset by lower occupancy at Causeway Point due to ongoing Underground Pedestrian Link (UPL) works which is expected to complete in December 2019. Occupancy at Anchorpoint was also lower at 79.0%, compared to 88.8% a year ago, but the pre-committed occupancy is at 95.4%.

7 Portfolio occupancy including pre-committed leases is 97.2%. Pre-committed refers to leases which have been confirmed or signed but have yet to commence.

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

Occupancy by Property	As at 30 September 2018	As at 30 September 2019	Increase/ (Decrease)
Causeway Point	98.4%	97.0%[8]	(1.4)%-point
Northpoint City North Wing and Yishun 10 retail podium	96.5%	99.0%	2.5%-point
Waterway Point[9]	-	98.0%	n.m.
Changi City Point	93.8%	95.9%	2.1%-point
Bedok Point	79.2%	95.7%	16.5%-point
YewTee Point	94.3%	97.1%	2.8%-point
Anchorpoint	88.8%	79.0%	(9.8)%-point
FCT Portfolio	**94.7%**	**96.5%**	**1.8%-point**

Shopper Traffic

The total shopper traffic in FY2019 was 146.5 million (FY2018: 136.8 million), an increase of 7.1% year-on-year. The three larger malls Causeway Point, Northpoint City and Changi City Point saw higher traffic of between 3.9% and 16.0% compared to the same period last year. Northpoint City registered the highest improvement in shopper traffic of 16.0%, due to the re-location of the bus interchange in early September 2019 which saw a significant increase in commuter traffic passing through the mall en route to the bus interchange. The three smaller malls saw between flat and 2.4% decline in shopper traffic due partially to the lower occupancy at these malls.

Shopper Traffic by Property (million)	FY2018 (1 Oct 2017 – 30 Sep 2018)	FY2019 (1 Oct 2018 – 30 Sep 2019)	Increase / (Decrease)
Causeway Point	25.5	26.5	3.9%
Northpoint City[10]	49.4	57.3	16.0%
Bedok Point	4.2	4.2	No change
YewTee Point	12.1	13.0	7.4%
Anchorpoint	3.2	3.2	No change
Changi City Point	13.3	13.9	4.5%
Waterway Point	29.1	28.4	(2.4%)
FCT Portfolio	**136.8**	**146.5**	**7.1%**

Trade Sector Analysis

FCT's tenant classification comprises 12 trade sectors (FY2018: 11). We have made some changes to the classification of several trade sectors to improve clarity and to better reflect the nature of the trades. These changes are as follow:

1. Food & Restaurants has been renamed Food & Beverage
2. Jewellery & Watches, previously being part of Fashion, is now a standalone trade sector.
3. Beauty, Hair, Cosmetics & Personal Care is combined with Health to form the Beauty & Health trade sector
4. The former Services/Education sector is separated into the respective trade sectors, Services and Education.
5. Supermarket is renamed Supermarket & Hypermarket

Food & Beverage continues to be the largest sector accounting for 31.5% of FCT's total NLA, a 0.9%-point increase from 30.6% in FY2018. This sector is also the largest contributor to the portfolio in terms of GRI, accounting for 37.8% of total GRI, slight increase from 37.2% a year ago. The increase was attributed to Bedok Point, which saw its proportion of NLA for Food & Beverage increased to 33.7% from 23.5% and its proportion of GRI increased to 41.1% from 39.3%, compared with FY2018.

The contribution from the second largest trade sector Fashion decreased year-on-year. The proportion of portfolio NLA for Fashion decreased to 13.5% from 13.8% in FY2018, and proportion of portfolio GRI for Fashion decreased to 14.4% from 14.9% in FY2018.

8 Occupancy is based on NLA of 416,332 square feet before completion of AEI.
9 FCT owns 40% interest in Waterway Point, the stake in the property was first acquired on 11 July 2019.
10 Total shopper traffic for Northpoint City which comprises North Wing and South Wing. Shopper traffic for FY2018 was restated from 41.8 million to 49.4 million for comparability to the FY2019 data that included additional counters in new ingresses and egresses of the property.

	Trade Classifications (by order of decreasing GRI)	As % of Total NLA	As % of Total GRI[11]
1	Food & Beverage	31.5%	37.8%
2	Fashion	13.5%	14.4%
3	Beauty & Health	7.7%	11.3%
4	Services	4.8%	9.1%
5	Household	9.2%	7.1%
6	Supermarket & Hypermarket	7.1%	4.9%
7	Sports Apparel & Equipment	3.7%	2.9%
8	Leisure/ Entertainment	6.4%	2.9%
9	Jewellery & Watches	0.9%	2.7%
10	Books, Music, Art & Craft, Hobbies	3.7%	2.6%
11	Department Store	4.2%	2.5%
12	Education	3.7%	1.8%
13	Vacant	3.6%	0.0%
	Total	**100.0%**	**100.0%**

11 As percentage of GRI of FCT portfolio for the month of September 2019, excluding gross turnover rent.

Top 10 Tenants by GRI[12]

The top ten tenants collectively accounted for 21.1% of the total GRI as at 30 September 2019 (2018: 23.2%). Our largest tenant NTUC Fairprice Co-operative, the operator of NTUC Fairprice supermarkets, NTUC Healthcare (Unity) and NTUC Club in FCT malls, accounted for 3.2% of the portfolio GRI (2018: 1.8%).

Top 10 Tenants by GRI as at 30 September 2019

	Tenant	Trade Sector	As % of Total NLA	As % of Total GRI
1	NTUC Fairprice Co-operative[13]	Supermarket & Hypermarket	4.6%	3.2%
2	Cold Storage Singapore (1983) Pte Ltd[14]	Supermarket & Hypermarket	3.4%	3.0%
3	Copitiam Pte Ltd[15]	Food & Beverage	2.8%	2.6%
4	Metro (Private) Limited[16]	Departmental Store	4.2%	2.5%
5	Courts (Singapore) Limited	Household	2.5%	2.1%
6	Koufu Pte Ltd	Food & Beverage	2.2%	2.0%
7	Cotton On Singapore	Fashion	1.4%	1.7%
8	Hanbaobao Pte Limited[17]	Food & Beverage	0.9%	1.4%
9	Uniqlo (Singapore) Pte Ltd	Fashion	2.3%	1.4%
10	Food Republic	Food & Beverage	1.2%	1.2%
	Total (Top 10)		**25.5%**	**21.1%**

12 Based on GRI for the month of September 2019, excluding GTO.
13 Includes leases for NTUC FairPrice Co-operative Ltd, NTUC Healthcare Co-operative Ltd and NTUC Club.
14 Includes the leases for Cold Storage supermarket, Guardian Pharmacy and 7-Eleven stores.
15 Operator of Kopitiam food courts, includes Kopitiam and Bagus.
16 Includes the leases for Metro departmental store and Clinique Service Centre.
17 Operates McDonald's outlets.

Financial Review

FCT's investment property portfolio comprises Causeway Point; Northpoint City North Wing (including Yishun 10); Changi City Point; Bedok Point; YewTee Point and Anchorpoint.

FCT holds 40%-interest in Sapphire Star Trust ("SST") which owns the retail mall Waterway Point and approximately 24.82% interest in PGIM Real Estate AsiaRetail Fund Limited ("PGIM ARF"). PGIM ARF owns and manages five retail malls (Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square and Tampines 1) and an office property (Central Plaza) in Singapore, and two retail malls in Malaysia. In addition, FCT also holds 31.15% of the units in Hektar Real Estate Investment Trust ("H-REIT") which owns a portfolio of six suburban malls in Malaysia. FCT's interests in SST; PGIM ARF and H-REIT are equity-accounted for at the Group level.

The tables presented below show the gross revenue, property expenses and net property income for FCT's investment property portfolio for FY2019 and FY2018.

Gross Revenue	FY2019 Oct 18 to Sep 19 S$'000	FY2018 Oct 17 to Sep 18 S$'000	Increase /(Decrease)
Causeway Point	86,458	86,710	(0.3%)
Northpoint City North Wing and Yishun 10	53,089	52,215	1.7%
Changi City Point	27,335	25,751	6.2%
Bedok Point	6,506	6,164	5.5%
YewTee Point	14,443	13,991	3.2%
Anchorpoint	8,555	8,516	0.5%
Total	**196,386**	**193,347**	**1.6%**

Property Expenses	FY2019 Oct 18 to Sep 19 S$'000	FY2018 Oct 17 to Sep 18 S$'000	Increase /(Decrease)
Causeway Point	20,693	21,351	(3.1%)
Northpoint City North Wing and Yishun 10	13,876	13,024	6.5%
Changi City Point	9,809	9,262	5.9%
Bedok Point	3,843	3,628	5.9%
YewTee Point	4,135	4,300	(3.8%)
Anchorpoint	4,747	4,596	3.3%
Total	**57,103**	**56,161**	**1.7%**

Net Property Income	FY2019 Oct 18 to Sep 19 S$'000	FY2018 Oct 17 to Sep 18 S$'000	Increase /(Decrease)
Causeway Point	65,765	65,359	0.6%
Northpoint City North Wing and Yishun 10	39,213	39,191	0.1%
Changi City Point	17,526	16,489	6.3%
Bedok Point	2,663	2,536	5.0%
YewTee Point	10,308	9,691	6.4%
Anchorpoint	3,808	3,920	(2.9%)
Total	**139,283**	**137,186**	**1.5%**

Yishun 10: Refers to the strata-titled units at Yishun 10 retail podium

Performance Comparison Between FY2019 and FY2018

Gross revenue for the year ended 30 September 2019 was S$196.4 million, an increase of S$3.0 million or 1.6% over the corresponding period last year. It is mainly due to improvement in revenue from Northpoint City North Wing and Changi City Point.

FCT's property portfolio continued to achieve positive rental reversions during the year. Rentals from renewal and replacement leases from the Properties commencing during the year, showed an average increase of 4.5% over the expiring leases. Including the renewals at Waterway Point, the portfolio rental reversions was 0.3%-point higher at 4.8%.

Property expenses for the year ended 30 September 2019 totalled S$57.1 million, an increase of S$0.9 million or 1.7% compared to the corresponding period last year. The increase was mainly due to higher property tax expenses from Northpoint City North Wing and marketing expenses. It is partially offset by lower professional fees.

Hence, net property income was S$139.3 million, which was S$2.1 million or 1.5% higher than the corresponding period last year.

Net non-property expenses of S$42.6 million was S$5.4 million higher than the corresponding period last year due to higher borrowing costs from additional borrowings and higher interest rates and higher Manager's management fees arising from the increase in total assets and improvement in net property income. The increase is partially offset by interest income on loan to joint venture and lower trust expenses.

Total return included:
(i) unrealised loss of S$1.0 million arising from fair valuation of interest rate swaps for the hedging of interest rate in respect of S$188 million of the loans;
(ii) share of associates' results from operations of S$12.7 million and from revaluation surplus of S$9.9 million;
(iii) share of joint ventures' results of S$3.2 million and from revaluation surplus of S$3.3 million;
(iv) impairment loss on investment in joint venture of S$1.1 million;
(v) expenses in relation to acquisition of an associate and a joint venture of S$10.8 million; and
(vi) surplus on revaluation of the Properties of S$93.3 million.

Income available for distribution for the year ended 30 September 2019 was S$118.7 million, which was S$7.4 million higher compared to the corresponding period in the preceding financial year.

Distribution

Income available for distribution for the year ended 30 September 2019 was S$118.7 million, which was 6.6% higher compared to the last financial year. The higher distribution income is attributable to contributions from FCT's shareholding in PGIM ARF and in SST. Despite the enlarged equity units in issue after the equity fund raise, distribution per unit for FY2019 grew 0.5% to 12.07 cents from 12.015 cents in the prior year. The breakdown and comparison of the distribution per unit for FY2019 and FY2018 are presented below:

Distribution per Unit (cents)

Financial year ended 30 September	FY2019	FY2018	Increase / (Decrease)
First quarter (1 October – 31 December)	3.020	3.000	0.7%
Second quarter (1 January – 31 March)	3.137	3.100	1.2%
Third quarter (1 April – 30 June)	3.000	3.053	(1.7%)
Fourth quarter (1 July – 30 September)	2.913	2.862	1.8%
Full Year (1 October – 30 September)	**12.070**	**12.015**	**0.5%**

Total Assets, Net Asset Value Per Unit and Net Tangible Asset Per Unit

As at 30 September 2019, the total assets of FCT stood at S$3,611 million, an increase of S$771 million from S$2,840 million a year ago. The increase was mainly attributable to a) investment in the 40%-interest in SST (which owns Waterway Point); b) investment in the 21.13% interest in PGIM ARF; as well as c) revaluation surplus of S$93 million on FCT's investment properties.

FCT's net assets stood at S$2,471 million as at 30 September 2019, an increase of S$537 million (+27.8%) compared with S$1,934 million a year ago. Correspondingly, the net asset value (the "NAV") and the net tangible asset (the "NTA") of FCT increased to S$2.21 per unit from S$2.08 a year ago.

As at	30 September 2019	30 September 2018
NAV and NTA per unit (S$)	2.21[a]	2.08[b]

(a) 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 management fee 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 management fee payable to the Manager for the quarter ended 31 December 2018, 31 March 2019, 30 June 2019 and 30 September 2019 respectively.

(b) The number of units used for computation of NAV and NTA per unit as at 30 September 2018 is 927,654,434. This comprises:
  (i) 926,391,919 units in issue as at 30 September 2018;
  (ii) 190,821 units issued to the Manager in October 2018, in satisfaction of 20% of the base management fee payable to the Manager for the quarter ended 30 September 2018; and
  (iii) 1,071,694 units issued to the Manager in October 2018, in satisfaction of 50%, 40%, 30% and 20% of the performance management fee payable to the Manager for the quarter ended 31 December 2017, 31 March 2018, 30 June 2018 and 30 September 2018 respectively.

Appraised Value of Properties

The total appraised value of FCT's investment properties was S$2,846.0 million as at 30 September 2019 (2018: S$2,749.0 million).

Causeway Point, Northpoint City North Wing, Changi City Point, YewTee Point and Anchorpoint saw higher appraised valuations from the independent property valuers. Valuation of Bedok Point and Yishun 10 retail podium remained the same as the previous year.

The property valuations for FY2019 were performed either by CBRE Pte Ltd ("CBRE"); Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers"); and Savills Valuation and Professional Services (S) Pte Ltd ("Savills"). Valuation methods used include the capitalisation approach, discounted cash flow analysis and direct comparison method in determining the fair values of the properties. Annual valuations are required by the Code on Collective Investment Schemes.

Property	FY2019 Valuation @ 30 Sep 2019				FY2018 Valuation @ 30 Sep 2018			
	Valuation S$ million	Valuation S$ psf NLA[a]	Cap rate[b]	Valuer	Valuation S$ million	Valuation S$ psf NLA[a]	Cap rate[b]	Valuer
Causeway Point	1,298.0	3,090	4.75%	Savills	1,218.0	2,928	4.70%	Knight Frank
Northpoint City North Wing	771.5	3,517	4.75%	Colliers	771.0	3,516	4.75%	Savills
Changi City Point	342.0	1,668	5.00%	Savills	332.0	1,618	5.00%	Savills
YewTee Point	189.0	2,566	5.00%	CBRE	186.0	2,525	5.00%	CBRE
Bedok Point	94.0	1,136	5.00%	CBRE	94.0	1,136	5.00%	CBRE
Anchorpoint	113.5	1,599	4.50%	Colliers	110.0	1,550	4.50%	Colliers
Yishun 10 retail podium	38.0	3,674	3.75%	Savills	38.0	3,655	3.75%	Colliers
Total	**2,846.0**				**2,749.0**			

(a) Per square foot of net lettable area.
(b) As indicated by property valuers.

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 2019, FCT Group has a total capacity of $4,911 million from its sources of funding, of which $1,042 million or 21.2% 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
Bridging loans	Unsecured	$64 million	$64 million[1]	100.0%
Revolving credit facilities	Unsecured	$250 million	$71 million[1]	28.4%
Medium Term Note Programme	Unsecured	$1,000 million	$310 million	31.0%
Bank borrowings	Unsecured	$191 million	$191 million	100.0%
Bank borrowings	Secured	$406 million	$406 million	100.0%
Multicurrency Debt Issuance Programme	Unsecured	$3,000 million	Nil	Nil
Total		**$4,911 million**	**$1,042 million**	**21.2%**

1 A committed 4-year unsecured loan offer of $119 million to refinance the short-term facilities is currently documentation-in-progress.

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 "Baa1" 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 $321 million of the term loan facilities to refinance $130 million of bank borrowings and $191 million of bank borrowing to part finance FCT's acquisition of 18.80% stake in PGIM Real Estate AsiaRetail Fund Limited.

FCT Group's total debt stood at $1,042 million on 30 September 2019 for which it comprised $406 million secured bank borrowings, $326.1 million unsecured bank borrowings and $310 million unsecured Notes. $295.1 million of borrowings (about 28.3% of total borrowings) will mature in the next 12 months. FCT Group's gearing stood at 32.9%[2] as at 30 September 2019. The interest cover for the year ended 30 September 2019 was 5.74 times.

The weighted average debt maturity was 2.3 years as at 30 September 2019.

2 In accordance with the Property Funds Appendix, the gearing ratio included FCT's 40% proportionate share of deposited property value and borrowing in a joint venture.

Key Financial Metrics

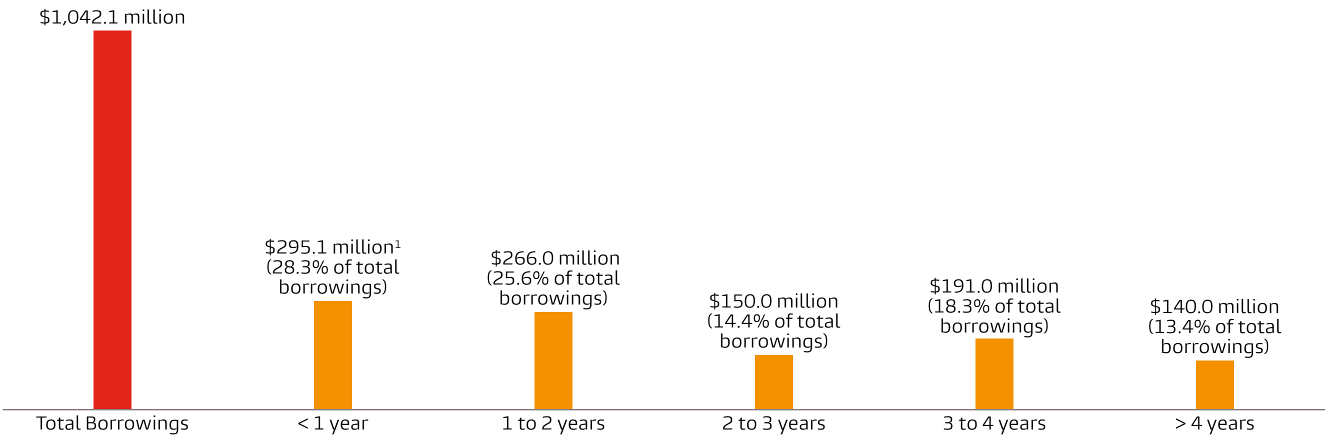
Financial Year ended 30 September	2019	2018
Total Borrowings	$1,042.1 million	$813 million
Gearing	32.9%[2]	28.6%[1]
Interest Cover	5.74 times	6.25 times
Average all-in cost of borrowing[3]	2.63%	2.62%
Average debt maturity	2.3 years	2.0 years

1 Calculated as the ratio of total outstanding borrowings over the total assets as at the stated balance sheet date.
2 In accordance with the 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).
3 Calculated as at the stated balance sheet date.

FCT Group holds derivative financial instruments to hedge its interest rate risk exposure. The fair value of derivative liabilities as at 30 September 2019 of $1.0 million (2018: asset of $0.1 million) is disclosed in **Note 11** to the Financial Statements. The fair value of financial derivatives represented 0.04% (2018: 0.003%) of the net assets of FCT Group as at 30 September 2019.

Debt Maturity Profile as at 30 September 2019

Financial Year ended 30 September	Amount Due	As % of total borrowings
< 1 year	$295.1 million[1]	28.3%
1 to 2 years	$266.0 million	25.6%
2 to 3 years	$150.0 million	14.4%
3 to 4 years	$191.0 million	18.3%
> 4 years	$140.0 million	13.4%
Total Borrowings	**$1,042.1 million**	**100.0%**



1 A committed 4-year unsecured loan offer of $119 million to refinance the short-term facilities is currently documentation-in-progress.

Retail Property Market Overview

This report was prepared by Cistri Pte. Ltd.

1. Economic Context

Singapore is a global city. As such, its economy is highly responsive to both the highs and lows of international economic cycles, while also having its own domestic drivers of growth. In this section we provide a brief review of how the global economic context is influencing Singapore, then we consider the domestic drivers of economic performance.

Global Context

While global economic news continues to be quite negative, it is easy to forget that the world economy has been through a relatively long and stable period of economic growth. The USA has had its longest period of growth ever recorded, Europe has withstood a currency crisis, and in 2018 China's economy expanded by more (in RMB terms) than any other year in its history. The ADB still forecasts solid growth within South East Asia, at about 4.5% for 2019.

Nevertheless, the various trade disputes that are going on between the USA, China, Europe and other countries are having an impact and could dampen the global economic growth. The USA and China, in particular, have been escalating tariffs on each other's products over the past twelve months. The tariffs have been implemented quite gradually, with the toughest American tariffs announced but not yet introduced.

Both the USA and China have taken steps to limit the impact of the tariffs domestically, which is lowering the impetus to find a solution. For example, US soybean farmers who were hit hard by Chinese tariff retaliation have received increased Government subsidies, while duties on toys and consumer electronics have been delayed. China has allowed its currency to drop, helping offset the impact of the tariffs there.

Beyond the trade war, there are other issues impacting global confidence. In Europe, Brexit continues to be the major issue. The UK's inability to find a neat solution to Brexit has led to a clash of 'Brexit' ideologies, and the issue has now seen the resignation of two Prime Ministers. It has become politically very messy and underpinned a feeling of uncertainty which will likely continue until the (current) Brexit deadline of January 31st, 2020.

This uncertainty has not come at a good time for Europe. Economic growth across the continent has been slowing. The ECB announced in September that growth had slowed to 0.2% in Q2 2019. ECB has also announced that it will be restarting its quantitative easing programme in November and has cut its bank deposit rate to -0.5% in a bid to stimulate economic growth.

In addition, the impact of the protests in Hong Kong is reverberating through Asian markets. The economic impact of the protests is starting to become apparent – both retail sales and tourist numbers are significantly down in Hong Kong. Hong Kong's Government has indicated that economic growth was likely to be negative in the short term.

Local Context

As Singapore's economy is heavily dependent on global trade and finance, this global economic uncertainty is having an adverse impact. Singapore's MTI in August 2019 reduced its economic growth forecast for 2019 from 1.5% – 2.5% to 0% - 1%[1] as manufacturing and engineering output has fallen. We are therefore assuming economic growth of 0.5% in 2019 with only a gradual rebound thereafter.

However, there are a few bright spots for Singapore's outlook. International tourist arrival numbers continue to grow[2], with half of the growth so far this year coming from China. Chinese tourists are deserting Hong Kong and we expect many are instead opting for Singapore. Analysis by Goldman Sachs[3] suggests that there has been a net flow of bank deposits out of Hong Kong and into Singapore, reflecting the gradual erosion of confidence in Hong Kong.

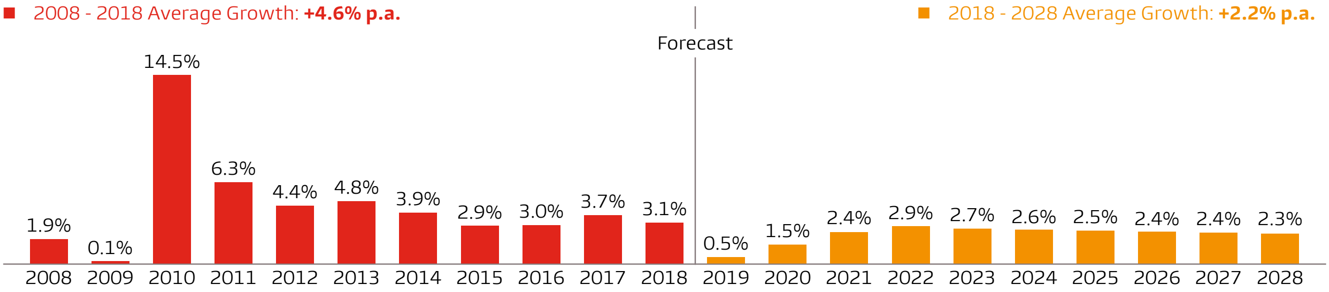
Similarly, residential property prices are showing some positive signs, after a weak start to this year. And while manufacturing has struggled, the construction industry has expanded on the back on an increase in government spending, and the services sector has benefited from a robust financial and insurance sector.

Despite the economic challenges, the Government of Singapore has expressed confidence in the tools at its disposal to prevent a significant downturn in economic growth. In the short term, it has the fiscal and monetary capacity to support economic growth if necessary. Furthermore, the Singapore Government has a strong track record in astute management of the economy. In the long term, the ongoing focus on micro-economic reforms (up-training workers, supporting industry restructuring) will need to continue to ensure productivity growth continues.

1 https://www.channelnewsasia.com/news/singapore/singapore-slashes-annual-gdp-forecast-to-0-1-amid-strong-11803990
2 https://www.stb.gov.sg/content/stb/en/statistics-and-market-insights/tourism-statistics/international-visitorarrivals.html
3 https://www.businesstimes.com.sg/banking-finance/goldman-says-billions-moved-from-hong-kong-to-singapore-amid-unrest

In summary, we expect a challenging economic environment in the short term. However, given the economic levers available to the Government and its ability to deal with short term challenges as well as a focused long-term strategy, we remain cautiously optimistic about Singapore's longer-term economic outlook. We expect Singapore's real GDP growth to be about 0.5% in 2019 and average 2.0% per annum over the subsequent 5 years.

Chart 1.1 Singapore Real GDP Growth
2008-2028



Source: Oxford Economics; Cistri

2. Inflation

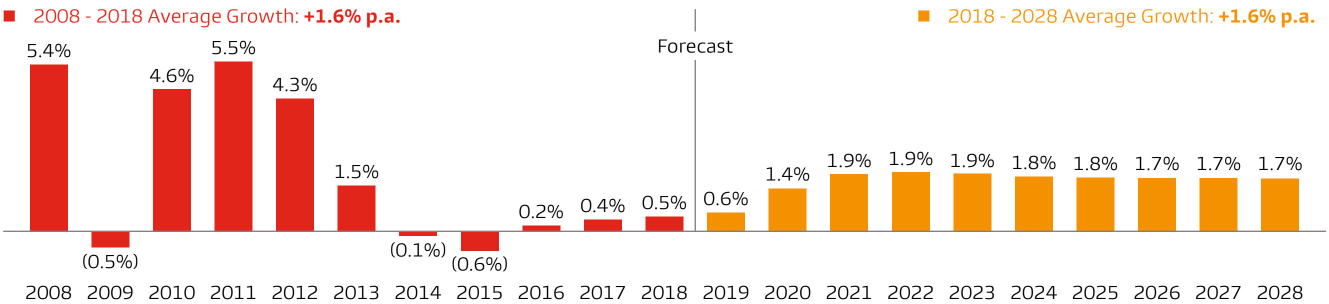
The retail market continues to be impacted by a lack of inflation. Historically, inflation has allowed for constant growth in prices in most retail categories, supporting sales and rental growth. In the past few years, inflation has been extremely low, making it increasingly difficult for retailers and mall owners alike.

Year-on-year inflation to September 2019 was estimated by SingStats at 0.5%. 'Core' inflation for the same period came in at 0.7%, a three-year low.

Supporting price growth were the food (+1.6%), healthcare (+1.4%) and education (+2.1%) sectors. However, offsetting this was deflation in the housing and utilities sector (-1.3%). This was due to the gradual decline in housing rentals and, in particular, electricity and gas prices which fell 8.3% due to the launch of the Open Electricity Market (OEM) in November 2018. Furthermore, clothing and footwear fell by 0.9%.

Going forward, a MAS survey of professional forecasters projects inflation for the full year of 2019 to come in at slightly under 1.0% and increase to approximately 1.4% in 2020. We expect the inflation rate over the next five years to average ~1.6% per annum. We note that an additional one-off boost to inflation could come through the proposed Goods and Services Tax increase between 2021 and 2025[4].

Chart 2.1 Inflation
2008-2028



Source: Cistri; Singapore Department of Statistics; Oxford Economics

4 https://www.straitstimes.com/singapore/singapore-budget-2018-gst-to-be-raised-from-7-to-9-sometime-between-2021-and-2025

3. Population Growth

According to the Singapore Department of Statistics, Singapore's population is currently 5.7 million. The population comprises of 3.5 million citizens, 530,000 permanent residents (PRs) and approximately 1.7 million non-residents which include dependants, international students, and professionals holding employment passes, S-Passes and foreign worker permits.

In recent years, population growth has fallen well below trend levels, registering growth in 2017 and 2018 of only 0.1% and 0.5% respectively. In addition to low resident birth rates, the Government has limited the number of new work permits allocated, and a slowdown in some major industries (e.g. oil and gas) has resulted in a decline in expat numbers.

SingStats' latest data, however, shows population growth of about 1.2% year-on-year, a solid rebound from previous years. The increase has been supported by healthy growth in the non-resident population of 2.0%. Work permits have been allowed to increase to support the growth in the services and construction industries[5]. We surmise that the increase in work permits reflects the Government's concern about current risks to the domestic economy.

While the flow of migrants to Singapore has jumped, low fertility rates and an ageing population are keeping growth in the resident population at subdued levels. Singapore's life expectancy is 83.2 years, one of the highest life expectancies globally. The fertility rate among resident females is at 1.14, well below the replacement rate of 2.1 needed to maintain population stability without immigration. This has fallen from around 1.6 at the turn of the century.

The Government has actively taken steps to boost the fertility rate through various policies and incentives in recent years. In August 2019, the government removed the age limit of 45 for women undergoing in-vitro fertilisation (IVF) treatments. The Government also announced additional subsidies for pre-schools for lower-income families to help working parents defray some of the costs of raising children.

Clearly, there are two major policy levers that the Government can pull on to support population growth. The easier lever is changing immigration levels, while the much harder one is increasing the birth-rate. While increasing immigration might be easier, it brings with it political and social risk as local residents can perceive greater competition for jobs and a loss of cultural identity.

The Government, therefore, needs to maintain a balance between the two policy levers. In our view, relaxing immigration policy is the right approach in the current economic climate. But supporting the upskilling of residents, promoting labour efficiency, as well as providing support to working parents should remain longer-term policies as if successfully implemented, they will lower the need for immigration in the future.

Cistri forecasts population to grow to approximately 6.1 million in 2024. This represents an annual growth of approximately 1.2% per annum between 2019 and 2024.

4. Tourism Growth

International visitor arrivals to Singapore hit a new record high of 18.5 million visitors in 2018. Growth continues to be positive in 2019, with 12.9 million visitors reported in the first eight months of 2019, an increase of 1.9% over the same period in 2018.

2018 saw several high-profile events such as the North Korea-USA Summit meeting and the premiere of "Crazy Rich Asians" raising Singapore's profile among international visitors. This momentum has continued into 2019, with strong growth in visitation from China, USA, Canada, Myanmar and the Philippines. Indonesia and India remain significant markets, recording 2.0 million and 970,000 visitors respectively over this period.

Additionally, the 2019 Formula One Grand Prix attracted 268,000 attendees over three days, the second largest since the inaugural event in 2008. This is in part due to a strong international music and entertainment line-up that supported the main race.

While the number of visitors to Singapore has continued to grow, the amount they spend has not. According to the STB, the total retail expenditure for 2018 reached SGD 26.9 billion, 0.5% higher than in 2017. This compares to growth in visitation of 6.2%, meaning that spend per person has declined materially. This trend has continued in 2019.

The falling spend per visitor reflects an important structural change. Growth in tourism in South East Asia is being driven by the emerging middle class, particularly from China and India, which typically have lower spending patterns than the higher income tourists that Singapore historically attracted.

Moving forward, the Government has long term and ambitious plans to significantly boost tourism in Singapore. The plans include:

- **Changi City and Terminal 5**: With Terminal 5 due to be completed in the 2030s, the airport's capacity will increase 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.
- **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.

5 https://www.population.sg/articles/population-in-brief-2019-what-do-you-need-to-know

- **Marina Bay Sands (MBS) and Resorts World Expansion (RWS):** Approximately SGD 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 fourth tower at MBS and new attractions at the RWS such as Minion Park, Super Nintendo World as well as 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 (2020), 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.

Along with these plans for tourist infrastructure and attractions, the government has signed a Memorandum of Understanding (MOU) with travel app Traveloka to promote at least 12 online marketing campaigns across Indonesia, Malaysia, the Philippines, Thailand and Vietnam and another MOU with Alibaba to increase collaboration with the Chinese market.

With these plans, it is clear that the Government sees tourism as a key element of the economy's future growth. Of course, being an externally oriented market there are risks in terms of currency risk and a slowdown in travel demand from major source markets such as China. But history suggests that Singapore is quite adept at navigating this ever-changing market.

5. Retail Sales

Shopping centre owners and retailers alike have felt the combined impact of falling retail spending by tourists, falling real expenditure by residents, and a lack of inflation in the retail sector. This has contributed to the lack of growth in retail sales over the past few years. Retail sales in 2018 were marginally lower than in 2014, even though over this period the population grew by 0.8% per annum.

This weakness has continued into 2019, with SingStats reporting a fall in retail sales of 0.7%[6] (annualised). Again, indicators suggest that this fall in expenditure is being driven by local residents' lowering their expenditure, as well as falling tourism spend. What makes this year's underperformance (to date) more disappointing is that it has occurred at the same time as population growth has increased, suggesting that per capita retail expenditure has declined materially.

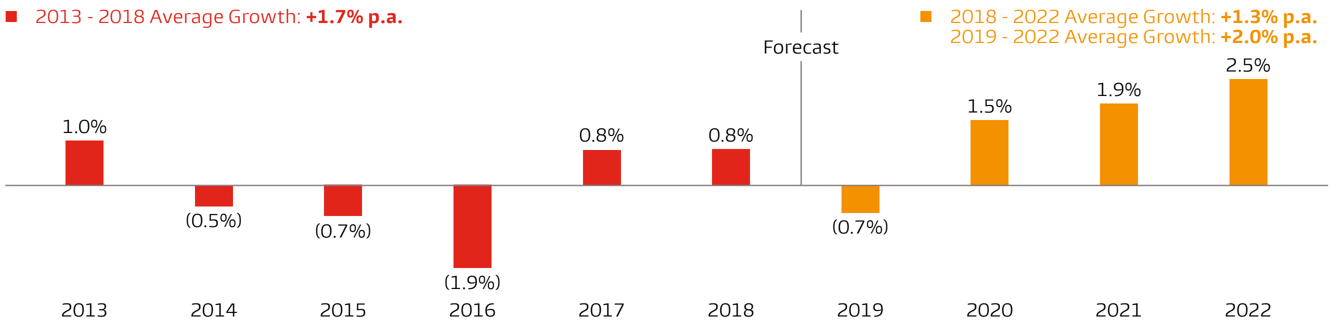
The weakness in sales growth has been broad-based. Hardest hit have been the *furniture and household equipment and computer and telecommunications equipment* sectors, experiencing a sales decline of 8.2% and 7.2% respectively.

Other sectors such as *department stores, food retailers, watches, jewellery, optical goods and books* have also experienced declines this year-to-date, ranging between 2.5% - 3.6% on an annualised basis.

However, there is some good news. The F&B sector has seen sales grow by about 2.8% year-to-date. *Fast food outlets* have seen 7.1% growth, while *restaurants, food catering and cafes* have also seen healthy growth this year-to-date, ranging between 2.5% - 2.9% growth. Shopping centres have shown an eagerness to increase the share of floorspace allocated to F&B, so this growth will be very welcome.

Notwithstanding the rebound in population growth, the lack of inflation in the market, weakness in consumer confidence, and a likely lack of good economic news over the next few months have resulted in Cistri moderating its forecast retail sales growth. Post-2019, we forecast retail sales growth of ~2.0% per annum over the next three years.

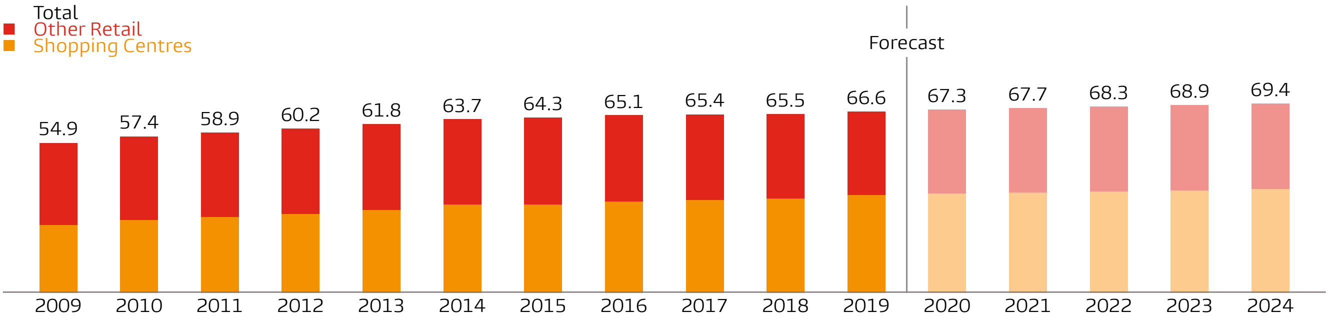
Chart 5.1 Retail Sales Growth 2014-2022



Source: Singapore Department of Statistics; Cistri

6 Year-to-date in this section refers to January 2019 to August 2019

Chart 6.1 Retail Floorspace Supply Singapore, 2009-2024 (Mil sq.ft)



Source: URA, Developers' Announcements, Cistri
As of October 2019

6. Retail Supply

Cistri estimates total retail floorspace[7] for Singapore at the end of 2019 will be ~66.6 million sq.ft (NLA). To date, 2019 has seen the largest amount of new floorspace entering the market since 2013-2014. Major completions have included:

- the opening of the Jewel Changi Airport (576,000 sq.ft NLA) in April,
- the reopening of Funan (325,000 sq.ft NLA) within the Central Area in June 2019, and
- the opening of Paya Lebar Quarter (340,000 sq.ft NLA) in August 2019.

While there are no further major completions expected in 2019, smaller neighbourhood centres will be opened such as Tekka Place (a 70,000 sq.ft NLA redevelopment) and Canberra Plaza (88,000 sq.ft NLA).

Total retail floorspace is expected to increase to around 69.4 million sq.ft over the next five years[8]. This translates into an average growth rate of around 560,000 sq.ft or 0.8% per annum. Given assumed population growth of around 1.2%, this suggests a decline in per capita supply which should help the performance of existing stock (Chart 6.1).

The proportion of retail floorspace in a shopping centre format is approximately 54% at present. Going forward, it is expected to increase marginally to approximately 55% by 2024.

Looking beyond 2019, there are no proposed developments above 200,000 sq.ft over the next five years (Table 7.1). The more significant projects that have been announced include Woodleigh Mall (100,000 sq.ft NLA, 2022) and the anticipated retail component of the Punggol Digital District known as 'Market Village' (140,000 – 150,000 sq.ft NLA, 2023).

We believe the moderation in the pace of new supply post-2019 will benefit the market, as supply growth has outpaced sales growth in recent years. Given the challenging economic environment, lower floorspace growth will help to stabilise rents after several years of rental decline (refer Section 9).

Table 6.1 Upcoming Major Retail Supply 2019 - 2024

Name	NLA (sq.ft)	Closest MRT/LRT	Opening Year	Centre Type
Canberra Plaza	88,000	Canberra (U/C)	2019	Neighbourhood
Tekka Place	70,000	Little India	2019	Neighbourhood
Northshore Plaza	88,802	Samudera	2020	Neighbourhood
Le Quest	60,000	Bukit Batok	2021	Neighbourhood
Woodleigh Mall	100,000	Woodleigh	2022	Neighbourhood
Sengkang Central Development	64,000	Buangkok	2022	Neighbourhood
Punggol Digital District	146,600	Punggol Coast (U/C)	2023	Neighbourhood
One Holland Village	61,871	Holland Village	2024	Neighbourhood

Source: Cistri

7 Source: Cistri estimates and URA.
8 Our retail floorspace projections include announced retail projects, allowances for future projects not announced, as well as allowances for obsolescence. Supply forecasts for announced projects are based on the Urban Redevelopment Authority's (URA) commercial projects pipeline and developers' intentions.

Longer-term, several locations are likely to see retail development under the URA's Draft Master Plan 2019. The Woodlands Regional Centre, Punggol Digital District, Changi Gateway, the Greater Southern Waterfront, Tengah and Bidadari, as well as the tourism centric Sentosa-Brani Masterplan will all provide long term opportunities for new retail supply.

Further, several sites have been published on the URA's *Government Land Sales Reserve List*, including Marina View, Woodlands Avenue 2 and Kampong Bugis. Development on these sites within the next five years will be dependent on the submission of a satisfactory bid which will trigger a tender process, meaning development is likely to be a few years away.

Table 6.2 Upcoming Government Land Sale Sites 2H 2019

Site	Site Area (ha)	Proposed Gross Plot Ratio	Maximum GFA (sq.ft)	Capped Retail GFA (sq.ft)	Status
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	9.2	N.A	4,200,000	110,000	Reserve List

Source: URA

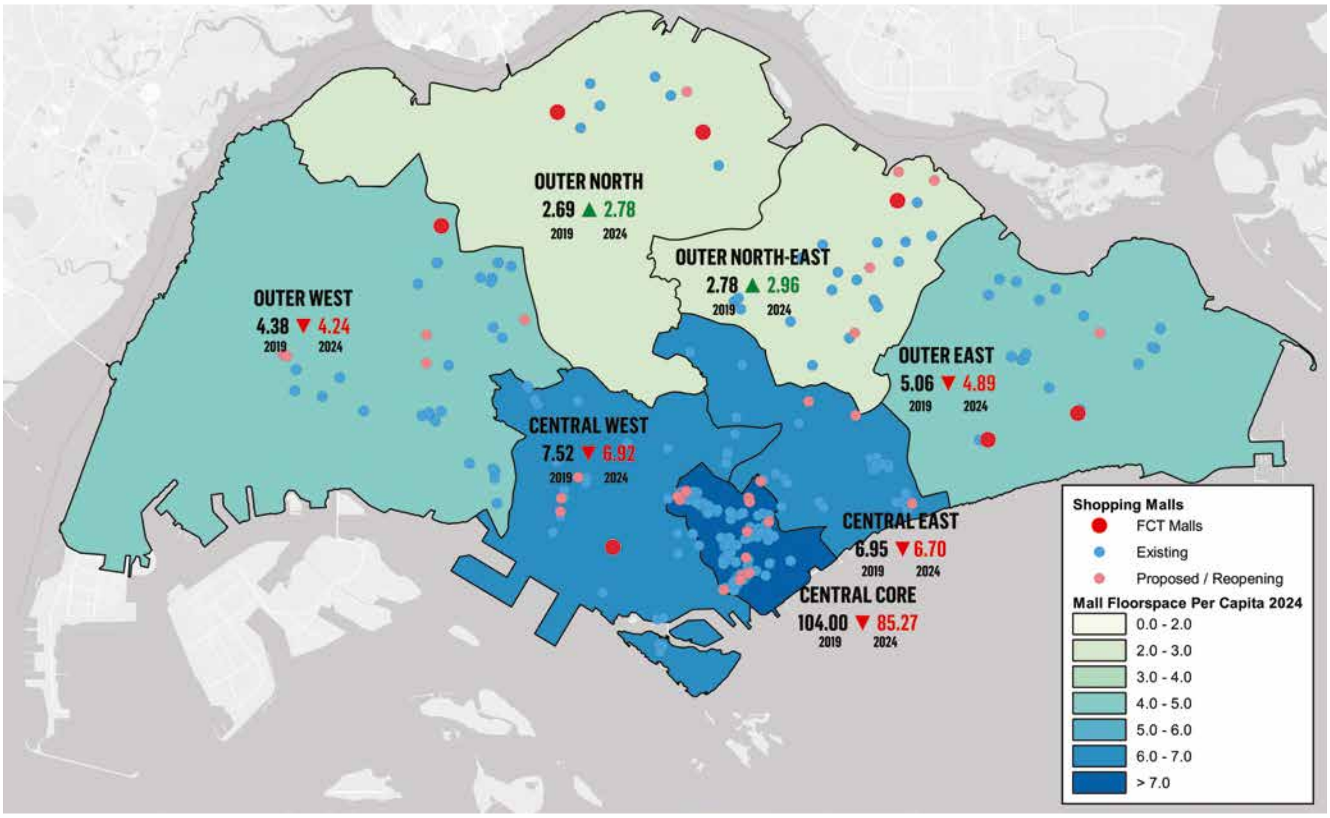
7. Shopping Centre Floorspace Per Capita

The per capita provision of shopping centre floorspace in Singapore is expected to reach 6.3 sq.ft (NLA) per capita by the end of 2019.

As noted in the previous section, there are relatively few major retail projects in the pipeline over the next five years. As a result, we expect Singapore's population growth will marginally outpace the growth in the supply of retail. This pattern of per capita floorspace decline will be seen across almost all of Singapore's planning area (Map 7.1).

The Outer North and Outer North-East regions are the 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 push up supply in the Outer North-East sector. However, the overall provision in these sectors will remain low by Singaporean standards.

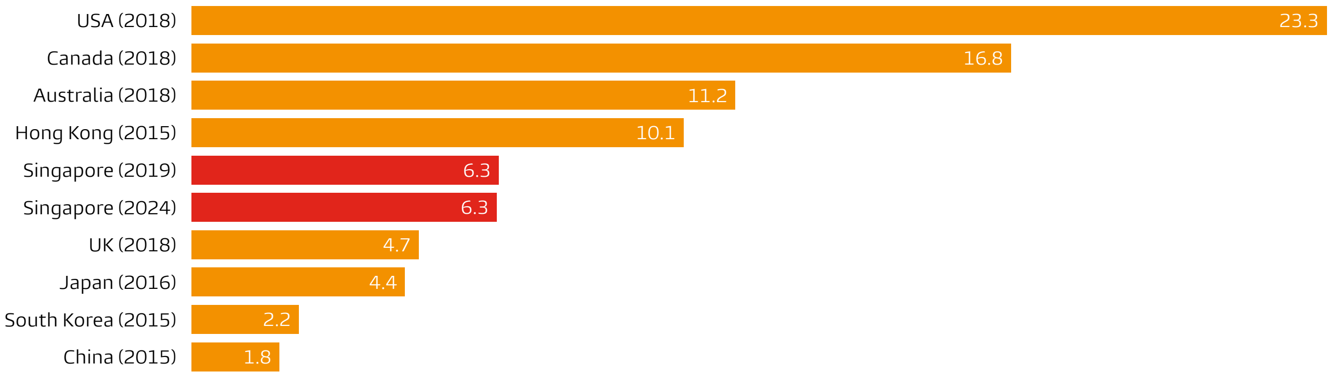
Map 7.1 Shopping Mall Floorspace Per Capita by Region



Source: SingStats; Cistri
Population for the purposes of analysis excludes domestic workers and construction workers.
The figures represented are as of Q3 2019

Chart 7.1 compares the provision of shopping centre floorspace in Singapore to other countries worldwide. By global standards, Singapore's provision of shopping centre floorspace per capita is not high. The big difference between Singapore and markets such as Australia and the USA is that Singapore has fewer large malls. For example, Singapore has 12 malls above 500,000 sq.ft whereas Sydney has 22.

Chart 7.1 Shopping Centre Floorspace Per Capita
Singapore vs Various Countries; Based on Latest Available Data from ICSC (sq.ft NLA)



Source: International Council of Shopping Centres; Cistri

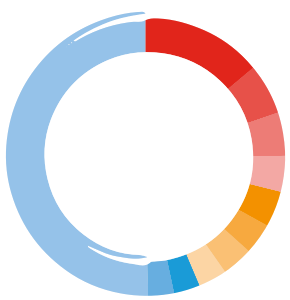
8. Market Share of Shopping Malls NLA by Owner

With the recent purchase of 40% of Waterway Point, Frasers Centrepoint Trust has overtaken PGIM Real Estate and is now the fourth largest owner by floorspace, behind CapitaLand Mall Trust, NTUC and Lendlease.

CapitaLand Mall Trust continues to be the largest owner of shopping centre floorspace, owning 14.1% of shopping mall floorspace including[9] the recently re-opened Funan Mall. NTUC is the second largest owner, with the more recently acquired Jurong Point its largest mall.

Lendlease is the third largest 'owner', but in Lendlease's case its more of an asset manager, managing the asset for third party investors. The recent opening of Paya Lebar Quarter has added to its stock.

Chart 8.1 Share of Major Shopping Mall Floorspace by Owner
By NLA



Owner Rank	Share
CapitaLand Mall Trust	14.1%
NTUC	5.8%
Lend Lease	4.9%
Frasers Centrepoint Trust	4.3%
PGIM Real Estate	4.2%
Far East Organisation	3.6%
Mapletree Commercial Trust	3.6%
CapitaLand	3.3%
Changi Airport Group	3.1%
United Industrial Corporation Limited	3.0%
Others	50.2%

1 Malls with NLA of 100,000 sq.ft and above as at end 2018. Share of floor space takes into account ownership stakes.
2 Fund manager treated as single owner.
Source: Cistri

9. Retail Rents & Occupancy

As discussed in previous sections, the retail market has endured a difficult few years. During this time, retail floorspace continued to rise while retail sales declined, resulting in declining sales productivity. Falling sales productivity impacted retailers' profitability and lowered their appetite for floorspace. This trend has flowed through to rents and occupancy – rents have declined as shopping centre owners have endeavoured to keep mall's occupied (Chart 9.1 and 9.2).

9 Only includes malls with 100,000 sq.ft NLA or more.

However, it should be noted that occupancy has remained relatively healthy by global standards – Singapore's occupancy of above 90% across all major geographies would be seen as a great result in many Southeast Asian cities. However, in Singapore, the URA's control on supply, coupled with mall owner's relatively sophisticated asset management, has helped keep occupancy relatively high. Owners know that having an occupied mall is more important than retaining higher than sustainable rents.

And on a further positive note, the retail market is now starting to show signs of a recovery from its recent weakness.

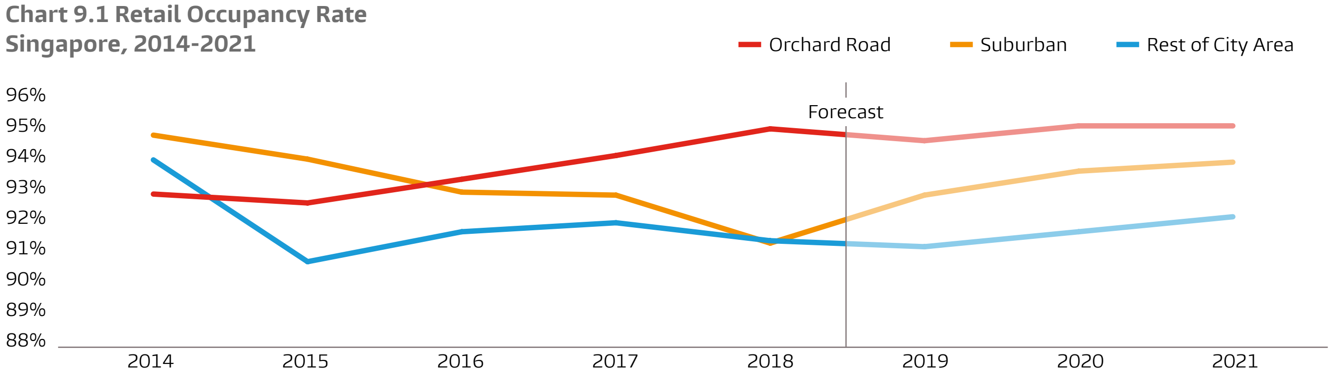
Orchard Road has seen the strongest rebound in the past eighteen months, largely (we expect) due to the solid growth in tourism supporting sales on the street. Rents increased marginally in 2018 and occupancy has returned to solid levels (~95%). While occupancy is unlikely to increase significantly from current levels, we believe that rental growth should continue to improve.

Other parts of the central area have been hardest hit by the recent downturn. The structure of the retail market has changed over the past two decades, with a much stronger suburban retail offer impacting the performance of many centralised retail malls. These malls have seen the largest drops in occupancy and rents over the past few years. Further, we expect these malls will have the slowest rebound from the current downturn. Many of these malls will need to go through a structural change to turn their performance around. Such structural change could include major tenant re-mixing or replacing parts of the retail floorspace with another use. This change is likely to occur gradually.

In suburban areas, the turnaround in performance has been somewhat slower than we expected. The steady growth in competition from new floorspace, including Jewel Changi Airport and Paya Lebar Quarter, has prevented the turnaround in rental growth that Orchard Road has seen. However, occupancy is relatively healthy at just under 93%, so we expect to see modest rental growth return over the next couple of years. We have forecast rental growth of 1% per annum between 2019 and 2021.

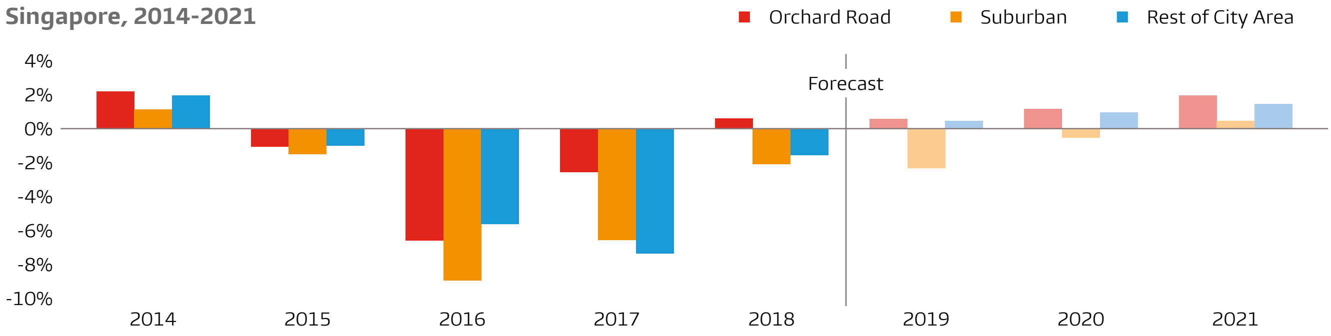
Of course, market rent estimates are only part of the equation. An average rent disguises the wide range of tenants' sales and rent performance we see in the market. For example, we estimate that high quality, modern sub-regional malls, on average, can achieve tenants' sales per square foot of between S$80 and S$90 per month. However regional malls with stronger shopper catchments can achieve higher tenants' sales per square foot of over S$100 per month. On the other hand, malls with less competitive attributes such as poorer connectivity and tenant mix may achieve less than $60 in tenants' sales psf per month.

Chart 9.1 Retail Occupancy Rate Singapore, 2014-2021



Source: Urban Redevelopment Authority, Cistri

Chart 9.2 Median Retail Rental Year-on-Year Growth Singapore, 2014-2021



Source: Urban Redevelopment Authority, Cistri

10. Retail Trends

The following are some of the major retail trends and changes currently impacting the Singaporean retail market.

Broader Market Trends

- While it has been spoken about for some time, the trend of providing more experiential and entertainment elements in malls is only now really in full swing. Funan and Jewel are probably at the extreme of this trend, but owners of more established malls are now going down this path – Decathlon's store at The Centrepoint is a good example (see below).

- With technology playing a significant role in the everchanging and evolving taste of consumers, retailers have had to evolve and improve their experiential offering. Some good examples include:

  - Courts, which opened its first IoT (internet of things) store at Funan where consumers can test smart products within the store;

  - FairPrice Xtra, which opened a 90,000 sq.ft hypermarket in August 2019 with experiential elements such as an indoor hydroponic farm and dine-in areas; and

  - The upcoming Decathlon outlet, which will replace Metro department store at The Centrepoint and have features such as an augmented reality environment to try out products as well as Zumba and Yoga classes.

- The trend to provide more entertainment and lifestyle has resulted in increased F&B floorspace within malls. In recent years this has worked reasonably well, particularly given F&B has been one of the few retail categories to experience sales growth.

  However, this market is now getting increasingly competitive, and shopping centre owners are now having to go beyond the typical 'restaurant precinct' that is provided in many malls and start thinking about more comprehensive entertainment and dining precincts, complete with high-quality placemaking elements.

- With climate change a serious global discussion, the use of plastic is being scrutinised in Singapore and globally more than ever. The National Environment Agency (NEA) launched a campaign in June 2019 to encourage people to cut down on waste and choose more sustainable alternatives. 59 companies and organizations with more than 1,600 premises have joined in the campaign. IKEA, for example, has removed the use of plastic straws from its restaurants and will stop the sale of single-use bottled waters. It will sell water in recyclable tetra packs by the end of the year. Supermarkets such as Cold Storage and FairPrice have offered shoppers reward points and rebates for reusable bags and F&B outlets such as McDonalds and 4Fingers have put up notices to discourage the use of straws.

- The rise of environmental consciousness is an important issue beyond its impact on plastic consumption. Shoppers are increasingly re-thinking their need to purchase consumable goods. It is a trend that we see worldwide, and while it remains somewhat 'fringe' in Singapore, we expect it to gather momentum. Over time, this will certainly change people's shopping patterns (i.e. what they buy and where) and could also result in people spending less on retail overall.

- The impact of eCommerce remains a major talking point in the retail market, particularly in the press. Online sales remain a relatively small part of the market – we estimate in Singapore online retail absorbs around 6% of the total available retail market, a small share compared to many other markets. Indeed, we estimate that Singaporeans spend as much money on overseas travel as they do online. There are several reasons for this:

  - Singaporeans have a very convenient retail offer – many pass by / through a mall on the way home from work via the train.

  - Singaporeans spend a high proportion of their income on F&B compared to other markets. While some of this is going online (via Grab, Deliveroo etc), Singaporean's habit of eating out means they often visit retail precincts.

  In addition to creating a more competitive market, the shift of retail transactions to online platforms, is certainly creating other challenges for shopping centre owners:

  - Platforms like Deliveroo and Grab Food are providing food delivery to a much wider range of shops that would not have otherwise provided this service. Most of these deliveries are being serviced by traditional retail stores, including from within malls. As a result, mall owners are having to deal with an ever-increasing number of uniformed delivery personnel using their mall.

- While having delivery people in the mall isn't necessarily a major issue per se, it does reflect a bigger issue. It is becoming increasingly difficult to understand the value a retailer places on a store, as a growing proportion of sales are not being captured by traditional POS systems, but though an online platform. Mall owners will need to think through alternative ways to measure the value of their shops, as turnover is increasingly becoming less relevant.

But while eCommerce has presented some challenges, it is also presenting real opportunities. Research undertaken by the ICSC has shown that opening up a new brick-and-mortar store can have a dramatic impact on that retailers' web-traffic in the local area[10]. Similarly, closing stores has a significant negative impact on that brand's web-traffic. This is described as the 'Halo Effect', and it is this effect that is causing on-line retailers to open physical stores and traditional retailers to keep stores open.

For example, Chinese e-commerce platform Tabao opened its first physical store in Southeast Asia at Funan in September 2019. Homeware retailer Iuiga, which started an app and website in 2017, now has five physical stores. Lifestyle retailer Naiise, which started online in 2013 currently has three stores with its latest 9,500 sq.ft store opened at Jewel Changi Airport.

Going forward, it is likely that retailers would tend towards adopting a strategy that converges the strengths and opportunities that having both an online presence and physical store provide. The ability to showcase customers products in a physical store, coupled with the ease of convenience in making purchases and delivery online will be increasingly commonplace.

Tenant Trends

- The opening of Jewel Changi Airport, Funan Mall and Paya Lebar Quarter have played a major role in bringing a range of new-to-market and expanding brands into the market. Tenants include the entry of Spanish fashion brand *Oysho* as well as the opening of Singapore's second largest *Uniqlo* and second *Apple* store at Jewel Changi Airport. *Lenovo* has also opened its flagship 4,500 sq.ft store at Funan Mall while *Courts* opened its first IoT store at Funan Mall.
- Additionally, the F&B sector has seen the entry of new concepts, with the three new malls also playing a role. *Shake Shack, Shang Social, Burger and Lobster* all made their debut at Jewel while *A&W* made its return to Singapore since departing previously in 2003. The fast-food chain has since opened a second outlet at AMK Hub and plans to open a third in 2020. *Starbucks* has also opened its largest outlet in Singapore in the form of its Starbucks Reserve concept at Jewel. *Burger and Lobster* also recently opened its second outlet at the recently reopened Raffles Hotel Arcade.

  Funan Mall has seen the entry of *Afuri Ramen* and *Noka*, an "Open Farm Community" concept restaurant. Paya Lebar Quarter has new entries in the form of *Mom's Touch, Hayai, Wursthans* and *Fong Sheng Hao*.
- Established malls have also played a part in bringing new concepts into the retail landscape. Singapore's first *Emma Dessert* store opened in Plaza Singapura in July 2019. Plaza Singapura will also have the first *Five Guys*, a popular American burger chain, open by the end of this year. Japanese Bakery *Croquant Choqu Zakuzaku* will also be opening its first store in Singapore at ION Orchard.

  Fashion brands such as *Pomelo* (313@ Somerset), *Manifesto* (Mandarin Gallery), *Gianvito Rossi* and *Philipp Plein* (Marina Bay Sands) have opened their first flagship stores in Singapore this year.
- While many retail concepts have entered or expanded in Singapore this year, popular brands have also departed or will be departing Singapore by the end of the year. They include *MPH Bookstore* (closed branches at Raffles Place and Parkway Parade in July and September this year), *Dome Café* (Parkway Parade) as well as four *Chili's Café* outlets.

  Two department stores will be closed by the end of the year. The *Metro* department store at The Centrepoint closed in September 2019, while the *Isetan* at Westgate is not renewing its lease which ends in December.

10 "The Halo Effect", How Bricks Impact Clicks; Alexander Babbage, ICSC 2018

11. Conclusions

The retail market continues to work its way through what has been a difficult few years. A growing supply of floorspace coupled with falling retail sales has put retailers and mall owners under pressure as rents have fallen and vacancy increased.

However, the market appears to have absorbed the additional supply gradually, and some positive signs are emerging. Several high-quality projects have opened over the past twelve months with relatively good occupancy, and across the market, rents have stabilised and, in many cases, increased.

The future will continue to present challenges, particularly the macro-economic environment as the global economy continues to deal with some significant issues. However, we believe the Singapore retail market is now in a better place to deal with these challenges. The future supply of floorspace is expected to be limited, and some inflation is starting to appear in the market. Most importantly, population growth has increased, which is a critical component of retail sales growth.

The suburban mall market in Singapore has several strengths that we expect will continue to support its long-term performance. By global standards, the supply of shopping centre floorspace in Singapore is not high, and there are few suburban retail locations that exhibit real signs of oversupply. There is some underperforming suburban stock, however, this tends to be driven more by poor design or management rather than oversupply. Further, suburban malls tend to have a higher weighting towards 'non-discretionary' retail tenants. These tenants provide goods and services that residents use on a daily or weekly basis, which help to smooth out the mall's performance over time.

After a particularly weak 2018, the return of population growth is a welcome change for the market. Singapore has a number of residential growth fronts, including Punggol in the north, Tampines in the east and Tengah in the west. Healthy city-wide population growth helps support the growth of these areas, which in turn provides an additional market for the suburban malls located in these regions.

Over the next couple of years, we expect the retail market will continue to throw up challenges to mall owners, as Singapore moves through the current economic cycle. However, we remain optimistic about the long-term growth in the Singaporean market. The fundamentals of the retail market are strong – it has a controlled supply of floorspace, while over the long-term demand for floorspace has continued to rise fuelled by a growing middle class and strong tourism growth. We expect these fundamentals will continue to support long-term growth in the market. On this basis, we forecast average retail sales growth of ~2% over the next three years.

Disclaimer

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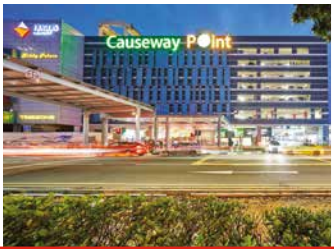
This report has been prepared with due care and diligence by Cistri Pte. Ltd. and the statements and opinions given by Cistri in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.

Glossary & Abbreviations

ADB:	Asian Development Bank
Core Inflation:	Inflation that excludes accommodation and private road transport
ECB:	European Central Bank
GDP:	Gross Domestic Product
GFA:	Gross Floor Area
IMF:	International Monetary Fund
MAS:	Monetary Authority of Singapore
MTI:	Ministry of Trade and Industry
NLA:	Net Lettable Area
POS:	Point of Sale
Sales Productivity:	Shopping centre sales per sq.ft of floorspace
S-Pass:	Pass that allows mid-level skilled staff to work in Singapore
SGD:	Singapore Dollar
SingStats:	Singapore Statistics
STB:	Singapore Tourism Board
UK:	United Kingdom
URA:	Urban Redevelopment Authority
USA:	United States of America

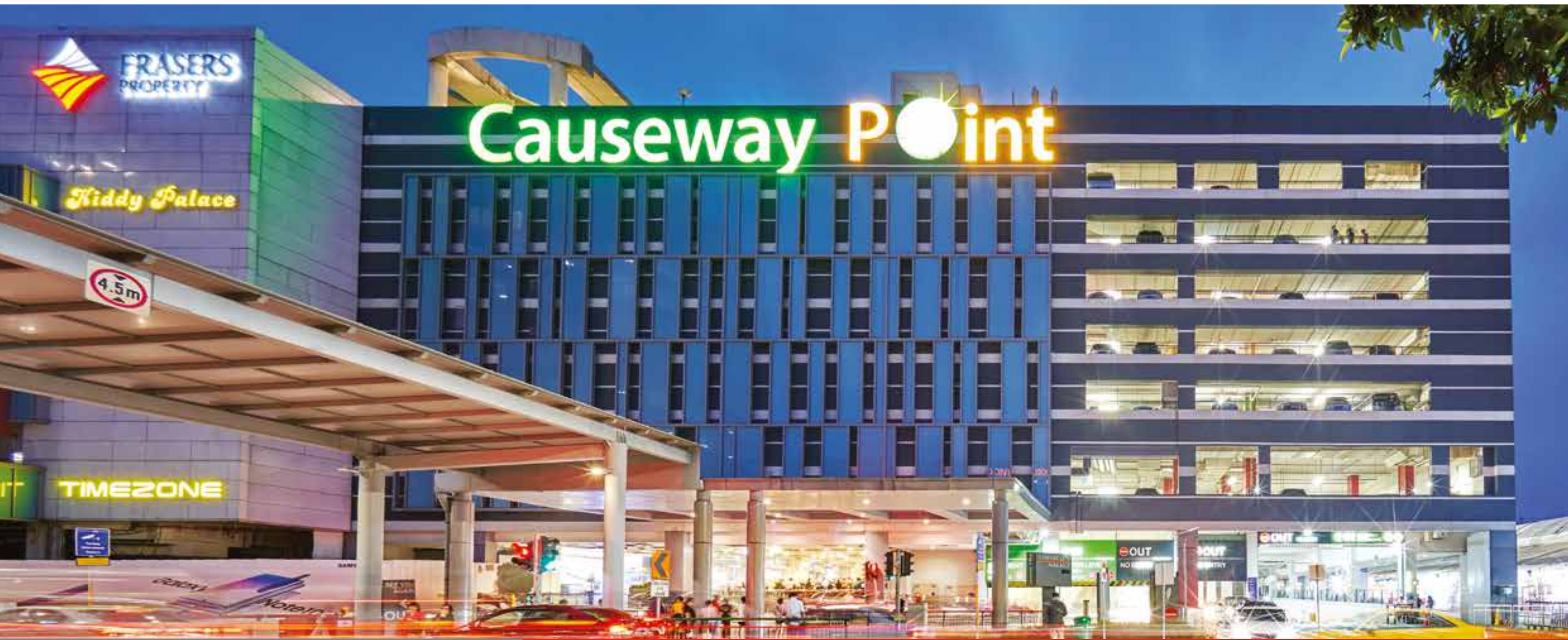
FCT Portfolio
Overview
As at 30 September 2019



	Causeway Point	Northpoint City North Wing[1]	Yishun 10 Retail Podium	Waterway Point[2]
Net Lettable Area[3] (NLA)	420,082 square feet 39,026 square meters	219,365 square feet 20,380 square meters	10,344 square feet 961 square meters	371,200 square feet 34,486 square meters
Number of Leases	199	184		203
Number of Tenants	174	180[4]		198
Title	99 years leasehold commencing 30/10/95 (75 years remaining)	99 years leasehold commencing 1/4/90 (69 years remaining)		99 years leasehold commencing 18/5/11 (90 years remaining)
Year Purchased	2006	Northpoint 1: 2006 Northpoint 2: 2010	2016	40% interest purchased in 2019
Purchased Price	S$606.17 million	Northpoint 1: S$249.27 million Northpoint 2: S$164.55 million	S$37.8 million	S$530.2 million for 40% interest
Appraised Value	S$1,298.0 million	S$771.5 million	S$38.0 million	S$ 1,300.0 million (100.0% interest) S$ 520.0 million (40.0% interest)
As % of Total Portfolio Appraised Value	38.6%	24.0%		15.4%
FY2019 Gross Revenue	S$86.5 million	S$53.1 million		S$ 5.72 million[4]
FY2019 Net Property Income	S$65.8 million	S$39.2 million		S$ 4.48 million[5]
Occupancy	97.0 %[6]	99.0 %		98.0 %
Key Tenants by gross rental income	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 and Popular bookstore		Uniqlo, Daiso Japan, Din Tai Fung, H&M, NTUC FairPrice Finest
Annual Shopper Traffic in FY2019	26.5 million	57.3 million[7]		28.4 million
Connectivity	Woodlands MRT station (North South Line and future 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 Northpoint City North Wing was formerly known as Northpoint Shopping Centre.
2 Frasers Centrepoint Trust owns 40% interest in Waterway Point.
3 Net lettable area as stated in valuation reports dated 30 September 2019 for the respective assets.
4 This is FCT's share of revenue in Sapphire Star Trust ("SST") (which holds Waterway Point) for the period 12 July – 30 September 2019.
5 This is FCT's share of net property income in SST for the period 12 July – 30 September 2019.
6 Occupancy is based on NLA of 416,332 square feet before completion of AEI.
7 Combined shopper traffic for Northpoint City North Wing and South Wing.

	Changi City Point	Bedok Point	YewTee Point	Anchorpoint
	205,028 square feet 19,047 square meters	82,713 square feet 7,684 square meters	73,669 square feet 6,844 square meters	70,988 square feet 6,595 square meters
	129	40	66	53
	123[4]	40	65	51
	60 years leasehold commencing 30/4/09 (49 years remaining)	99 years leasehold commencing 15/3/78 (57 years remaining)	99 years leasehold commencing 3/1/06 (85 years remaining)	Freehold
	2014	2011	2010	2006
	S$305.0 million	S$127.0 million	S$125.7 million	S$36.0 million
	S$342.0 million	S$94.0 million	S$189.0 million	S$113.5 million
	10.2%	2.8%	5.6%	3.4%
	S$27.3 million	S$6.5 million	S$14.4 million	S$8.6 million
	S$17.5 million	S$2.7 million	S$10.3 million	S$3.8 million
	95.9 %	95.7 %	97.1 %	79.0 %
	Kopitiam food court, Uniqlo, Nike, Tung Lok and Challenger	Harvey Norman, GymmBoxx, Happy Days and Ssiksin Korea BBQ	NTUC FairPrice, Koufu food court, Watson's, KFC and Shakura	Mr DIY, Cotton On, Koufu food court, Xin Wang HK Café, Sakuraya and Charles & Keith
	13.9 million	4.2 million	13.0 million	3.2 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



Description
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
39,026.6 square meters
(420,082 square feet)[1]

Car Park Lots
839

Title
99 years leasehold w.e.f 30 Oct 1995

Year Acquired by FCT
2006

Market Valuation
S$1,298.0 million
as at 30 September 2019

Annual Shopper Traffic
26.5 million
(October 2018 – September 2019)

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 will serve as an interchange station for the existing North-South line and the new Thomson-East Coast line in the near future.

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 ($'000)	FY2019	FY2018	Increase/ (Decrease)
Gross Revenue	86,458	86,710	(0.3%)
Property Expenses	20,693	21,351	(3.1%)
Net Property Income	65,765	65,359	0.6%
Occupancy	97.0%[2]	98.4%	(1.4%point)
Shopper Traffic (million)	26.5	25.5	3.9%

1 As indicated in the valuation report for Causeway Point, dated 30 September 2019, by Savills Valuation and Professional Services (S) Pte Ltd.
2 Occupancy is based on NLA of 416,332 square feet before completion of AEI.

Top 10 Tenants

As at 30 September 2019, Causeway Point has a total of 199 leases (FY2018: 221), excluding vacancy. The total number of tenants as at 30 September 2019 was 174 and the key tenants include Metro, Courts, Cold Storage supermarket, Food Republic, Cathay Cineplexes and Uniqlo, among others. The top 10 tenants contributed collectively, 36.3% of the mall's total gross rental income ("GRI") (FY2018: 35.1%).

Top 10 Tenants as at 30 September 2019	% of Mall's GRI
Metro (Private) Limited[3]	8.1%
Courts (Singapore) Limited	6.7%
Cold Storage Singapore (1983) Pte Ltd[4]	5.4%
Food Republic Pte Ltd	4.0%
Cathay Cineplexes Pte Ltd	3.1%
Uniqlo (Singapore) Pte Ltd	2.3%
Hanbaobao Pte Ltd[5]	1.9%
Aspial Corporation Ltd[6]	1.6%
Copitiam Pte Ltd[7]	1.6%
Cotton On Singapore	1.6%
Total	**36.3%**

Trade Sector Analysis

Food & Beverage contributed 29.7%, (FY2018: 28.5%) of the mall's GRI, followed by the Fashion trade at 14.7%[10] (FY2018: 20.5%, which included Jewellery & watches). These two trades account for 44.4% 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[9]	23.2%	29.7%
2	Fashion[10]	13.2%	14.7%
3	Beauty & Health[11]	7.4%	11.4%
4	Household	11.6%	10.4%
5	Department Store	14.4%	8.0%
6	Services[12]	4.4%	8.0%
7	Jewellery & Watches[10]	1.4%	4.6%
8	Leisure/Entertainment	9.3%	3.8%
9	Supermarket & Hypermarket[13]	5.7%	3.5%
10	Sports Apparel & Equipment	2.1%	3.0%
11	Books, Music, Art & Craft, Hobbies	3.5%	2.5%
12	Education[12]	0.7%	0.4%
13	Vacant	3.1%	0.0%
	Total	**100.0%**	**100.0%**

Lease Expiry Profile[14]

As at 30 September 2019	FY2020	FY2021	FY2022	FY2023	FY2024	Total
Number of leases expiring	70	62	57	8	2	199
NLA of expiring leases (square feet)	131,181	79,208	104,621	83,392	5,135	403,537
Expiries as % of Mall's total leased area	32.5%	19.6%	25.9%	20.7%	1.3%	100.0%
Contribution of expiring leases as % of Mall's total GRI	35.3%	24.3%	23.8%	16.0%	0.6%	100.0%

3 Includes leases for Metro Department Store & Clinique Service Centre.
4 Includes leases for Cold Storage supermarket, Guardian Pharmacy and 7-Eleven stores.
5 Operator of McDonald's Restaurants Pte Ltd.
6 Includes leases for Lee Hwa Jewellery, CITIGEMs and Goldheart Jewellery.
7 Operator of Kopitiam food court.
8 Excludes gross turnover rent.
9 Formerly known as Food & Restaurants.
10 Jewellery & Watches has been split out from Fashion as a standalone trade sector.
11 Beauty and Health comprises the former Beauty, Hair, Cosmetics & Personal Care and Health trade sectors.
12 The trade sector formerly known as Services/Education has now been split to two trade categories: namely Services and Education.
13 Formerly known as Supermarket.
14 Excludes vacancy

Northpoint City North Wing and Yishun 10 Retail Podium

Description
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 Area
20,380 square meters
(219,365 square feet)[1]

Car Park Lots
157

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

Year Acquired by FCT
2006 (Northpoint 1),
2010 (Northpoint 2)

Market Valuation
$771.5 million as at 30 September 2019

Annual Shopper Traffic
57.3 million[2]
(October 2018 – September 2019)

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

Description:
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)[3]

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

Year Acquired by FCT
2016

Market Valuation
$38.0 million as at 30 September 2019

Key Tenants
Sri Murugan Supermarket

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 and schools. The total shopper traffic to Northpoint City (including that of South Wing as both wings are integrated) in FY2019 was 57.3 million.

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 ($'000)	FY2019	FY2018	Increase/ (Decrease)
Gross Revenue	53,089	52,215	1.7%
Property Expenses	13,876	13,024	6.5%
Net Property Income	39,213	39,191	0.1%
Occupancy	99.0%	96.5%	2.5%-point
Shopper Traffic (million)	57.3	49.4	16.0%

1 As indicated in the valuation report for Northpoint City North Wing, dated 30 September 2019, by Colliers International Consultancy & Valuation (Singapore) Pte Ltd.
2 Refers to the total shopper traffic for both Northpoint City North Wing (owned by FCT) and South Wing (owned by Frasers Property Limited).
3 As indicated in the valuation report titled "10 Strata Titled Retail Units Within 51 Yishun Central, 1 Yishun 10, Singapore 768794", dated 30 September 2019, by Savills Valuation and Professional Services (S) Pte Ltd.

Top 10 Tenants (Northpoint City North Wing and Yishun 10 retail podium)

As at 30 September 2019, Northpoint City North Wing and Yishun 10 retail podium has a total of 184 leases (FY2018: 188). The total number of tenants as at 30 September 2019 was 180 and the key tenants include Kopitiam food court, Cold Storage supermarket, OCBC Bank, United Overseas Bank, MayBank, McDonald's restaurant and Popular bookstore, among others. The top 10 tenants contributed collectively 26.9% of the total gross rental income ("GRI") (FY2018: 27.7%).

Top 10 Tenants as at 30 September 2019	% of Mall's GRI
Copitiam Pte Ltd[4]	6.5%
Cold Storage Singapore (1983) Pte Ltd[5]	5.4%
Overseas-Chinese Banking Corporation Ltd	3.1%
United Overseas Bank Ltd	2.6%
Malayan Banking Berhad	2.1%
Hanbaobao Pte Ltd[6]	1.6%
Popular Book Company Pte Ltd	1.6%
BreadTalk Pte Ltd	1.4%
Sushi-Tei Pte Ltd	1.3%
ABR Holdings Ltd[7]	1.3%
Total	**26.9%**

Trade Sector Analysis (Northpoint City North Wing and Yishun 10 retail podium)

Food & Beverage contributed 42.5%, (FY2018: 43.0%) of the mall's gross rental income, followed by the Beauty & Health trade at 12.3% (FY2018: 14.0%). These two trades account for 54.8% 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[9]	36.6%	42.5%
2	Beauty & Health[10]	10.0%	12.3%
3	Services[11]	6.7%	12.2%
4	Fashion[12]	8.3%	10.8%
5	Supermarket & Hypermarket[13]	8.6%	4.6%
6	Household	5.3%	4.4%
7	Books, Music, Art & Craft, Hobbies	5.9%	3.5%
8	Jewellery & Watches[12]	1.4%	3.4%
9	Sports Apparels & Equipment	3.2%	3.1%
10	Education[11]	10.7%	2.1%
11	Leisure/ Entertainment	2.3%	1.1%
12	Vacancy	1.0%	0.0%
	Total	**100.0%**	**100.0%**

Lease Expiry Profile[14]

As at 30 September 2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2028	Total
Number of leases expiring	92	51	32	3	1	1	180
NLA of expiring leases (square feet)	87,640	53,966	55,623	7,444	1,539	21,248	227,460
Expiries as % of Mall's total leased area	38.5%	23.7%	24.5%	3.3%	0.7%	9.3%	100.0%
Contribution of expiring leases as % of Mall's total GRI	46.1%	24.5%	22.8%	4.9%	0.5%	1.2%	100.0%

4 Operator of Kopitiam food court.
5 Includes leases for Cold Storage supermarket and Guardian Pharmacy.
6 Operator of McDonald's Restaurant.
7 Operator of Swensen's Cafe Restaurant.
8 Excludes gross turnover rent.
9 Formerly known as Food & Restaurants.
10 Beauty and Health comprises the former Beauty, Hair, Cosmetics & Personal Care and Health trade sectors.
11 The trade sector formerly known as Services/Education has now been split to two trade categories: namely Services and Education.
12 Jewellery & Watches has been split out from Fashion as a standalone trade sector.
13 Formerly known as Supermarket.
14 Excludes vacancy, for both Northpoint City North Wing and Yishun 10 Retail Podium.

Waterway Point

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

Address
83 Punggol Central,
Singapore 828761

Net Lettable Area
34,486 square meters
(371,200 square feet)[1]

Car Park Lots
622

Title
99 year leasehold title 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

Market Valuation
$1,300 million as at 1 April 2019

Annual Shopper Traffic
28.4 million
(October 2018 – September 2019)

Key Tenants
NTUC Fairprice, Koufu, Shaw Theatres, H&M, Cotton On

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 11 screens, including an IMAX theatre.

FCT acquired a 33⅓% share in Sapphire Star Trust ("SST") on 11 July 2019 and a further 6⅔% share in SST on 18 September 2019, bringing the total stake to 40.0%. SST is a private trust that holds the interest in Waterway Point.

Waterway Point is awarded the BCA Universal Design (UD) Gold^{Plus} certification.

Mall Performance Highlights

FCT's share for the period 12 July – 30 September 2019	FY2019
Gross Revenue	S$ 5.72 million
Net Property Income	S$ 4.48 million
Occupancy	98.0%
Shopper Traffic	28.4 million

1 As indicated in the valuation report for Waterway Point, dated 1 April 2019, by CBRE Pte Ltd. The NLA excludes the area of approximately 17,954 square feet currently used as Community Sports Facilities Scheme (CSFS) space.

Top 10 Tenants

As at 30 September 2019, Waterway Point has a total of 203 leases, excluding vacancy. The total number of tenants as at 30 September 2019 was 198 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, 28.7% of the mall's total gross rental income ("GRI").

Top 10 Tenants as at 30 September 2019	% of Mall's GRI
NTUC[2]	6.5%
Koufu Pte Ltd	4.1%
Shaw Theatres Pte Ltd	3.3%
H&M Hennes & Mauritz Pte Ltd	3.2%
Cotton On Singapore Pte Ltd[3]	2.5%
Bachmann Japanese Restaurant Pte Ltd[4]	2.3%
Best Denki (Singapore) Pte Ltd	1.9%
Citibank Singapore Limited	1.7%
United Overseas Bank Limited	1.7%
Maybank Singapore Limited	1.5%
Total	**28.7%**

Trade Sector Analysis

Food & Beverage contributed 34.9% of the mall's GRI, followed by the Fashion trade at 17.2%. These two trades account for 52.1 % 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[5]
1	Food & Beverage	27.5%	34.9%
2	Fashion	18.9%	17.2%
3	Services	7.6%	12.9%
4	Beauty & Health	6.3%	10.1%
5	Household	8.8%	6.1%
6	Supermarket & Hypermarket	8.0%	6.1%
7	Leisure/Entertainment	9.5%	3.7%
8	Books, Music, Art & Craft, Hobbies	6.1%	3.5%
9	Education	3.3%	2.5%
10	Jewellery & Watches	1.0%	2.0%
11	Sports Apparels & Equipment	1.0%	1.0%
12	Vacant	2.0%	0.0%
	Total	**100.0%**	**100.0%**

Lease Expiry Profile[6]

As at 30 September 2019	FY2020	FY2021	FY2022	FY2023	FY2024	Total
Number of leases expiring	56	46	89	11	1	203
NLA of expiring leases (square feet)	95,245	98,071	146,686	17,837	5,091	362,930
Expiries as % of Mall's total leased area	26.3%	27.0%	40.4%	4.9%	1.4%	100.0%
Contribution of expiring leases as % of Mall's total GRI	30.5%	26.2%	36.5%	5.7%	1.1%	100.0%

2 Operates FairPrice Finest and NTUC Healthcare (Unity).
3 Includes leases for Cotton On, Cotton On Kids and TYPO.
4 Includes leases for Don Akimitsu, Menya Musashi Kinko and Osaka Ohsho.
5 Excludes gross turnover rent.
6 Excludes vacancy

Changi City Point

Description
Three retail levels
(including one basement level)

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

Net Lettable Area
19,047.6 square meters
(205,028 square feet)[1]

Car Park Lots
627[2]

Title
60 years leasehold w.e.f 30 Apr 2009

Year Acquired by FCT
2014

Market Valuation
$342.0 million as at 30 September 2019

Annual Shopper Traffic
13.9 million
(October 2018 – September 2019)

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

Changi City Point is a three-storey retail mall (with one basement) 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 ($'000)	FY2019	FY2018	Increase/ (Decrease)
Gross Revenue	27,335	25,751	6.2%
Property Expenses	9,809	9,262	5.9%
Net Property Income	17,526	16,489	6.3%
Occupancy	95.9%	93.8%	2.1%-point
Shopper Traffic (million)	13.9	13.3	4.5%

1 As indicated in the valuation report for Changi City Point, dated 30 September 2019, by Savills Valuation and Professional Services (S) Pte Ltd.
2 The car park lots are shared between Changi City Point, Capri By Fraser and ONE@Changi City.

Top 10 Tenants

As at 30 September 2019, Changi City Point has a total of 129 leases (FY2018: 126), excluding vacancy. The total number of tenants as at 30 September 2019 was 123[3] and the key tenants include Kopitiam food court, Uniqlo, Nike, Tung Lok and Challenger, among others. The top 10 tenants contributed collectively, 27.1% of the mall's total gross rental income ("GRI") (FY2018: 27.4%).

Top 10 Tenants as at 30 September 2019	% of Mall's GRI
Copitiam Pte Ltd[4]	8.4%
Uniqlo (Singapore) Pte Ltd	3.3%
Bachmann Japanese Restaurant Pte Ltd	2.4%
NIKE Singapore Pte Ltd	2.1%
Tung Lok Millennium Pte Ltd	2.0%
Challenger Technologies Limited	1.9%
Golden Beeworks[5]	1.8%
RE & S Enterprise Pte Ltd[6]	1.8%
Trilogies of Beers (Pte.) Ltd[7]	1.7%
Ootoya Asia Pacific Pte. Ltd	1.7%
Total	**27.1%**

Trade Sector Analysis

Food & Beverage contributed 53.6%, (FY2018: 54.6%) of the mall's GRI, followed by the Fashion trade at 20.9% (FY2018: 20.8%). These two trades account for 74.5% 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[8]	41.3%	53.6%
2	Fashion	19.3%	20.9%
3	Sports Apparels & Equipment	12.8%	9.1%
4	Household	9.5%	6.5%
5	Beauty & Heath[9]	3.8%	5.0%
6	Services[10]	1.6%	2.2%
7	Supermarket & Hypermarket[11]	6.4%	1.7%
8	Education[11]	0.9%	0.7%
9	Leisure/ Entertainment	0.3%	0.3%
10	Vacant	4.1%	0.0%
	Total	**100.0%**	**100.0%**

Lease Expiry Profile[12]

As at 30 September 2019	FY2020	FY2021	FY2022	Total
Number of leases expiring	40	58	31	129
NLA of expiring leases (square feet)	73,810	67,452	55,371	196,633
Expiries as % of Mall's total leased area	37.5%	34.3%	28.2%	100.0%
Contribution of expiring leases as % of Mall's total GRI	34.3%	36.0%	29.7%	100.0%

3 Excluding tenants under the Community and Sports Facilities scheme (CSFS).
4 Operator of Kopitiam food court.
5 Operates the Jollibee restaurant at Changi City Point.
6 Operates the Ichiban Sushi restaurant at Changi City Point.
7 Operates the Moa Tiki New Zealand Bar & Grill.
8 Excludes gross turnover rent.
9 Formerly known as Food & Restaurants.
10 Beauty and Health comprises the former Beauty, Hair, Cosmetics & Personal Care and Health trade sectors.
11 The trade sector formerly known as Services/Education has now been split to two trade categories: namely Services and Education.
12 Formerly known as Supermarket.
13 Excludes vacancy

Description
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)[1]

Car Park Lots
76

Title
99 years leasehold w.e.f 15 March 1978

Year Acquired by FCT
2011

Market Valuation
$94.0 million as at 30 September 2019

Annual Shopper Traffic
4.2 million
(October 2018 – September 2019)

Key Tenants
Harvey Norman, GymmBoxx, NTUC Club, Ssiksin Korean BBQ restaurant 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 mall offers an exciting array of restaurants, food outlets, enrichment centres, retail and service offerings that makes it an attractive destination for families, students and PMEBs (Professionals, Managers, Executives and Businessmen) around the precinct. The tenants at Bedok Point include Harvey Norman, GymmBoxx, Happy Days (NTUC Club), Ssiksin Korea BBQ restaurant and Tenderbest Makcik Market (a lifestyle food outlet), among others.

Mall Performance Highlights

Financial Year ended 30 September ($'000)	FY2019	FY2018	Increase/ (Decrease)
Gross Revenue	6,506	6,164	5.5%
Property Expenses	3,843	3,628	5.9%
Net Property Income	2,663	2,536	5.0%
Occupancy	95.7%	79.2%	16.5%-point
Shopper Traffic (million)	4.2	4.2	No change

1 As indicated in the valuation report for Bedok Point, dated 30 September 2019, by CBRE Pte Ltd.

Top 10 Tenants

As at 30 September 2019, Bedok Point has a total of 40 leases (FY2018: 37), excluding vacancy. The total number of tenants as at 30 September 2019 was 40 and the key tenants include Pertama Merchandising Pte Ltd (operator of Harvey Norman), GymmBoxx, NTUC Club, Korea Buffet Pte Ltd (operator of Ssiksin) and Tenderbest Makcik Market, among others. The top 10 tenants contributed collectively, 50.1% of the mall's total gross rental income ("GRI") (FY2018: 55.7%).

Top 10 Tenants as at 30 September 2019	% of Mall's GRI
Pertama Merchandising Pte Ltd[2]	8.8%
Gymmboxx Pte Ltd	7.6%
NTUC Club	6.4%
Korea Buffet Pte Ltd[3]	5.0%
D&N Singapore Pte Ltd[4]	4.4%
New Tenderfresh Fried & BBQ Chicken Pte Ltd[5]	4.2%
QM Jianghu Pte Ltd	3.7%
Zensho Food Singapore Pte Ltd[6]	3.5%
SG Chicken Hotpot	3.4%
Singapore Saizeriya Pte Ltd	3.1%
Total	**50.1%**

Trade Sector Analysis

Food & Beverage contributed 41.0%, (FY2018: 38.6%) of the mall's GRI, followed by Beauty & Health at 13.4% (FY2018: 14.2%). These two trades account for 54.4% 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[8]	33.7%	41.0%
2	Beauty & Health[9]	8.4%	13.4%
3	Leisure/ Entertainment	14.2%	12.8%
4	Household	18.3%	11.7%
5	Education[10]	9.5%	10.2%
6	Sports Apparel & Equipment	9.2%	7.6%
7	Fashion[11]	0.9%	1.8%
8	Services[10]	1.5%	1.5%
9	Vacant	4.3%	0.0%
	Total	**100.0%**	**100.0%**

Lease Expiry Profile[12]

As at 30 September 2019	FY2020	FY2021	FY2022	Total
Number of leases expiring	13	15	12	40
NLA of expiring leases (square feet)	26,863	23,470	28,824	79,157
Expiries as % of Mall's total leased area	33.9%	29.7%	36.4%	100.0%
Contribution of expiring leases as % of Mall's total GRI	34.9%	32.8%	32.3%	100.0%

2 Operator of Harvey Norman store at Bedok Point.
3 Operator of Ssiksin Korean BBQ restaurant at Bedok Point.
4 Operator of Hoshino cafe at Bedok Point.
5 Operator of Tenderbest Makcik Market at Bedok Point.
6 Operator of Long John Silver fast food restaurant at Bedok Point.
7 Excludes gross turnover rent.
8 Formerly known as Food & Restaurants.
9 Beauty and Health comprises the former Beauty, Hair, Cosmetics & Personal Care and Health trade sectors.
10 The trade sector formerly known as Services/Education has now been split to two trade categories: namely Services and Education.
11 Jewellery & Watches has been split out from Fashion as a standalone trade sector.
12 Exclude vacancy

YewTee Point

Description
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)[1]

Car Park Lots
83[2]

Title
99 years leasehold w.e.f 3 Jan 2006

Year Acquired by FCT
2010

Market Valuation
$189.0 million as at 30 September 2019

Annual Shopper Traffic
13.0 million
(October 2018 – September 2019)

Key Tenants
NTUC FairPrice, Koufu food court,
Watson's, KFC and Shakura

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 Yew Tee MRT station and public bus services.

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

Mall Performance Highlights

Financial Year ended 30 September ($'000)	FY2019	FY2018	Increase/ (Decrease)
Gross Revenue	14,443	13,991	3.2%
Property Expenses	4,135	4,300	(3.9%)
Net Property Income	10,308	9,691	6.4%
Occupancy	97.1%	94.3%	2.8%-point
Shopper Traffic (million)	13.0	12.1	7.4%

1 As indicated in the valuation report for YewTee Point, dated 30 September 2019, by CBRE Pte Ltd.
2 Part of limited common property for the exclusive benefit of YewTee Point.

Top 10 Tenants

As at 30 September 2019, YewTee Point has a total of 66 leases (FY2018: 66), excluding vacancy. The total number of tenants as at 30 September 2019 was 65 and the key tenants include NTUC FairPrice, Koufu food court, Watson's, KFC and Shakura, among others. The top 10 tenants contributed collectively, 50.7% of the mall's total gross rental income ("GRI") (FY2018: 51.8%).

Top 10 Tenants as at 30 September 2019	% of Mall's GRI
NTUC FairPrice Co-operative Ltd[3]	19.3%
Koufu Pte Ltd[4]	10.5%
Watson's Personal Care Stores Pte Ltd	3.8%
Kentucky Fried Chicken Management Pte Ltd	3.7%
Shakura Pigmentation Pte Ltd	2.8%
Singapore Saizeriya Pte. Ltd.	2.4%
Zensho Food Singapore Pte Ltd[6]	2.1%
West Co'z Café Pte Ltd	2.1%
BreadTalk Pte Ltd[7]	2.0%
Sushi Express Group	2.0%
Total	**50.7%**

Trade Sector Analysis

Food & Beverage contributed 45.4%, (FY2018: 45.3%) of the mall's GRI, followed by the Beauty & Health trade at 23.0% (FY2018: 25.3%). These two trades account for 68.4% 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[9]	42.6%	45.4%
2	Beauty & Health[10]	17.9%	23.0%
3	Supermarket & Hypermarket[11]	23.5%	17.8%
4	Household	3.6%	4.2%
5	Education[12]	2.9%	2.4%
6	Services[12]	1.7%	1.9%
7	Fashion[13]	1.1%	1.9%
8	Books, Music, Art & Craft, Hobbies	1.8%	1.8%
9	Vacant	2.0%	1.6%
10	Leisure/Entertainment	2.9%	0.0%
	Total	**100.0%**	**100.0%**

Lease Expiry Profile[14]

As at 30 September 2019	FY2020	FY2021	FY2022	FY2023	Total
Number of leases expiring	15	34	16	1	66
NLA of expiring leases (square feet)	20,271	21,516	12,441	17,277	71,505
Expiries as % of Mall's total leased area	28.3%	30.1%	17.4%	24.2%	100.0%
Contribution of expiring leases as % of Mall's total GRI	26.6%	36.0%	19.5%	17.9%	100.0%

3 Includes leases for NTUC Fairprice and NTUC Healthcare (Unity).
4 Operator of Koufu food court.
5 Operator of Saizeriya.
6 Operator of Long John Silver's.
7 Operator of ToastBox.
8 Excludes gross turnover rent.
9 Formerly known as Food & Restaurants.
10 Beauty and Health comprises the former Beauty, Hair, Cosmetics & Personal Care and Health trade sectors.
11 Formerly known as Supermarket.
12 The trade sector formerly known as Services/Education has now been split to two trade categories: namely Services and Education.
13 Jewellery & Watches has been split out from Fashion as a standalone trade sector.
14 Excludes vacancy

Anchorpoint

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

Address
368 and 370 Alexandra Road
Singapore 159952/159953

Net Lettable Area
6,595 square meters
(70,988 square feet)[1]

Car Park Lots
128[2]

Title
Freehold

Year Acquired by FCT
2006

Market Valuation
$113.5 million as at 30 September 2019

Annual Shopper Traffic
3.2 million
(October 2018 – September 2019)

Key Tenants
Cotton On, Koufu food court, Xin Wang HK Café, Sakuraya, Uncle Leong Signatures seafood restaurant and Charles & Keith. (Mr DIY opened on 17 October 2019)

Anchorpoint has two retail levels (including one basement level) and an adjacent a 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 Cotton On, Koufu food court, Xin Wang HK Café, Sakuraya, Uncle Leong Signatures seafood restaurant and Charles & Keith. New tenant Mr DIY, a home improvement retailer, opened at Anchorpoint on 17 October 2019.

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

Mall Performance Highlights

Financial Year ended 30 September ($'000)	FY2019	FY2018	Increase/ (Decrease)
Gross Revenue	8,555	8,516	0.5%
Property Expenses	4,747	4,596	3.3%
Net Property Income	3,808	3,920	(2.9%)
Occupancy	79.0%	88.8%	(9.8% point)
Shopper Traffic (million)	3.2	3.2	No change

1 As indicated in the valuation report for Anchorpoint, dated 30 September 2019, by Colliers International Consultancy & Valuation (Singapore) Pte Ltd.
2 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.

Top 10 Tenants

As at 30 September 2019, Anchorpoint has a total of 53 leases (FY2018: 55), excluding vacancy. The total number of tenants as at 30 September 2019 was 51 and the key tenants include: fashion retailer Cotton On; Koufu food court; Xin Wang HK Café; Sakuraya Japanese restaurant; Uncle Leong Signatures seafood restaurant; and fashion retailer Charles & Keith. The top 10 tenants contributed collectively, 51.1% of the mall's total gross rental income ("GRI") (FY2018: 54.4%).

Top 10 Tenants as at 30 September 2019	% of Mall's GRI
Cotton On Singapore Pte Ltd	8.6%
Koufu Pte Ltd	8.3%
XWS Pte Ltd[3]	5.5%
Sakuraya Foods Pte Ltd	5.0%
Crab Empire Pte Ltd[4]	4.6%
JP Food Service Pte Ltd[5]	4.6%
Watson's Personal Care Stores Pte Ltd	4.3%
Sarika Connoisseur Cafe Pte Ltd[6]	3.8%
Starbucks Coffee	3.2%
Charles & Keith (Singapore) Pte Ltd	3.2%
Total	**51.1%**

Trade Sector Analysis

Food & Beverage contributed 50.6%, (FY2018: 41.5%) of the mall's GRI, followed by the Fashion trade at 21.4% (FY2018: 19.3%). These two trades account for 72.0% 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[7]
1	Food & Beverage[8]	41.9%	50.6%
2	Fashion[9]	16.1%	21.4%
3	Beauty & Health[10]	8.6%	13.0%
4	Household	5.0%	5.5%
5	Services[11]	3.0%	4.5%
6	Education[11]	3.2%	2.7%
7	Books, Music, Art & Craft, Hobbies	1.2%	2.3%
8	Vacant	21.0%	0.0%
	Total	**100.0%**	**100.0%**

Lease Expiry Profile[12]

As at 30 September 2019	FY2020	FY2021	FY2022	FY2023	Total
Number of leases expiring	26	14	11	2	53
NLA of expiring leases (square feet)	22,050	14,392	16,633	2,992	56,067
Expiries as % of Mall's total leased area	39.3%	25.7%	29.7%	5.3%	100.0%
Contribution of expiring leases as % of Mall's total GRI	44.1%	24.6%	26.3%	5.0%	100.0%

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 Formerly known as Food & Restaurants.
9 Jewellery & Watches has been split out from Fashion as a standalone trade sector.
10 Beauty and Health comprises the former Beauty, Hair, Cosmetics & Personal Care and Health trade sectors.
11 The trade sector formerly known as Services/Education has now been split to two trade categories: namely Services and Education.
12 Excludes vacancy

Mall
Directory

Causeway Point
1 Woodlands Square,
Singapore 738099
(65) 6894 2237
www.causewaypoint.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

Waterway Point
83 Punggol Central,
Singapore 828761
(65) 6812 7300
www.waterwaypoint.com.sg

Changi City Point
5 Changi Business Park Central 1,
Singapore 486038
(65) 6511 1088
www.changicitypoint.com.sg

Bedok Point
799 New Upper Changi Road,
Singapore 467351
(65) 6481 1353
www.bedokpoint.com.sg

YewTee Point
21 Choa Chu Kang North 6,
Singapore 689578
(65) 6465 1986
www.yewteepoint.com.sg

Anchorpoint
368 and 370 Alexandra Road,
Singapore 159952/159953
(65) 6475 2257
www.anchorpoint.com.sg

Investment in **PGIM Real Estate AsiaRetail Fund Limited**

Background

PGIM Real Estate AsiaRetail Fund Limited ("PGIM ARF") is a perpetual open-end private investment company with the business objective of providing its shareholders an opportunity to invest in retail malls, mixed use properties with predominant retail component, assets under development or re-development in Singapore and Malaysia. PGIM ARF is managed by PGIM Real Estate, the real estate investment business of PGIM, Inc, the global investment management business of Prudential Financial, Inc. (NYSE: PRU).

FCT's Shareholding in PGIM ARF

FCT announced on 28 February 2019 the acquisition of 17.13% shares in PGIM ARF for approximately S$345.9[1] million and the acquisition of a further 1.67% shares on 21 March 2019 for approximately S$34.0[1] million. The transactions were completed on 5 and 26 April 2019, respectively. Post the completion of the transaction, FCT's total shareholding in PGIM ARF was 18.8%.

FCT's stake in PGIM ARF was increased from 18.8% to 21.13% subsequent to shareholders' redemption in PGIM 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.

FCT's Strategy of Investment in PGIM ARF

FCT's investment in PGIM ARF is consistent with the Manager's principal investment strategy to acquire interests in quality income-producing properties used primarily for retail purposes; to expand FCT's presence in the Singapore suburban retail sector; and to achieve greater income diversification, so as to provide regular and stable distributions to FCT's unitholders. The Manager is collaborating with PGIM ARF, together with FCT's sponsor Frasers Property Limited, to explore and identify joint retail operating initiatives to achieve synergistic and common benefits.

Arising from the strategic management function and associated processes purchased along with the acquisition, FCT's investment in PGIM ARF has been accounted for as a business combination. Please see **Note 8(b)** of the Financial Statements.

PGIM ARF Property Portfolio Overview

As at 30 September 2019, PGIM ARF's investment property portfolio[2] comprises five retail properties, an office property in Singapore and two retail properties in Malaysia. 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 and the two retail properties in Malaysia are 1st Avenue in Penang and Setapak Central in Kuala Lumpur. The total net lettable area ("NLA") of PGIM ARF's investment portfolio is approximately 2.1 million square feet, comprising 1 million square feet of retail space in Singapore; 0.17 million square feet of office space in Singapore and 0.92 million square feet of retail space in Malaysia.

1 Including additional sums paid to the vendors of the transactions. Please refer to FCT's announcements titled "Proposed acquisition of shares in PGIM Real Estate AsiaRetail Fund Limited", dated 28 February 2019 and 21 March 2019.
2 PGIM ARF completed the divestment of two of its Malaysian malls, Island Plaza and Kinta City, on 16 July 2019 and 31 July 2019, respectively. It also completed the divestment of one of its Singapore retail property Liang Court on 31 May 2019.

Profile of Properties[3]

Singapore Properties

Century Square

Located in Tampines Central, Century Square is a modernised, community-serving mall with new façade comprising 6 levels of retail, entertainment and F&B establishments with open-concept dining areas. The mall includes family-friendly services and activity spaces such as larger nursing rooms, family car park lots, roof deck and a 24-hour gym.

Address	2, Tampines Central 5, Century Square, Singapore 52950
Net Lettable Area	210,195 square feet
Annual Visits	15.9 million
Retail levels	6
Number of retail outlets	135
Number of car park spaces	298
Key Tenants	GymmBoxx, Filmgard Cineplex, Foot Locker, The Learning Lab
Public Transport	Tampines MRT Station, Tampines Bus Interchange

Tampines 1

Tampines 1 offers a wide array of renowned international fashion brands and trendy dining concepts. It is home to 179 retail and dining tenants, including beauty and fashion brands Uniqlo, Esprit, The Editor's Market, Daniel Wellington, Muji, AW Lab, Vans, Sephora, Cold Storage, Daiso and many dining offerings from Asian delights to international favourites.

Address	10, Tampines Central 1, Tampines 1, Singapore 529536
Net Lettable Area	269,373 square feet
Annual Visits	20.5 million
Retail levels	6
Number of retail outlets	179
Number of car park spaces	203
Key Tenants	Uniqlo, Cold Storage, Muji, Gain City, Challenger
Public Transport	Tampines MRT Station, Tampines Bus Interchange

White Sands

White Sands is a one-stop shopping mall located in Pasir Ris in eastern Singapore. The 6-level mall is a popular shopping destination among weekend holiday-makers and shoppers, it offers exciting lifestyle, dining options and convenience shopping in an upbeat retail environment.

The mall is also a favourite and convenient stopover for National Servicemen as part of their journey to and fro the Pulau Tekong training camp.

Address	1 Pasir Ris Central Street 3, White Sands, Singapore 518457
Net Lettable Area	150,320 square feet
Annual Visits	12.4 million
Retail levels	6
Number of retail outlets	134
Number of car park spaces	191
Key Tenants	Challenger Mini, Kiddy Palace, Saizeraya, Cookhouse by Koufu NTUC FairPrice
Public Transport	Pasir Ris MRT Station, Pasir Ris Bus Interchange

Hougang Mall

Hougang Mall is located in the heartland in north-eastern Singapore. It is popular among the residents from the nearby communities. The key tenants include established household vendors: Harvey Norman, FairPrice Supermarket, Popular Bookstore and Cheng San Community Library.

Address	90 Hougang Avenue 10, Hougang Mall, Singapore 538766
Net Lettable Area	166,361 square feet
Annual Visits	14.7 million
Retail levels	6
Number of retail outlets	131
Number of car park spaces	252
Key Tenants	NTUC FairPrice, Challenger, Harbey Norman, Cheng San Community Library, Mei Shi Mei Ke by Kopitiam
Public Transport	Hougang MRT Station, Hougang Central Bus Interchange

3 Source: https://www.asiamalls.com.sg/our-portfolio/properties/, accessed 1 November 2019

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 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.

Address	298 Tiong Bahru Road, Tiong Bahru Plaza, Singapore 168730
Net Lettable Area	215,000 square feet
Annual Visits	19.2 million
Retail levels	5
Number of retail outlets	152
Number of car park spaces	338
Key Tenants	Uniqlo, Challenger, Golden Village, Kopitiam and NTUC FairPrice Finest,
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. Total office space is approximately 171,000 square feet.

Address	298 Tiong Bahru Road, Central Plaza, Singapore 168730
Net Lettable Area	171,000 square feet
Annual Visits	12.4 million
Number of storeys	20
Public Transport	Tiong Bahru MRT Station, public buses

Profile of Properties
Malaysia Properties

1st Avenue

1st Avenue is located in the heart of George Town along Jalan Magazine, Penang. The 7 retail levels offer a wide range of fashion, leisure, entertainment and dining outlets for the style-conscious urban individual living and working in Penang.

The mall is popular among young executives and professionals as well as international and domestic travellers staying in the nearby hotels.

Address	1st Avenue Mall Sdn Bhd, 182 Jalan Magazine, 1st Avenue, Penang, 10300 Malaysia
Net Lettable Area	406,734 square feet
Annual Visits	7.7 million
Retail levels	7
Number of retail outlets	148
Number of car park spaces	642
Key Tenants	Parkson, H&M, Best Denki, Red Box Karaoke, Cotton On

Setapak Central

Previously known as KL Festival City, Setapak Central is located along Jalan Genting Klang in Kuala Lumpur. The 4-storey mall is home to more than 200 stores with anchor tenants such as Parkson, Econsave and MBO Cinemas.

Setapak Central offers a complete lifestyle experience with a wide range of amenities such as baby nursing rooms, surau, interactive directories and complimentary wireless internet.

Address	No. 67, Jalan Taman Ibu Kota, Taman Danau Kota, Festival Mall Sdn Bhd, Setapak, 53300 Kuala Lumpur, 10300 Malaysia
Net Lettable Area	500,000 square feet
Annual Visits	6.2 million
Retail levels	4
Number of retail outlets	250
Number of car park spaces	1100
Key Tenants	Parkson, H&M, Ecosave, MBO Cinemas, Cotton On

Investment in **Hektar REIT**

As at 30 September 2019, 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.

Its property portfolio comprises Subang Parade (Selangor), Mahkota Parade (Melaka), Wetex Parade (Johor), Central Square, 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 RM1.2 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[(a)]	Freehold	Freehold	Freehold	Leasehold[(b)]
Net Lettable Area (Retail), square feet as at 31 Dec 2018	508,876	519,542	171,305	310,152	299,613	220,768
Tenancies as at 31 Dec 2018	113	115	72	64	79	49
Occupancy as at 31 Dec 2018	88.2%	96.0%	98.5%	96.9%	93.5%	78.6%
Visitor Traffic FY2018 (million)	7.8	8.3	4.3	4.5	4.0	3.2
Acquisition Price (million RM)	280.0	232.0	117.5	83.0	98.0	106.1
Valuation (million RM) as at 31 Dec 2018	437.0	328.0	138.5	96.0	115.0	107.0

(a) Leasehold is until year 2101.
(b) Leasehold is unttil year 2116.
Source: H-REIT Annual Report 2018 and its website at http://www.hektarreit.com/

Hektar REIT's Top 10 Tenants#

The top ten tenants in the Hektar's portfolio contributed approximately 30.4% of total monthly rental income.

Tenant	Trade Sector	NLA (Sq ft)	% of Total NLA	% of Monthly Rental Income[1]
Parkson	Department Store / Supermarket	254,009	12.5%	9.6%
The Store	Department Store / Supermarket	273,198	13.5%	5.9%
Seleria Food Court	Food & Beverage	39,521	2.0%	2.9%
MBO Cinemas	Leisure & Entertainment / Sports & Fitness	88,670	4.4%	2.4%
Giant	Department Store / Supermarket	96,283	4.8%	1.9%
Mr DIY	Houseware & Furnishing	74,247	3.7%	1.8%
MM2 Starscreen	Leisure & Entertainment / Sports & Fitness	79,404	3.9%	1.7%
Guardian	Health & Beauty	12,164	0.6%	1.6%
Watsons	Health & Beauty	10,296	0.5%	1.4%
KFC	Food & Beverage	15,786	0.8%	1.2%
Top 10 Tenants (By Monthly Rental Income)		943,578	46.7%	30.4%
Other Tenants		1,081,229	53.3%	69.6%
Total		**2,024,807**	**100.0%**	**100.0%**

1 Based on monthly rental income for December 2018.

Tenancy Mix#

As at 31 December 2018

The largest rental contributors to the portfolio are tenants from the fashion and footwear categories as well as food and beverage segment. Both segments contributed towards 42% of portfolio's total rental income. In terms of NLA composition, department stores and supermarkets continue to dominate the portfolio by taking up 37% of all available NLA.

	By Rental Income*	By Net Lettable Area
Fashion & Footwear	22%	10%
Food & Beverage / Food Court	20%	11%
Department Store / Supermarket	18%	37%
Leisure & Entertainment, Sports & Fitness	12%	21%
Health & Beauty	10%	4%
Electronics & IT	8%	6%
Gifts / Books / Toys / Specialty	4%	4%
Homewares & Furnishing	4%	6%
Education / Services	2%	1%
Total	**100.0%**	**100.0%**

* Based on monthly rental income for December 2018.
\# Source: H-REIT Annual Report 2018 and its website at http://www.hektarreit.com/

Portfolio Lease Expiry Profile#

As at 31 December 2018

A total of 245 tenancies will expire in 2019 representing approximately 38% of NLA and 45% of monthly rental income as at 31 December 2018. H-REIT's Manager's strategy is to continue tenancy remixing exercises by refreshing the tenant mix as tenant contracts expire. Key tenancies are secured with options-to-renew and are usually confirmed six months prior to their expiry.

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 2018	245	766,787	38%	45%
FY 2019	123	408,214	20%	26%
FY 2020	124	690,527	34%	29%

* Based on monthly rental income for December 2018.
\# Source: H-REIT Annual Report 2018 and its website at http://www.hektarreit.com/

Risk Management

Effective risk management is a fundamental part of FCT's business strategy. Key risks, mitigating 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 robust system of risk management and internal controls. The Board is assisted by the Audit, Risk and Compliance Committee ("ARCC") which provides oversight on risk management.

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 system of risk management in place is adequate and effective to address risks which are considered relevant and material to the operations.

The Manager also has in place a Comfort Matrix framework which provides an overview of the mitigating strategies and assurance processes of key financial, operational, compliance and information technology risks.

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

Key Risks in Financial Year 2019

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 ("BCPs") are regularly tested for their effectiveness.

Human Capital Risk

The Manager has in place a career planning and development system and conducts regular remuneration and benefits benchmarking to attract and retain appropriate talent for the business.

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 cash flow position and requirements. FCT has Revolving Credit Facilities of S$250 million as source of liquidity reserves to finance its operations, asset enhancement initiatives ("AEIs") and any other short-term obligations. Please refer to **page 34** under Capital Resources 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. A major portion of FCT's outstanding borrowings are at fixed interest rates in accordance with the Manager's hedging policy.

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 changing retail market trends, including manpower shortage, stagnant pool of prospective tenants, e-commerce changing consumer shopping behavior and increase in mobility of shoppers to regional cities. 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 93 to 123**.

Sustainability Report

Waterway Point

Contents

About this **Report**

This Sustainability Report covers Frasers Centrepoint Trust's ("FCT's") Environmental, Social and Governance (ESG) performance for all FCT properties from 1 October 2018 to 30 September 2019 (FY2019).

We have prepared this Report 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 FCT in Singapore unless stated otherwise. As FCT operates as a REIT, 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. In addition to FCAM employees, we have also included health & safety data of our contractor's employees working at our properties.

Our data is reported 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 improving our sustainability efforts and your feedback is important to us. Please contact:

Mr. Chen Fung Leng
Vice President, Investor Relations
Frasers Centrepoint Trust
Email: fungleng.chen@frasersproperty.com

Board **Statement**

We are pleased to present FCT's fifth Sustainability Report for FY2019, which outlines our approach to sustainability as well as our performance for the reporting period.

During the year, FCT participated in its inaugural GRESB Real Estate Assessment 2019. This is an investor-driven global Environmental, Social and Governance ("ESG") benchmark for the real estate industry which saw participation from more than 1,000 property companies, real estate investment trusts (REITs), funds, and developers across 65 countries. We are pleased that FCT achieved a rating of 3 stars out of the maximum 5 stars in the assessment and scored 72 out of the maximum 100 points, which is on par with the average amongst all the GRESB participants but below the peer group score of 75. The GRESB assessment is useful in helping us identify areas of strengths and weaknesses in our ESG, and to focus on areas that need improvement. The assessment also serves as benchmark to measure our performance against our peers and the global real estate industry.

We believe that sustainability issues are important to our business and they are part of our strategy formulation. In our first sustainability reporting in FY2015, we published the material ESG topics relevant to our business. These ESG topics remain relevant to our business and we continue to assess and monitor them accordingly.

FCT's sustainability strategy and its approach are aligned to the Sustainability Framework (the "Framework") developed by our sponsor Frasers Property Limited in FY2018 (the "Sponsor" or "Frasers Property") which comprises three pillars, namely "Acting Progressively", "Consuming Responsibly" and "Focusing on People". These three pillars encompass 13 corresponding Environment, Social and Governance (ESG) focus areas. The Framework also maps out the priorities of the Frasers Property Group (the "Group") in its sustainability drive through to 2030, one of which is to move towards carbon neutral by proactively reducing carbon emissions of our properties.

We strive to "Act Progressively" through fair and ethical business practices that are compliant with local regulations as we work towards our economic goals. "Consuming Responsibly" aims to reduce our environmental footprint through cultivating awareness in sustainable conservation and efficient use of resources. The third pillar "Focusing on People" keeps us mindful of our stakeholders' concerns and to engage them on multiple platforms to improve on the wellbeing of our stakeholders and the environment.

Our management works closely with the Group's Sustainability Steering Committee (SSC) and Sustainability Working Committee (SWC) to oversee and drive the implementation of the sustainability Framework, to improve on the various ESG aspects and to identify future sustainability risks and opportunities relevant to our business. The Group has also set up a Global Sustainability taskforce this year to help the business units and REITs in the Group to establish their sustainability workplan and targets.

We look forward to your support as we continue the journey to improve our sustainability efforts for FCT and its stakeholders.

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

Our Sustainability **Framework**

The Sustainability Framework sets out the sustainability priorities for Frasers Property towards 2030. The Framework is driven by three pillars, namely "Acting Progressively", "Consuming Responsibly" and "Focusing on People" which are supported by the 13 ESG focus areas. The multi-disciplinary approach will ensure that our sustainability efforts are comprehensive and will benefit all our stakeholders.

The Sustainability Framework also reaffirms our commitment to sustainability efforts and ensure alignment within FCT and across Frasers Property Group (the "Group").

Pillars

Acting Progressively

Consuming Responsibly

Focusing on People

Focus Areas

Acting Progressively

Innovation
Fostering an innovation culture that creates value and strengthens our competitive edge

Resilient Properties
Strengthening the resilience and climate adaptive capacity

Risk-based Management
Comprehensive assessment to address environmental, health and safety risks

Responsible Investment
Incorporating social, environment and governance criteria in the evaluation process

Consuming Responsibly

Materials & Supply Chain
Achieving the sustainable management and efficient use of material along the supply chain

Biodiversity
Enhancing the environment and ecosystem through our developments

Energy & Carbon
Increasing substantially energy efficiency and renewable energy used

Waste
Reducing substantially waste generation through prevention, reduction, recycling and reuse

Water
Increasing substantially water efficiency and the recycling and safe reuse of water discharged

Focusing on People

Community Connectedness
Considering social value principles for communities

Health & Wellbeing
Ensuring healthy and balanced work and community environments

Diversity & Inclusion
Empowering and promoting the social inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, economic or other status

Skills & Leadership
Developing skills and leadership programmes that support productive activities, creativity and innovation to deliver high-value

Managing **Sustainability**

Sustainability Governance

The Board views sustainability as an integral part of FCT's business strategy. The management works closely with the Group's sustainability leadership and working teams towards the carbon neutral goal, to achieve Green Mark certification status for our properties and to improve the health and wellbeing of our people and stakeholders. Details are outlined in this Sustainability Report.

The SSC guides and drives the direction of the corporate sustainability agenda for the Group, including reviewing the sustainability priorities and performance. The SSC is chaired by the Group CEO, Mr. Panote Sirivadhanabhakdi, and comprises senior management of Frasers Property. The SWC consists of members from the senior and middle management of various business units, including employees of the Manager, and corporate functions across the Group. The SWC implements action plans approved by the SSC and monitors sustainability performance against key performance indicators. In addition, the Global Sustainability Taskforce was assembled by the Group in FY2019 and is represented by all business units. The Taskforce aims to establish the sustainability action plan and targets for each business unit through workshops and leaders' forum, and intends to share the outcomes in the coming year.

Stakeholder Engagement

We proactively engage with our stakeholders in order to obtain feedback, facilitate improvements, identify opportunities and foster collaborative experiences to align our sustainability efforts as a Group through 2030. The inputs provided from our stakeholders will determine the most material ESG topics to consider. We seek to understand and address our stakeholders' concerns through various modes of engagement outlined.

Key Stakeholders	Key Topics of Concern
Tenants	• Maintaining high shopper traffic • Competitive rental rates • Collaboration in marketing and promotional events
Shoppers	• Meeting our shoppers' needs • Quality of services and facilities • Providing comfortable shopping environment and family-friendly amenities • Considerations for safety, accessibility and easy navigation within the mall • Good connectivity to public transport
Employees	• Compensation and Benefits • Career progression • Continuous education and skills upgrading • Employee wellbeing
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 FY2019 Highlights
• Face to face dialogue • Partnership in promotional events • Regular tenant feedback meetings	• Throughout the year • Throughout the year • Throughout the year
• 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 Rewards, the Frasers shopper loyalty program • Feedback forms • Feedback to customer service staff or at customer service counters and concierge	• Shopper surveys (no fixed period) • 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 • Regular department meetings • Family Day Events • Employee satisfaction survey	• Once a year • Throughout the year • Upon joining and throughout the year (employees received an average of 56.1 hours of training per person in FY2019) • Throughout the year • Throughout the year (all employees are invited to the Frasers Property Family Day and Dinner and Dance event, every year) • Once in FY2019
• 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 • Throughout the year • 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 FY2019, FCAM Management met over 200 investors) • Throughout the year
• Annual Charity Drives and Mass participation Events • Providing venue space at our malls to charitable organisations	• Community and mass participation events are organised throughout the year • Throughout the year
• 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-ST and MAS	• Participation in the events organised by the various industry association and by the regulator occur throughout the year • Throughout the year

Materiality Assessment

In FY2015, we conducted a materiality assessment in collaboration with our Sponsor and identified 10 material ESG topics that are material to the business and our stakeholders.

This year, we reviewed our material topics and concluded that the material factors are still relevant to our current business direction. We aligned our material topics to the 13 ESG focus areas set out in the Sustainability Framework. We have deepened our alignment to the United Nations ("UN") Sustainable Development Goals ("SDGs") to streamline our sustainability efforts and better contribute to the global goals.

Pillars	Focus Areas	What does it mean to FCT	Material Topics & GRI Topic
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.	Economic Performance[1] (GRI 201)
	Risk-based Management	We have the duty to ensure our business is continuously assessed for its impact to the environment, health and safety to our stakeholders; and to ensure we are in compliance with the relevant environmental laws and regulations.	Environmental Compliance (GRI 307)
		We have a zero-tolerance approach towards corruption and fraud. We strive to maintain high standards of integrity, accountability and corporate governance.	Anti-corruption (GRI 205)
		We ensure compliance with the Code of Advertising Practice and applicable guidelines and principles for responsible communications and marketing.	Marketing and Labelling (GRI 417)
Consuming Responsibly	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 achieving carbon neutral.	Energy (GRI 302) Emissions (GRI 305)
	Water	Similar to energy management, we strive to reduce wastage of water and to recycle and reuse wherever we can.	Water (GRI 303)
Focusing on People	• Diversity & Inclusion • Skills & Leadership	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. We maintain open-door communication with our employees to foster trust and confidence in our communications.	Employment (GRI 401) Training and Education (GRI 404) Labour / Management Relations (GRI 402)
	Health & Wellbeing	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.	Occupational Health & Safety (GRI 403)
	Community Connectedness	We strive to foster healthy interactions with the local communities, so as to build strong sense of belonging and connections with them, and also to contribute back to the community by helping the less fortunate member of the community.	Local Communities (GRI 413)

1 Please refer to our annual report for further details.

We will continue to regularly review and assess the relevance of our material topics to our business and stakeholders.

The table below shows how our material topics correspond to our focus areas and the relevant 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:

Boundaries	Progress Towards the SDGs	SDGs
FCT	• 100% compliant with laws and regulations • Participated in GRESB for the first time	8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 17 Partnerships for the Goals
FCT, Suppliers/ Contractor and Customers/ Tenants		
FCT, Suppliers/ Contractor, and Customers/ Tenants		
FCT		
FCT, Customers/ Tenants	• Building water intensity improved by 4.5% • Waste sent for recycling increased by 23.6% • Successful partnerships with Starhub to collect over 10,000kg of e-waste	6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 13 Climate Action
FCT, Customers/ Tenants		
FCT	• 87% of FCAM employees expressed high degree of satisfaction at work • Average training hours per employee increased to 56.1 hours per employee • No incidents of injuries during the year	3 Good Health and Well-Being; 8 Decent Work and Economic Growth; 10 Reduced Inequalities; 11 Sustainable Cities and Communities; 17 Partnerships for the Goals
FCT, Suppliers/ Contractors, Customers/ Tenants and NGOs/ Local Communities		
FCT, NGOs/ Local Communities		

Acting **Progressively**

Acting Progressively

Why Acting Progressively important?

We are committed to strengthening the progressiveness and resilience of our business in the competitive retail sector. Guided by our unifying idea of 'experience matters', we strive to deliver exceptional experience to our unitholders and stakeholders which differentiates FCT from its peers. We foster a progressive mindset that consider risks, opportunities and sustainability in business decisions and management of our properties.

How does FCT manage this?

Policies
Establish policies to build business resilience and remain competitive

Practices
Adopt progressive practices to move forward on all focus areas

Highlights in FY2019

No known incident of breaches of environmental laws and regulations

No confirmed incident with regards to bribery and corruption reported

No known incidents of non-compliance with regulations and voluntary codes in relation to marketing communications

GRESB 2019

Participated in GRESB for the first time and achieved 3 stars out of the maximum 5 stars

Which SDGs do FCT contribute to?

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

17 PARTNERSHIPS FOR THE GOALS

Risk-Based Management

FCT recognises that strong corporate governance plays a critical role to our overall success. We aim to achieve this through good business ethics and transparency while putting in place a robust framework of controls, policies and processes that are in line with the appropriate governance standards and regulations.

We conduct all our business activities fairly and ethically. We ensure that our practices are in compliance with relevant 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. We have a zero-tolerance approach towards corruption and fraud, and we have put in place the following corporate policies established by our Sponsor to guide the conduct of our employees:

- 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

To evaluate the Manager's activities, an internal audit function is in place to provide an independent appraisal and assurance of the adequacy and effectiveness of the existing controls. The internal audit function sits within the Frasers Property Group. Details on the internal audit can be found on page 114 to 115 of this Annual Report.

Responsible Investment

FCT invests in green properties as we believe that sustainability is key to differentiate our properties, remain competitive and create long-term value to Unitholders. We periodically assess our properties to identify opportunities to improve our properties' performance to better serve our tenants and customers through asset enhancement initiatives ("AEI").

Three of our properties are certified by the Building Construction Authority ("BCA"). Causeway Point mall is certified to the highest certification – BCA Green Mark Platinum. Northpoint City North Wing is certified to BCA Green Mark Gold and YewTee Point is certified to BCA Green Mark.

This year we participated in our inaugural GRESB Real Estate Assessment. We achieved an average GRESB Score of 72 points, on par with the GRESB average score and attained 3 stars out of the maximum 5 stars. We strive to improve our score in the next submission.

GRESB Highlights

72/100

GRESB Score — **Green Star**

GRESB Average 72 — Peer Average 75

79/100

Environment

GRESB Average 65 — Peer Average 71

4th

Peer Comparisson

Asia | Retail, Shopping Center | Listed

Out of 6

GRESB Real Estate Assessment Rating

3 ☆

GRESB ★★★★★ 2019

As a property manager, we play an important role in driving the sustainability agenda in the real estate sector. We actively participate in various professional and business associations 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)

Consuming **Responsibly**

Consuming Responsibly

Why is Consuming Responsibly important?

We continuously explore solutions to manage and reduce our resource consumption. We respect the environment and we are committed to reducing our environmental footprint through responsible consumption and resource-efficient practices.

How does FCT manage this?

Policies
Establish policies that drive responsible consumption of resources for our people and tenants

Practices
Adopt practices that enable our people, tenants and customers to manage efficiently the use of resources

Highlights in FY2019

Waste sent for recycling increased by 23.6%

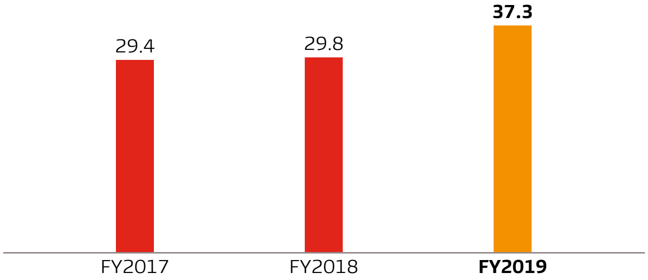
Successful partnerships with Starhub to collect over 10,000kg of e-waste

Which SDGs do FCT contribute to?

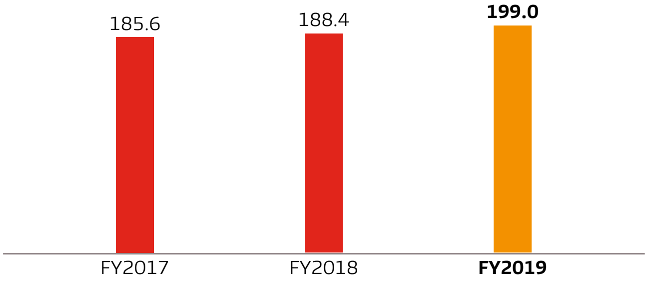
Energy & Carbon

We recognise our responsibility in enhancing the energy efficiency of our properties to better manage our consumption, including our tenants'. We strive to develop a culture that promotes energy-efficient practices to reduce our carbon footprint.

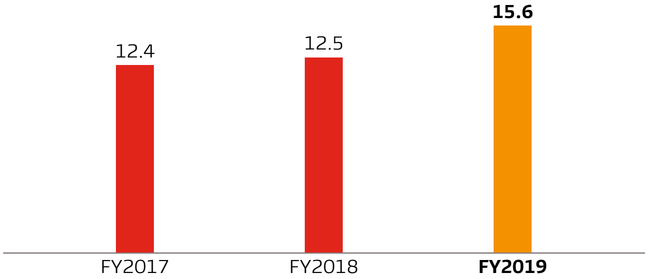
Building Energy Consumption[4]
Financial Year ended 30 September
(million kWh)



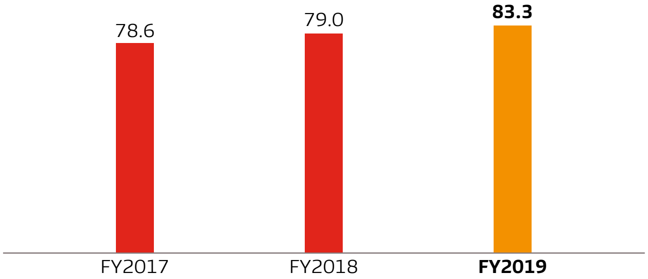
Building Energy Intensity[5]
Financial Year ended 30 September
(kWh/m^2)



Building GHG Emissions[3]
Financial Year ended 30 September
('000 tonnes of CO_2e)



GHG Emissions Intensity[6]
Financial Year ended 30 September
(kgCO_2e/m^2)



Our overall building energy intensity increased by 5.6% year-on-year to 199.0 kWh/m^2. Likewise, our greenhouse gas ("GHG") emissions intensity increased to 83.3 kgCO_2e/m^2 in tandem with the increase in energy consumption. The increase in energy intensity was attributed to higher occupancy and a rise in the proportion of food & beverage ("F&B") tenants in our portfolio during the year. High occupancy drives higher energy demand, particularly for air conditioning and mechanical ventilation systems. F&B businesses tend to consume higher energy compared to other trades for the same area, hence a rise in the proportion of F&B also increases overall energy intensity. Other contributing factors to higher energy intensity was the increased chiller utilisation at Bedok Point due to rise in the mall's occupancy and the installation of an additional escalator and extended operating hours at YewTee Point due to increased shopper traffic demand.

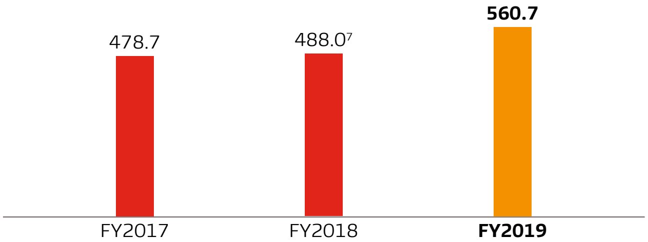
We are aware of our energy consumption and continuously monitor our energy use to improve our energy management. We are always seeking opportunities to improve the energy efficiency of our properties. Our BCA Green Mark certified properties are subjected to energy audits every three years to ensure that the systems are operating efficiently.

2 Includes Waterway Point which was acquired in Q3 FY2019.
3 Excludes Waterway Point for comparison against FY2018 and FY2017.
4 Includes Waterway Point which was acquired in Q3 FY2019.
5 Excludes Waterway Point for comparison against FY2018 and FY2017.
6 Source of GHG Emissions Factors: Singapore - Singapore Energy Statistics 2019

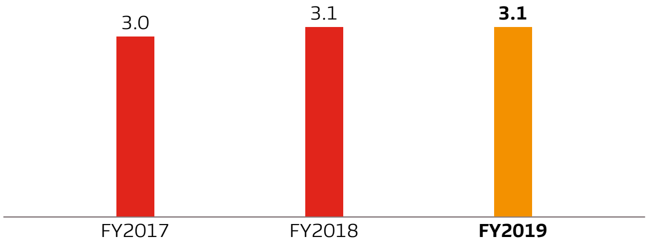
Water

We are mindful and actively manage our water consumption through initiatives to reduce water wastage. For example, we installed fittings in our water taps in our properties that help to reduce water waste. These fittings received positive rating the Water Efficiency Labels Scheme ("WELS") from the Public Utilities Board ("PUB"). All our properties achieved PUB's Water Efficient Building ("WEB") Certification.

Building Water Consumption
Financial Year ended 30 September
('000 m^3)



Building Water Consumption
Financial Year ended 30 September
(m^3/m^2)

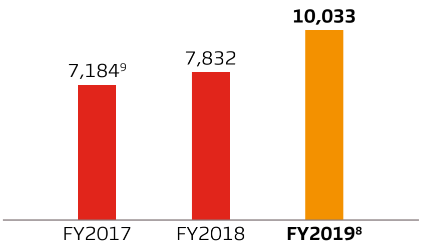


In FY2019, our overall building water consumption increased to 560,723 m^3, an increase of 14.8% compared to FY2018. This increase is mainly attributed to the inclusion of Waterway Point, which FCT acquired during in Q4 of FY2019. Our water intensity has also increased by 1.7% to 3.13 m3/m2 due to the increase in occupancy rate as well.

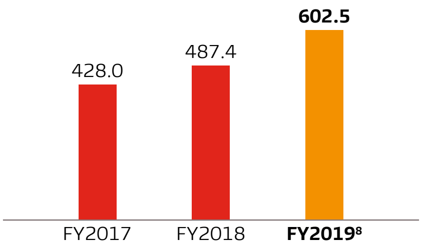
Waste

We are committed to encouraging and supporting waste reduction through various initiatives in our properties to promote the awareness and action in recycling among our tenants, employees and shoppers.

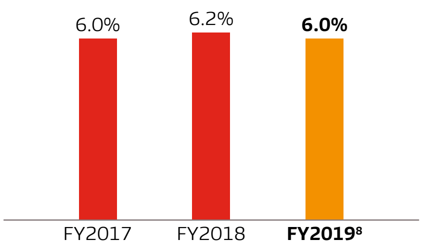
Total weight of non-hazardous waste collected
Financial Year ended 30 September
(tonnes)



Total weight of waste sent for recycling
Financial Year ended 30 September
(tonnes)



Recycling rate
Financial Year ended 30 September
(%)



We monitor the waste disposal and recycling activities at our properties. Our properties generated a total of 10,033 tonnes of waste, of which 602.5 tonnes was sent for recycling and the rest disposed in accordance with the Singapore regulations. This reflects the continuous efforts of our partnership with various organisations such as Starhub, on waste collection and recycling and the introduction of green facilities, such as the reverse vending machines ("RVM"), at our malls. Since the start of our partnership with Starhub, we have collected 10,758 kg of e-waste for recycling through the e-waste bins placed at our properties. This year, we introduced the RVMs at two of our properties YewTee Point and Waterway Point in partnership with Fraser & Neave ("F&N"), NTUC Fairprice and TOMRA Recycling Technology Co. Ltd. The RVMs encourage our shoppers to recycle plastic bottles or aluminum cans. The shopper receives F&N discount coupons for every four plastic bottles or aluminum cans deposited into the RVMs. The campaign collected 50,604 of bottles and cans between January 2018 and April 2019. Due to the positive response, we plan to introduce more RVMs at our other properties from the end of 2019.

7 Water consumption restated based on availability of actual data against previously estimated data, and changes in 2017 emissions factors by official sources in its latest report.
8 Waste data includes Waterway Point which was acquired in Q3 FY2019.
9 Excludes Waterway Point for comparison against FY2018 and FY2017.

Focusing on **People**

Focusing on People

Why is Focusing on People important?

People drive our business growth and success. We strive to have a diverse, safe and healthy work environment for our people to perform in their work. We also want to support and protect the interests and wellbeing of all our stakeholders – employees, tenants, customers and communities through our business practices and community investments.

How does FCT manage this?

Policies
Establish policies that focus on strengthening our human capital and leaving positive impacts in communities where we operate

Practices
Adopt practices that enable our business to develop our people and contribute positively to the community

Highlights in FY2019

87% of FCAM employees expressed high satisfaction at work

Average training hours per employee increased to 56.1 hours per employee

No incidents of injury during the year

Which SDGs do FCT contribute to?

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

17 PARTNERSHIPS FOR THE GOALS

Diversity & Inclusion

We believe every employee could contribute to FCT and the Group with their experiences, perspectives and cultures, and collectively they become diverse and valuable assets that enable us to deliver the shared value of 'experience matters'.

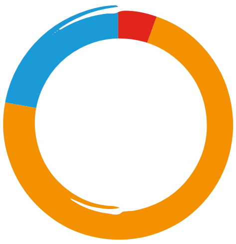
An inclusive and collaborative workforce fuels our business growth and long-term success. We strive to provide equal and fair opportunities to all our employees in FCT, guided by the Group's commitment to the Tripartite Alliance for Fair & Progressive Employer Practices (TAFEP) in Singapore and the Singapore National Employer Federation. Along with the Group, an open performance appraisal system is also applied to all employees of the Manager, providing employees with opportunities based on merit.

FCAM's Employee Profile
Financial Year ended 30 September

Gender Diversity

	FY2017	FY2018	**FY2019**
Male	4(30.8%)	5(33.3%)	**8(44.4%)**
Female	9(69.2%)	10(66.7%)	**10(55.6%)**

Age Diversity



	FY2017	FY2018	**FY2019**
< 30 years old	0(0%)	0(0%)	**1(5.6%)**
30-50 years old	10(76.9%)	13(86.7%)	**13(72.2%)**
> 50 years old	3(23.1%)	2(13.3%)	**4(22.2%)**

Number and Rate of New Employee Hires
Financial Year ended 30 September

New Hire by Gender

	FY2017	FY2018	**FY2019**
Male	0(0%)	2(100%)	**2(100%)**
Female	3(100%)	0(0%)	**0(0%)**

New Hire by Age Group

	FY2017	FY2018	**FY2019**
< 30 years old	0(0%)	0(0%)	**0(0.0%)**
30-50 years old	2(67%)	2(100%)	**1(50%)**
> 50 years old	1(33%)	0(0%)	**1(50%)**

Number and Rate of Employee Turnover
Financial Year ended 30 September

Turnover by Gender

	FY2017	FY2018	**FY2019**
Male	0(0%)	0(0%)	**1(100%)**
Female	4(100%)	2(100%)	**0 (0%)**

Turnover by Age Group

	FY2017	FY2018	**FY2019**
< 30 years old	0(0%)	1(50%)	**0 (0%)**
30-50 years old	4(100%)	0(0%)	**0 (0%)**
> 50 years old	0(0%)	1(50%)	**1(100%)**

The employee data[10] disclosed in this report is in relation to the Manager. As at 30th September, FCT has a total of 18 employees. All employees are full-time employees of the Manager. Majority of FCAM's employees are within the 30-50 years old age group, making up 72.2% of the total workforce. The Manager hired 2 new employees with 1 turnover in FY2019.

This year, the Manager conducted an employee satisfaction survey to engage with its employees. The objective of the survey was to gauge the employees' feedback on work-life balance, satisfaction at work and obtain insights on areas of improvements. Key highlights of the survey outcome include:

- Employees feel a strong connection with FCT and feel proud to be part of the team
- 68% of the employees felt positive with regards to their career prospects at FCT
- More than half of the employees feel that they are valued and rewarded during their tenure
- 87% of the employees felt that they are improving their skills and learning, above their daily jobs
- Employees expressed high degree of job satisfaction within FCAM

10 All information disclosed are full-time permanent employees of FCT.

Skills & Leadership

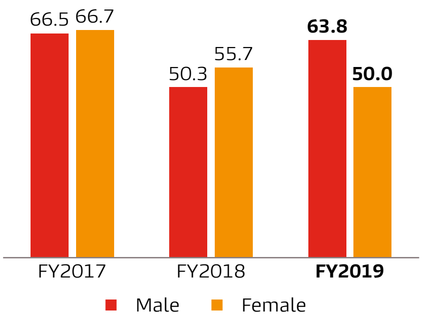
At FCT, we believe that employees are key to our long-term growth and value. As such, we empower and invest in the development of our talents to equip our people with the relevant skills and knowledge to enhance our viability to excel in the disruptive age as well as to help them achieve their potential.

The Group's in-house training facility, the Learning Academy, provides a comprehensive range of Learning and Development ("L&D") programmes and training opportunities to support personal and career development for our people. Besides the L&D training, the Learning Academy also conduct the following knowledge sharing sessions:

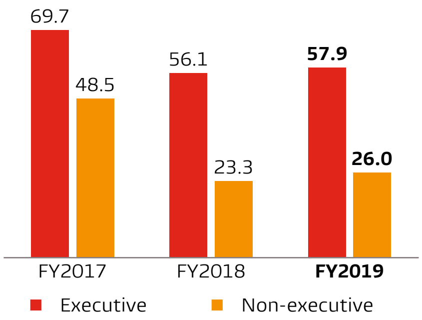
- Lunch and Learn Series - a peer-learning platform where colleagues from various business units are invited to share their experiences on interesting projects
- Heart-to-Heart Talk Series - an employee engagement platform for our younger colleagues in Singapore to share their thoughts about the Group and their aspirations with senior management

In FY2019, we recorded a an average of 56.1 training hours per employee, a 4% increase from a year ago. The average training hours achieved per employee remains higher than the targeted 40 hours required by the Group.

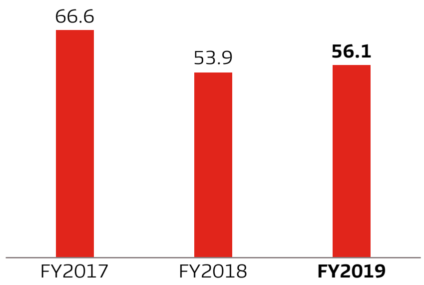
Average Training Hours by Gender
Financial Year ended 30 September



Average Training Hours by Category
Financial Year ended 30 September



Average Training Hours per Employee
Financial Year ended 30 September



Health & Wellbeing

Health, wellbeing and safety are top priorities within the Group. We emphasise on providing safe environment for our employees, tenants, shoppers and other stakeholders by putting in place policies and procedures to promote workplace safety awareness and to seek continuous improvements.

We have implemented OHSAS 18001 and SS506 Part1:2009 occupational health and safety management system at our properties, in line with the Group's direction and we comply with the Group's Workplace Health and Safety Policy. Our properties are "BizSAFE Level Star" certified by the Workplace Safety and Health Council.

There were zero incident of injury or fatality in FY2019. There was also no breaches of health and safety regulations at our properties during the year.

FCAM employees also participated in various health and safety activities organised by the Group which include "Eating Healthy 9-5", "Watch and Eat with Your Colleagues", "Walk-Jog @ Kent Ridge Park", "Frasers Property Global Wellness Challenge" and health screening for all employees.

The Group engaged Aetos, a security consultant, to conduct a safety audit on all our Singapore retail (which includes FCT properties) and office properties. The audit focused on maintenance and improvement measures for each of the malls. One of the improvement initiatives which followed from the audit was the installation of bollards as pedestrian safeguard at drop-off points of our retail properties.

Our retail properties also work with the authorities on raising awareness on terrorism through participation in the SGSecure Roadshow. During the year, Northpoint City hosted the launch of the SGSecure Roadshow, a national movement aimed at raising corporate and public awareness on terrorism threat. The Singapore Police Force and Singapore Civil Defence Force demonstrated a live simulation of terror attack at one of our tenant's shops. The exercise provided visitors with a live demonstration on how to prevent, deal with and recover from a terrorist attack and improve the community's response and mobilisation in an actual ordeal.

Community Connectedness

We take pride in enriching and connecting with the community. FCT hopes to demonstrate our corporate citizenship by playing an active role to foster positive changes and enable inclusion in the society. Through our initiatives, we leverage on our diverse resources and competencies to look after those in need. We also collaborate with organisations to further compound our collective efforts.

Reaching Out to Those in Need
With the support of donations from shoppers, Bedok Point and YewTee Point jointly donated 800 kilograms of rice to Shan You Wellness Centre in April 2019, where it was repacked into rations for the old and underprivileged.

Supporting Community Connectedness and Diversity & Inclusion
FCAM was delighted to support Blossom Seeds' for their inaugural Charity Day to raise funds for the furnishing and fitting out of their new day activity centre for senior citizens at Canberra Street. Blossom Seeds is an organisation that supports lonely and senior citizens in need, regardless of race and religion, and helps them to integrate with the society.

We contributed in both cash contributions (S$5,000) and participated in their inaugural fundraising event "Ready Set Gold" on 6 March 2019. The event saw an overwhelming response in participation from the public and the support from the Minister Ong Ye Kung, who is Minister for Education and the member of parliament for Sembawang GRC.

Dr Chew Tuan Chiong, then-CEO of FCAM receiving a plaque of appreciation from Minister Ong Ye Kung, Minister for Education and the member of Parliament for Sembawang GRC.

Mr Lim Swee Say, Member of Parliament for East Coast GRC, addressing the participants at the launch of the event at Bedok Point on 4 August 2019.

Support the Health and Wellbeing of the Elderly
Bedok Point was proud to sponsor the event venue for a health awareness event organised by SATA. The event, which was launched on 4 August 2019 and graced by Mr Lim Swee Say, the Member of Parliament for East Coast GRC, featured on-site interactive machines that assess fall risk for the elderly. Fall risk is common for the elderly and can be dangerous especially for the elderly who are frail, as fall could lead to risk of fracture and head injuries. The interactive machine was designed to detect early signs of fall risk and evaluate the elderly's risk level of falls and SATA can then follow-up with the elderly, if needed, for further assessment by their doctors and therapists. The campaign ran for 2 months at Bedok Point from August to October 2019.

GRI Content Index

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
Universal Standards			
Organisational Profile			
GRI 102: General Disclosures	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)
	102-5	Ownership and legal form	About Frasers Centrepoint Trust (Pg 2) Corporate Structure (Pg 3)
	102-6	Markets served	Portfolio Overview (Pg 48) Property Profiles (Pgs 50-64)
	102-7	Scale of the organisation	About Frasers Centrepoint Trust (Pg 2) Financial Highlights (Pg 6) Focusing on People – Diversity and Inclusion (Pgs 87-88)
	102-8	Information on employees and other workers	Focusing on People – Diversity and Inclusion (Pgs 87-88)
	102-9	Supply chain	Consuming Responsibly (Pgs 83-85) Stakeholder Engagement (Pgs 76-77)
	102-10	Significant changes to organisation and its supply chain	About This Report – Report Scope (Pg 73)
	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 Engagement (Pgs 76-77) Acting Progressively – Responsible Investment (Pg 82)
	102-13	Membership of associations	Managing Sustainability – Stakeholder Engagement (Pgs 76-77) Acting Progressively – Responsible Investment (Pg 82)
Strategy			
GRI 102: General Disclosures	102-14	Statement from senior decision-maker	Board Statement (Pg 74)
Ethics and Integrity			
GRI 102: General Disclosures	102-16	Values, principles, standards, and norms of behaviour	Acting Progressively – Risk-based Management (Pg 81)
Governance			
GRI 102: General Disclosures	102-18	Governance structure	Corporate and Organisation Structure (Pg 3) Board of Directors (Pg 16-19) Management Team (Pgs 20-21) Corporate Governance (Pgs 93-123) Managing Sustainability – Sustainability Governance (Pg 76)

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
Stakeholder Engagement			
GRI 102: General Disclosures	102-40	List of stakeholder groups	Managing Sustainability – Stakeholder Engagement (Pgs 76-77)
	102-41	Collective bargaining agreements	There are no collective bargaining agreements in place.
	102-42	Identifying and selecting stakeholders	Managing Sustainability – Stakeholder Engagement (Pgs 76-77)
	102-43	Approach to stakeholder engagement	Managing Sustainability – Stakeholder Engagement (Pgs 76-77)
	102-44	Key topics and concerns raised	Managing Sustainability – Stakeholder Engagement (Pgs 76-77)
Reporting Practice			
GRI 102: General Disclosures	102-45	Entities included in the consolidated financial statements	About this Report (Pg 73) Structure of Frasers Centrepoint Trust (Pg 3) Notes to Financial Statements (Pg 139)
	102-46	Defining report content and topic Boundaries	About This Report – Report Scope (Pg 73) Our Sustainability Framework (Pg 75) Managing Sustainability – Stakeholder Engagement (Pgs 76-77), Materiality Assessment (Pgs 78-79)
	102-47	List of material topics	Managing Sustainability – Materiality Assessment (Pgs 78-79)
	102-48	Restatements of information	Consuming Responsibly - Energy & Carbon (Pg 84), Water (Pg 85)
	102-49	Changes in reporting	None
	102-50	Reporting period	About This Report (Pg 73)
	102-51	Date of most recent report	December 2018
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	About This Report – Feedback (Pg 73)
	102-54	Claims of reporting in accordance with GRI Standards	About This Report (Pg 73)
	102-55	GRI content index	GRI Content Index (Pgs 90-92)
	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 (Pgs 78-79)
Topic-specific Standards			
Economic Performance			
GRI 103: Management Approach	103-2	The management approach and its components	Corporate Strategy (Pg 4)
	103-3	Evaluation of the management approach	
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Financial Review (Pgs 31-33) Financial Statements (Pgs 124-195)
Anti-corruption			
GRI 103: Management Approach	103-2	The management approach and its components	Acting Progressively – Risk-based Management (Pg 81)
	103-3	Evaluation of the management approach	
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
Environmental Compliance			
GRI 103: Management Approach	103-2	The management approach and its components	Acting Progressively – Risk-based Management (Pg 81)
	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 81)
	103-3	Evaluation of the management approach	
GRI 417: Marketing and Labelling	417-3	Incidents of non-compliance concerning marketing communications	
Energy & Emissions			
GRI 103: Management Approach	103-2	The management approach and its components	Consuming Responsibly – Energy and Carbon (Pg 84)
	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			
GRI 103: Management Approach	103-2	The management approach and its components	Consuming Responsibly – Water (Pg 85)
	103-3	Evaluation of the management approach	
GRI 303: Water	303-1	Water withdrawal by source	
Employment & Training and Education			
GRI 103: Management Approach	103-2	The management approach and its components	Focusing on People – Skills and Leadership (Pg 88)
	103-3	Evaluation of the management approach	
GRI 401: Employment	401-1	New employee hires and employee turnover	Focusing on People - Diversity & Inclusion (Pg 88)
GRI 404: Training and Education	404-1	Average hours of training per year per employee	Focusing on People – Skills and Leadership (Pg 88)
	404-2	Programs for upgrading employee skills and transition assistance programs	Focusing on People – Skills and Leadership (Pg 88)
	404-3	Percentage of employees receiving regular performance and career development reviews	Focusing on People – Skills and Leadership (Pg 88)
Labour/Management Relations			
GRI 103: Management Approach	103-2	The management approach and its components	Focusing on People – Diversity & Inclusion (Pg 87)
	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
Occupational Health and Safety			
GRI 103: Management Approach	103-2	The management approach and its components	Focusing on People – Health and Wellbeing (Pg 88)
	103-3	Evaluation of the management approach	
GRI 403: Occupational Health and Safety	403-1	Workers representation in formal joint management–worker health and safety committees	FCT is represented in the Sponsor's Health & Safety senior management committee.
	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 (Pg 89)
	103-3	Evaluation of the management approach	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	

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**"). Even though the CG Code applies to annual reports covering financial years commencing from 1 January 2019, the Manager has elected to adopt and comply with Rule 710 of the listing manual of the SGX-ST (the "**SGX-ST Listing Manual**") to describe its corporate governance practices with specific reference to the principles and the provisions of the CG Code (and not the Code of Corporate Governance 2012).

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 120 to 123.

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 ("**Unitholders**"). To this end, the Manager is able to set the strategic direction of FCT and make recommendations to HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of FCT (the "**Trustee**"), on acquisitions, divestments and enhancement of the assets of FCT. It also supervises the property manager, Frasers Property Retail Management Pte Ltd., in its day-to-day management of the malls within FCT's portfolio, namely, Anchorpoint, Causeway Point, Northpoint City North Wing and Yishun 10 retail podium, YewTee Point, Bedok Point and Changi City Point, pursuant to property management agreements entered into for each mall. 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 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) ("**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 and the Manager. 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.

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 ("**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.

Corporate Governance Report

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 ("**ARCC**"), and the Nominating and Remuneration Committee ("**NRC**").

Minutes of all Board Committee meetings are circulated to the Board so that Directors are aware of and kept updated as to the proceedings, matters discussed and decisions made during such meetings, and to enable the Directors to weigh in on any key points under consideration.

Audit, Risk And Compliance Committee (1)

Membership	Key Objectives
Mr Ho Chee Hwee Simon, *Chairman* (2) Dr Cheong Choong Kong, *Member* Mr Philip Eng Heng Nee, *Member* Mr Ho Chai Seng, *Member* Ms Koh Choon Fah, *Member* (3)	• Assist 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 2019.

(2) 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 is appointed as the chairman of the ARCC with effect from 1 November 2019.

As at 30 September 2019, 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 111 and "Governance of Risk and Internal Controls" on pages 113 to 115.

Nominating And Remuneration Committee [1]

Membership	Key Objectives
Mr Ho Chai Seng, *Chairman* Dr Cheong Choong Kong, *Member* Mr Ho Chee Hwee Simon, *Member* Mr Christopher Tang Kok Kai, *Member* Ms Koh Choon Fah, *Member* [2]	• Establish a formal and transparent process for appointment and re-appointment 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, for endorsement of the Board a general framework of remuneration for the Board and Key Management Personnel and specific remuneration packages for each Director and Key Management Personnel

Notes:

(1) Unless otherwise stated, the information provided herein is as of 30 September 2019.

(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.

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As at 30 September 2019, 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 individual Directors, and ensures that proper disclosures of such process is made. The NRC is also responsible for making recommendations to the Board on training and professional development programmes for the Board and the Directors.

Further information on the main activities of the NRC, in relation to its functions as a nominating committee, are outlined in the following sections:

- "Training and development of Directors" on page 101
- "Board Composition" on pages 101 to 105
- "Directors' Independence" on pages 103 to 105
- "Board Performance Evaluation" on page 105

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.

Corporate Governance Report

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.

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 2019 ("**FY19**"):

	Board Meetings	Audit, Risk and Compliance Committee Meetings	Nominating and Remuneration Committee Meetings	Annual General Meeting	Extraordinary General Meeting [(1)]
Meetings held for FY19	5	4	1	1	1
Dr Cheong Choong Kong	5 (C) [(2)]	4	1	1 (C) [(2)]	1
Dr Chew Tuan Chiong [(3)]	3			1	1
Mr Philip Eng Heng Nee	5	4		1	–
Mr Ho Chee Hwee Simon [(4)]	5	4 (C) [(2)]	1	1	1
Mr Ho Chai Seng	5	4	1 (C) [(2)]	1	1
Mr Christopher Tang Kok Kai	5		1	1	1

Notes:
(1) Extraordinary General Meeting held on 28 June 2019.
(2) (C) refers to chairman
(3) Dr Chew Tuan Chiong retired as a Director and CEO on 1 July 2019.
(4) 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.

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.

Corporate Governance Report

Where required by the Directors, external advisers may also be present or available whether at Board and Board Committee meetings or otherwise, and (if necessary), at the Manager's expense where applicable, to brief the Directors and provide their advice.

Matters discussed by Board and Board Committees in FY19

Board

- Strategy
- Business and Operations Update
- Financial Performance
- Governance
- Feedback from Board Committees
- Networking

Audit, Risk and Compliance Committee

- External and Internal Audit
- Financial Reporting
- 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 overseeing compliance with Board and Board Committee procedures, and the relevant guidelines, notices, rules and regulations, including disclosure requirements under the SFA, applicable MAS guidelines and notices, the CIS Code, the SGX-ST Listing Manual and the Trust Deed, and provides advice and guidance on 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 FY19, the Directors were updated on (a) changes in Financial Reporting Standards and (b) recent changes to the CG Code and Listing Rules.

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 Philip Eng Heng Nee	Non-Executive (Non-Independent) Director	•	
Mr Ho Chee Hwee Simon [2]	Non-Executive (Independent) Director	• (Chairman)	•
Mr Ho Chai Seng	Non-Executive (Independent) Director	•	• (Chairman)
Mr Christopher Tang Kok Kai	Non-Executive (Non-Independent) Director		•
Ms Koh Choon Fah [3]	Non-Executive (Independent) Director	•	•

Notes:
(1) Unless otherwise stated, the information provided herein is as of 30 September 2019.
(2) 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 is appointed as the chairman of the ARCC with effect from 1 November 2019.

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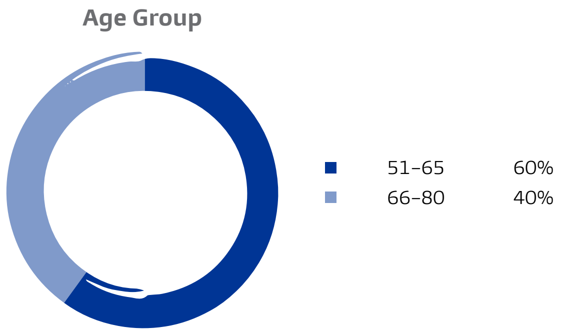
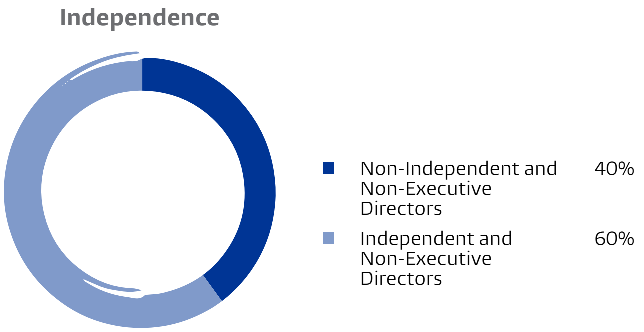
Profiles of each of the Directors can be found at pages 16 to 19.

As can be seen from the table above, as at 30 September 2019, all of the Directors are non-executive and the majority of the Board is independent.

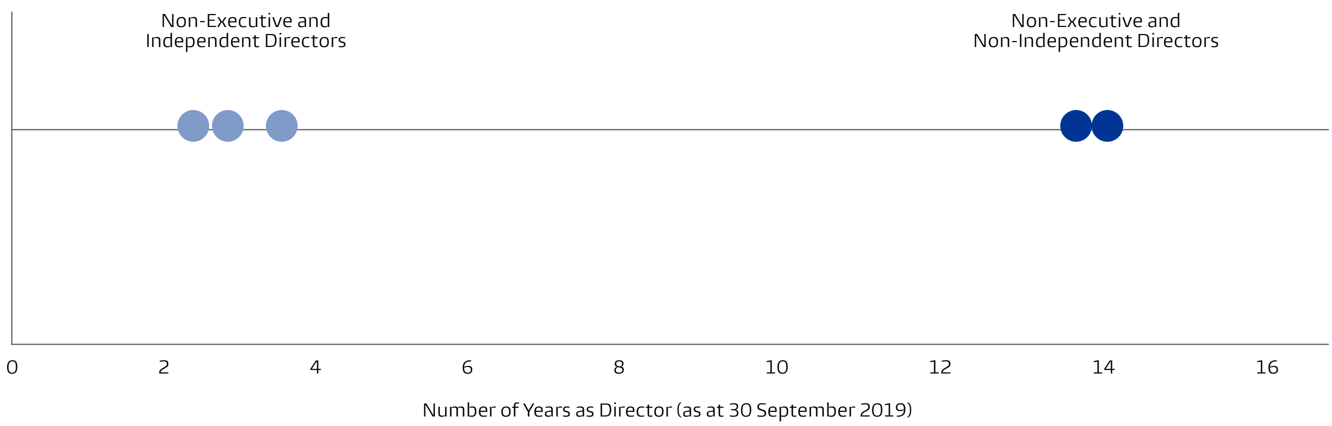
The NRC has assessed that the current structure, size and composition of the Board are appropriate for the scope and nature of FCT's and the Manager's operations. No individual or group dominates the Board's decision-making process or has unfettered powers of decision-making. The NRC is of the opinion 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, competencies and other aspects of diversity that 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 and Tenure
(as at 30 September 2019)





Tenure



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.

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. 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. No new members were appointed to the Board during FY19.

Board Diversity Policy

In FY19, the Board 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 backgrounds and competencies of the Directors, whose competencies range from banking, finance and accounting, coupled with 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.

Directors' Independence

The Directors exercise their judgment independently and objectively in the interests of FCT and the Manager. The Directors complete a declaration of independence annually which is reviewed by the NRC. The NRC determines annually, and as and when circumstances require, if a Director is independent. 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 Securities and Futures (Licensing and Conduct of Business) Regulations ("**SFLCB Regulations**"), the NRC and the Board have determined that for FY19, there are three independent Directors on the Board, namely Dr Cheong Choong Kong, Mr Ho Chee Hwee Simon, and Mr Ho Chai Seng.

During FY19, the NRC reviewed the appointments held by Mr Ho Chee Hwee Simon as the vice-chairman of the board of directors of Frasers Hospitality International Pte Ltd ("**FHI**"), a subsidiary of FPL, and an advisor to FPL 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.

Based on each independent Director's declaration of independence, which includes questions relating to his relationship with FCT, the Manager, the Trustee and the Sponsor, all independent Directors have declared that there were no relationships or instances that would otherwise deem them not to be independent.

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 FY19 are as follows:

The Director:		Dr Cheong Choong Kong	Mr Philip Eng Heng Nee [(1)]	Mr Ho Chee Hwee Simon [(2)]	Mr Ho Chai Seng	Mr Christopher Tang Kok Kai [(3)]
(i)	had been independent from the management of the Manager and FCT during FY19	✓	✓	✓	✓	
(ii)	had been independent from any business relationship with the Manager and FCT during FY19	✓			✓	✓
(iii)	had been independent from every substantial shareholder of the Manager and every substantial Unitholder during FY19	✓			✓	
(iv)	had not been a substantial shareholder of the Manager or a substantial Unitholder during FY19	✓	✓	✓	✓	✓
(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 FY19	✓		✓	✓	

Notes:

(1) Mr Philip Eng Heng Nee is a director of FPL, which wholly-owns the Manager and is a substantial Unitholder. As such, during FY19, Mr Philip Eng Heng Nee is deemed (i) to have a business 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 2019, Mr Philip Eng Heng Nee was able to act in the best interests of all Unitholders as a whole. As at 30 September 2019, Mr Philip Eng Heng Nee was able to act in the best interests of all Unitholders as a whole.

(2) Mr Ho Chee Hwee Simon was appointed as (a) the vice-chairman of the board of FHI; and (b) an advisor to FPL (collectively referred to as the "**Appointments**") on 16 July 2018, and would receive director's fees amounting to S$75,000 per year ("**Director's Fees**") and advisor's fees amounting to S$175,000 per year ("**Advisor's Fees**") respectively. FPL wholly-owns the Manager and is a substantial Unitholder. Pursuant to the SFLCB Regulations, during FY19, 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, by virtue of the Appointments. Mr Ho Chee Hwee Simon is not involved in the day-to day management of the Manager and as far as the Board of the Manager is aware, apart from the Appointments, Mr Ho does not have any other existing relationships whether in business or otherwise with FCT, the Manager, related corporations of the Manager, officers of the Manager and the trustee of FCT.

Taking into account, inter alia, the declaration of independence by Mr Ho Chee Hwee Simon, the Board of the Manager is satisfied that, as at 30 September 2019, the Appointments in relation to Mr Ho Chee Hwee Simon and the payment of the Director's Fees and Advisor's Fees to him do 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 all Unitholders as a whole. As at 30 September 2019, Mr Ho Chee Hwee Simon was able to act in the best interests of all Unitholders as a whole.

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) Mr Christopher Tang Kok Kai 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 FY19, 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 2019, Mr Christopher Tang Kok Kai was able to act in the best interests of all Unitholders as a whole. As at 30 September 2019, Mr Christopher Tang Kok Kai was able to act in the best interests of all Unitholders as a whole.

Corporate Governance Report

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 2019, none of the independent Directors have been on the Board for more than nine years.

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 FY19.

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.

The Manager does not have a practice of extending loans to Directors, and as at 30 September 2019, 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 developing a process for evaluation of the performance and annual assessment of the Board as a whole, each of the Board Committees and individual Directors.

For FY19, the NRC recommended and the Board approved the process of conducting a Board evaluation survey facilitated by an independent external consultant, Ernst & Young LLP. The external consultant has no connection with FCT, the Manager or any of the Directors, apart from being the consultant in previous financial year(s).

The survey was designed to provide an evaluation of current effectiveness of the Board and to support the Chairman and the Board to proactively consider what can enhance the readiness of the Board to address emerging strategic priorities for FCT as a whole. As part of the survey, questionnaires were sent by the external consultant to the Directors to obtain feedback, and interviews would be conducted to clarify the responses where required. The objective performance criteria covered in the Board evaluation exercise translated into the following key segments in the questionnaire: (a) the Board's contribution to the overall development of the Manager's strategic and performance orientation; (b) Board composition and skills; (c) Governance of the Board and organisation focus; (d) Board functioning and dynamics, including the Board's internal operations, as well as engagement with key investors, Unitholders and strategic stakeholders; (e) the Board's relations with Management; (f) Board's role in respect of Director development and succession planning for the Board and Management; (g) Director performance; (h) the Board's governance in the management of a REIT; and (i) the effectiveness of the Board Committees. The responses would be summarised by the external consultant and a 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.

In addition to the survey, the contributions and performance of each Director would be assessed by the NRC as part of its periodic reviews of the composition of the Board and the various Board Committees. 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.

Corporate Governance Report

REMUNERATION MATTERS

The remuneration of the staff of the Manager and Directors' fees are paid by the Manager from the management fees it receives from FCT, and not by FCT. With the recommendations of the NRC, the Board has put in place a formal and transparent process for developing policies on remuneration of Directors and Key Management Personnel and for fixing the remuneration packages of individual Directors and Key Management Personnel.

Compensation Philosophy

The Manager seeks to incentivise and reward consistent and sustained performance through market competitive, internally equitable, 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 comprehensive human capital strategy 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 FY19, 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.

Corporate Governance Report

Remuneration Framework

The NRC reviews and makes recommendations to the Board on the remuneration framework for the independent Directors and other non-executive Directors and the Key Management Personnel. The remuneration framework is endorsed by the Board.

The remuneration framework covers all aspects of remuneration including salaries, allowances, performance bonuses, 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.

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.

Corporate Governance Report

2. Long-Term Incentive Plans

The NRC administers the Manager's long-term incentive plan, namely, the RUP. The RUP was approved by the Board and 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. The RUP applies to senior executives who shoulder the responsibility of FCT's future performance and who are able to drive the growth of FCT and the Manager through superior performance. It serves as further motivation to the participants in striving for excellence, promoting FCT's and the Manager's long-term success and delivering long-term Unitholder value.

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 two years. 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 can 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 two-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.

Corporate Governance Report

Performance Indicators for Key Management Personnel

As set out above, the Manager's variable remuneration comprises short-term and long-term incentives, taking into account both FCT's and individual performance. This is to ensure employee remuneration is linked to performance. In determining the short-term incentives, both FCT's financial and non-financial performance as per the balanced scorecard are taken into consideration. The performance targets align the interests of the Key Management Personnel with the long-term growth and performance of FCT and the Manager. The financial performance indicators on which the Key Management Personnel are evaluated comprise (a) FCT's net property income, (b) distribution per Unit, and (c) FCT's Total Return (against a peer group). 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, (ii) corporate governance and compliance, (iii) sustainability and (iv) branding. 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 FY19, the pre-determined target performance levels for the RUP grant were met.

Currently, the Manager does not have claw-back provisions which allow it to reclaim incentive components of remuneration from its Key Management Personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss.

Remuneration Packages of Key Management Personnel

The NRC reviews and makes recommendations on the specific 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.

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.

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 FY19 is set out below.

Directors of the Manager	Remuneration S$
Dr Cheong Choong Kong	138,500
Dr Chew Tuan Chiong	– (1)
Mr Philip Eng Heng Nee	78,500
Mr Ho Chee Hwee Simon	112,000 (2)
Mr Ho Chai Seng	93,500
Mr Christopher Tang Kok Kai	60,000 (3)

Notes:

(1) Dr Chew Tuan Chiong retired as a Director and CEO on 1 July 2019. In his capacity as an executive Director, he does not receive Director's fees.

(2) Excludes S$75,000 and S$175,000 being payment of Director's Fees and Advisor's Fees for the Appointments from FPL Group (excluding the Manager).

(3) Director's fees are paid to Frasers Property Corporate Services Pte. Ltd.

Remuneration of CEO for FY19	Salary %	Bonus %	Allowances and Benefits %	Long-Term Incentives %	Total %
Between S$500,000 to S$750,000					
Dr Chew Tuan Chiong (1)	43	16	6	35	100
Between S$250,000 to S$500,000					
Mr Richard Ng (2)	66	27	7	–	100

Remuneration of key executives of the Manager (3) (excluding CEO) for FY19	Salary %	Bonus %	Allowances and Benefits %	Long-Term Incentives %	Total %
Ms Tay Hwee Pio Mr Alex Chia Mr Rene Lee Mr Chen Fung Leng	58 (4)	16 (4)	2 (4)	24 (4)	100
Aggregate Total Remuneration (including CEO)	**S$1,219,252**	**S$393,239**	**S$78,467**	**S$525,816**	**S$2,216,774**

Notes:

(1) Calculated from 1 October 2018 to 30 June 2019. Dr Chew Tuan Chiong retired as a Director and CEO on 1 July 2019.

(2) Calculated from 15 April 2019 (being first day of appointment as CEO-Designate) to 30 September 2019. Mr Richard Ng was subsequently appointed as CEO on 1 July 2019. The amount excludes a one-off payment contractually agreed in connection with his appointment within FPL Group which will become payable upon satisfaction of a stipulated period of his appointment.

(3) The key executives of the Manager (excluding the CEO) listed in this table are the CFO and the division heads of the Manager.

(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.

Corporate Governance Report

There are no existing or proposed service agreements entered into or to be entered into by the Manager or any of its subsidiaries with Directors or Key Management Personnel which provide for compensation in the form of stock options, or pension, retirement or other similar benefits, or other benefits, upon termination of employment.

Pursuant to the MAS Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (Notice No: SFA4-N14), REIT managers are required to disclose the remuneration of the CEO and each individual Director on a named basis, and the remuneration of at least the top five executive officers (which shall not include the CEO and executive officers who are Directors), on a named basis, in bands of S$250,000. The REIT manager may provide an explanation if it does not wish to or is unable to comply with such requirement. The Manager has decided (a) to disclose the CEO's remuneration in bands of S$250,000 (instead of on a quantum basis), (b) not to disclose the remuneration of the other key executives of the Manager in bands of S$250,000 and (c) to disclose the aggregate remuneration of all key executives of the Manager (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 page 110 of this Annual Report.

As at 30 September 2019, 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 Monetary Authority of Singapore and the provisions of the Trust Deed.

The Board releases FCT's quarterly and full year financial results, other price sensitive information and material corporate developments through announcements to the SGX-ST and, where appropriate, press releases, FCT's website, and/or media and analysts' briefings.

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 21 January 2019, KPMG LLP was re-appointed by Unitholders as the external auditors of FCT for FY19. 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 and has held this appointment for less than five consecutive audits, thereby meeting the requirement.

Corporate Governance Report

During FY19, 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 FY19 are set out in the table below:

Fees relating to external auditors for FY19	S$ '000
For audit and audit-related services	178.5
For non-audit services	60.9
Total	239.4

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 FY19, and where appropriate, has met with the ARCC without the presence of Management to discuss their findings, if any.

The Manager, on behalf of FCT, confirms that FCT has complied with Rule 712 of the SGX-ST Listing Manual which requires, amongst others, that a suitable auditing firm should be appointed by FCT having regard to certain factors. FCT has also complied with Rule 715 of the SGX-ST Listing Manual which requires that the same auditing firm of FCT based in Singapore audits its Singapore-incorporated subsidiaries and significant associated companies, and that a suitable auditing firm be engaged for its significant foreign-incorporated subsidiaries and associated companies.

In the review of the financial statements for FY19, the ARCC discussed the following key audit matters identified by the external auditors with Management:

Key Audit Matter	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 considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied in the valuation of investment properties. The ARCC was satisfied with the valuation process, the methodologies used and the valuation for investment properties as adopted as at 30 September 2019.

Corporate Governance Report

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.

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 70 to 71.

Periodic updates are provided to the ARCC on FCT's and the Manager's risk profiles. These updates would involve an assessment of FCT's and the Manager's key risks by risk categories, current status, the effectiveness of any mitigating measures taken, and the action plans undertaken by Management to manage such risks.

In addition to the ERM framework, a comfort matrix of key risks, by which relevant material financial, compliance and operational (including information technology) risks of FCT and the Manager have been documented to assist the Board to assess the adequacy and effectiveness of the existing internal controls. The comfort matrix is prepared with reference to the strategies, policies, processes, systems and reporting processes connected with the management of such key risks and presented to the Board and the ARCC. Risk tolerance statements setting out the nature and extent of significant risks which the Manager is willing to take in achieving its strategic objectives have been formalised and adopted.

The Board has received assurance from the CEO and the CFO that as at 30 September 2019:

(a) the financial records of FCT have been properly maintained and the financial statements for FY19 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.

Corporate Governance Report

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 2019 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 2019 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 2019, 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.

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 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 2019, FPL Group IA comprises 23 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 plans, 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 (i.e. greater focus and appropriate review intervals are set for higher risk activities and material internal controls). FPL Group IA conducts its audit reviews based on internal audit plans 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.

Corporate Governance Report

Each quarter, FPL Group IA will submit reports to the ARCC on the status of the audit plans 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 FY19, 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.

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.

Corporate Governance Report

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 Investor Relations ("**IR**") manager is tasked with, and focuses on, facilitating communications between FCT and its Unitholders, as well as with the investment community, analysts and media. Contact details of the IR manager ("**IR Contact**") are available on FCT's website at https://www.frasersproperty.com/reits/fct for Unitholders, investors and other stakeholders to channel their comments and queries.

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 to keep the investment community informed of FCT's corporate developments, financial and operational performance and strategies. Analysts' briefings or conference calls, and investors' luncheons were conducted after the announcements of FY19 financial results 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 25.

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 office[1].

Conduct of general meetings

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. 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.

1 Prior appointment with the Manager is appreciated.

Corporate Governance Report

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. The Manager will continue to use the electronic poll voting system at the forthcoming AGM. As the authentication of Unitholder identity and other related security and integrity issues still remain a concern, the Manager has decided for the time being, not to implement absentia voting methods such as voting via mail, e-mail or fax.

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.

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. For FY19, FCT made four 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.

The conduct of employees of the Manager is governed by the FPL Code of Business Conduct. Its key objectives are to provide clear guidelines on ethics and relationships, in order to safeguard the reputation and interests of FPL Group. 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. 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.

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 72 to 92 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 FY19.

Corporate Governance Report

POLICY ON DEALINGS IN SECURITIES

The Manager has adopted a dealing policy regarding 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 ("**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. Outside of the Prohibition Period, 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 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 (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.

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.

Corporate Governance Report

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

Type of Fee	Computation and Form of Payment	Rationale and Purpose
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.

SUMMARY OF COMPLIANCE WITH EXPRESS DISCLOSURE REQUIREMENTS IN PRINCIPLES AND PROVISIONS OF CG CODE

Principles and Provisions of the 2018 Code of Corporate Governance		Page Reference Of Annual Report 2019
BOARD'S CONDUCT OF AFFAIRS		
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Provision 1.3	Matters requiring Board approval	99 to 100
Provision 1.4	Names of Board Committee members, terms of reference of Board Committees, any delegation of Board's authority to make decisions and a summary of each Board Committee's activities	95 to 100
Provision 1.5	Number of Board and Board Committee meetings and each individual Directors' attendances at such meeting	99

Corporate Governance Report

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

Principles and Provisions of the 2018 Code of Corporate Governance		Page Reference Of Annual Report 2019
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Provision 2.2	The Board diversity policy and progress made towards implementation of the policy, including objectives	103
BOARD MEMBERSHIP		
Provision 4.3	Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new Directors and channels used in searching for appropriate candidates	98, 102 to 103
Provision 4.4	Relationships that independent Directors have with FCT, its related corporations, its substantial Unitholders or its officers, if any, which may affect their independence, and the reasons why the Board, having taken into account the views of the NRC, has determined that such Directors are still independent	103 to 105
Provision 4.5	Listed company directorships and principal commitments of each Director, and where a Director holds a significant number of such directorships and commitments, the NRC's and Board's reasoned assessment of the ability of the Director to diligently discharge his or her duties	16 to 19, 103
BOARD PERFORMANCE		
Provision 5.2	How the assessments of the Board, its Board Committees and each Director have been conducted, including the identity of any external facilitator and its connection, if any, with the Manager or any of its Directors	98, 105
PROCEDURES FOR DEVELOPING REMUNERATION POLICIES		
Provision 6.4	Engagement of any remuneration consultants and their independence	106, 109

Corporate Governance Report

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

Principles and Provisions of the 2018 Code of Corporate Governance		Page Reference Of Annual Report 2019
DISCLOSURE ON REMUNERATION		
Provision 8.1	Policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual Director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel	106 to 111
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.	111
Provision 8.3	All forms of remuneration and other payments and benefits, paid by the Manager and its subsidiaries to Directors and Key Management Personnel	106 to 111
RISK MANAGEMENT AND INTERNAL CONTROLS		
Provision 9.2	Board's assurance from: (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the REIT's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the REIT's risk management and internal control systems.	113

Corporate Governance Report

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

Principles and Provisions of the 2018 Code of Corporate Governance		Page Reference Of Annual Report 2019
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UNITHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS		
Provision 11.3	Directors' attendance at general meetings of Unitholders held during the financial year	99, 117
ENGAGEMENT WITH UNITHOLDERS		
Provision 12.1	Steps taken by the Manager to solicit and understand the views of Unitholders	116 to 117
ENGAGEMENT WITH STAKEHOLDERS		
Provision 13.2	The Manager's strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period	117

Financial Statements Contents

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 131 to 195**, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Authorised Signatory

Singapore
15 November 2019

Statement by the Manager

In the opinion of the directors of Frasers Centrepoint Asset Management Ltd., the accompanying financial statements set out on **pages 131 to 195**, 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 2019, 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 of the Group and the financial position of the Trust as at 30 September 2019, 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

Christopher Tang Kok Kai
Director

Singapore
15 November 2019

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 2019, 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 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 131 to 195**.

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 of the Trust present fairly, in all material respects, the consolidated financial position and the consolidated portfolio statement of the Group and the financial position and the portfolio statement of the Trust as at 30 September 2019 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.

<u>Valuation of investment properties</u>
(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 2019, the investment properties, with carrying amount of $2.85 billion (2018: $2.75 billion), represent the single largest asset category on the balance sheets of the Group and 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. Any changes in the assumptions will have an impact on the valuation.

Independent Auditors' Report

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

Our response

We assessed the competence and objectivity of the independent external valuers and held discussions with the valuers to understand their assumptions and basis used, where appropriate.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We evaluated the appropriateness of the capitalisation, discount and terminal yield rates applied by comparing them against historical rates and available industry data, taking into consideration comparability and market factors.

Our findings

The valuers are members of recognised professional bodies for valuers.

The approach to the methodologies and in deriving the assumptions in the valuations are supported by market practices and data.

Accounting of acquisitions
(Refer to **Notes 8** and **9** to the financial statements)

Risk

The Group makes acquisitions as part of its business strategy. For the financial year ended 30 September 2019, the Group acquired PGIM Real Estate AsiaRetail Fund Limited ("PGIM ARF") for an aggregate considerations of $380.0 million, and Sapphire Star Trust ("SST") for an aggregate considerations of $288.5 million.

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 statement 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 acquisition in PGIM 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.

The acquisition in SST has been appropriately accounted for as an acquisition of asset.

Independent Auditors' Report

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

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.

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 responsibilities of the Manager 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.

Independent Auditors' Report

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

- 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.

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 matter. 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
15 November 2019

Balance Sheets

AS AT 30 SEPTEMBER 2019

	Note	Group 2019 $'000	Group 2018 $'000	Trust 2019 $'000	Trust 2018 $'000
Non-current assets					
Investment properties	4	2,846,000	2,749,000	2,846,000	2,749,000
Fixed assets	5	85	149	85	149
Intangible assets	6	–	12	–	12
Investment in subsidiaries	7	–	–	1	*
Investment in associates	8	457,470	66,060	64,608	64,608
Investment in joint ventures	9	177,273	227	173,558	1
Loan to joint venture	9	113,810	–	113,810	–
		3,594,638	2,815,448	3,198,062	2,813,770
Current assets					
Trade and other receivables	10	3,142	3,004	193,346	3,004
Financial derivatives	11	–	56	–	56
Cash and cash equivalents	12	13,103	21,864	12,834	21,864
		16,245	24,924	206,180	24,924
Total assets		3,610,883	2,840,372	3,404,242	2,838,694
Current liabilities					
Trade and other payables	13	47,329	46,203	47,380	46,227
Current portion of security deposits		22,609	16,292	22,609	16,292
Deferred income	14	2	13	2	13
Interest-bearing borrowings	15	295,049	217,000	295,049	217,000
Provision for taxation		11	–	–	–
		365,000	279,508	365,040	279,532
Non-current liabilities					
Financial derivatives	11	975	–	975	–
Interest-bearing borrowings	15	744,756	595,588	554,900	595,588
Non-current portion of security deposits		29,093	31,518	29,093	31,518
Deferred income	14	–	2	–	2
		774,824	627,108	584,968	627,108
Total liabilities		1,139,824	906,616	950,008	906,640
Net assets		2,471,059	1,933,756	2,454,234	1,932,054
Represented by:-					
Unitholders' funds		2,489,921	1,952,572	2,454,234	1,932,054
Translation reserve	16	(18,829)	(18,816)	–	–
Hedging reserve		(33)	–	–	–
Unitholders' funds and reserves		2,471,059	1,933,756	2,454,234	1,932,054
Units in issue ('000)	17	1,116,284	926,392	1,116,284	926,392
Net asset value per Unit ($)	18	2.21	2.08	2.20	2.08

* 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 2019

	Note	Group 2019 $'000	Group 2018 $'000	Trust 2019 $'000	Trust 2018 $'000
Gross revenue	19	196,386	193,347	196,386	193,347
Property expenses	20	(57,103)	(56,161)	(57,103)	(56,161)
Net property income		139,283	137,186	139,283	137,186
Interest income		–	25	–	25
Other income		131	–	–	–
Interest income from joint venture		587	–	587	–
Borrowing costs	21	(24,648)	(20,040)	(24,596)	(20,040)
Asset management fees	22	(16,756)	(15,212)	(16,756)	(15,212)
Valuation fees		(101)	(98)	(101)	(98)
Trustee's fees		(477)	(429)	(477)	(429)
Audit fees		(115)	(106)	(113)	(106)
Other professional fees		(557)	(857)	(554)	(857)
Other charges		(670)	(534)	(671)	(537)
Net income		96,677	99,935	96,602	99,932
Distributions from subsidiary		–	–	7,060	–
Distributions from associate		–	–	3,547	3,420
Distributions from joint ventures		–	–	2,920	566
Share of results of associates					
– operations		12,665	4,023	–	–
– revaluation gain/(deficit)		9,883	(801)	–	–
Share of results of joint ventures					
– operations		3,159	550	–	–
– revaluation gain		3,250	–	–	–
Impairment loss on investment in joint venture	9	(1,132)	–	(1,132)	–
Surplus on revaluation of investment properties	4	93,290	62,740	93,290	62,740
Unrealised (loss)/gain from fair valuation of derivatives		(998)	373	(998)	373
Expenses in relation to acquisitions of an associate and a joint venture		(10,838)	–	(10,838)	–
Total return before tax		205,956	166,820	190,451	167,031
Taxation	23	(11)	–	–	–
Total return for the year		205,945	166,820	190,451	167,031
Earnings per Unit (cents)	24				
Basic		20.78	18.02	19.22	18.04
Diluted		20.74	17.98	19.18	18.01

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

Distribution Statements

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Income available for distribution to Unitholders at beginning of year	27,483	28,410	27,480	28,407
Net income	96,677	99,935	96,602	99,932
Net tax adjustments (Note A)	8,368	7,395	8,589	7,398
Distribution from subsidiary	–	–	7,060	–
Distributions from associates	10,753	3,420	3,547	3,420
Distributions from joint ventures	2,920	566	2,920	566
	118,718	111,316	118,718	111,316
Income available for distribution to Unitholders	146,201	139,726	146,198	139,723
Distributions to Unitholders:				
Distribution of 2.970 cents per Unit for period from 1/7/2017 to 30/9/2017	–	27,480	–	27,480
Distribution of 3.000 cents per Unit for period from 1/10/2017 to 31/12/2017	–	27,771	–	27,771
Distribution of 3.100 cents per Unit for period from 1/1/2018 to 31/3/2018	–	28,709	–	28,709
Distribution of 3.053 cents per Unit for period from 1/4/2018 to 30/6/2018	–	28,283	–	28,283
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	–
	113,650	112,243	113,650	112,243
Income available for distribution to Unitholders at end of year	32,551	27,483	32,548	27,480
Distribution per unit (cents) *	12.070	12.015	12.070	12.015
Note A – Net tax adjustments relate to the following items:				
– Asset management fees paid/payable in Units	5,518	5,326	5,518	5,326
– Amortisation of loan arrangement fees	1,136	715	1,134	715
– Amortisation of lease incentives	1,303	(182)	1,303	(182)
– Deferred income and amortisation of rental deposits	1	8	1	8
– Other items	410	1,528	633	1,531
Net tax adjustments	8,368	7,395	8,589	7,398

* The Distribution per unit relates to the distributions in respect of the relevant financial year. The distribution relating to the last quarter of 2019 will be paid after 30 September 2019.

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 2019

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Net assets at beginning of year	1,933,756	1,872,203	1,932,054	1,871,940
Operations				
Total return for the year	205,945	166,820	190,451	167,031
Unitholders' transactions				
Creation of Units				
– proceeds from equity fund raising	437,366	–	437,366	–
– issued/issuable as satisfaction of asset management fees	5,518	5,326	5,518	5,326
– issued as satisfaction of acquisition fees	8,999	–	8,999	–
Issue expenses	(6,504)	–	(6,504)	–
Distributions to Unitholders	(113,650)	(112,243)	(113,650)	(112,243)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	331,729	(106,917)	331,729	(106,917)
Share of movements in other reserves of an associate	(325)	–	–	–
Movement in translation reserve (Note 16)	(13)	1,650	–	–
Movement in hedging reserve	(33)	–	–	–
Net assets at end of year	2,471,059	1,933,756	2,454,234	1,932,054

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

Portfolio Statements

AS AT 30 SEPTEMBER 2019

GROUP

Description of Property	Term of Lease	Location	Existing Use	Occupancy Rate as at 30 September 2019 %	At Valuation 2019 $'000	At Valuation 2018 $'000	Percentage of Total Assets 2019 %	Percentage of Total Assets 2018 %
Investment properties in Singapore								
Causeway Point	99-year leasehold from 30 October 1995	1 Woodlands Square	Commercial	97.0	1,298,000	1,218,000	35.9	42.9
Northpoint City North Wing	99-year leasehold from 1 April 1990	930 Yishun Avenue 2	Commercial	99.0	771,500	771,000	21.4	27.1
Anchorpoint	Freehold	368 & 370 Alexandra Road	Commercial	79.0	113,500	110,000	3.1	3.9
YewTee Point	99-year leasehold from 3 January 2006	21 Choa Chu Kang North 6	Commercial	97.1	189,000	186,000	5.2	6.6
Bedok Point	99-year leasehold from 15 March 1978	799 New Upper Changi Road	Commercial	95.7	94,000	94,000	2.6	3.3
Changi City Point	60-year leasehold from 30 April 2009	5 Changi Business Park Central 1	Commercial	95.9	342,000	332,000	9.5	11.7
Yishun 10 Retail Podium	99-year leasehold from 1 April 1990	51 Yishun Central 1	Commercial	99.5	38,000	38,000	1.1	1.3
Investment properties, at valuation					2,846,000	2,749,000	78.8	96.8
Investment in associates (see **Note 8**)					457,470	66,060	12.7	2.3
Investment in joint ventures, including loan to joint venture (see **Note 9**)					291,083	227	8.0	–
					3,594,553	2,815,287	99.5	99.1
Other assets					16,330	25,085	0.5	0.9
Total assets attributable to Unitholders					3,610,883	2,840,372	100.0	100.0

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

Portfolio Statements

AS AT 30 SEPTEMBER 2019

TRUST

Description of Property	Term of Lease	Location	Existing Use	Occupancy Rate as at 30 September 2019 %	At Valuation 2019 $'000	At Valuation 2018 $'000	Percentage of Total Assets 2019 %	Percentage of Total Assets 2018 %
Investment properties in Singapore								
Causeway Point	99-year leasehold from 30 October 1995	1 Woodlands Square	Commercial	97.0	1,298,000	1,218,000	38.1	42.9
Northpoint City North Wing	99-year leasehold from 1 April 1990	930 Yishun Avenue 2	Commercial	99.0	771,500	771,000	22.7	27.2
Anchorpoint	Freehold	368 & 370 Alexandra Road	Commercial	79.0	113,500	110,000	3.3	3.9
YewTee Point	99-year leasehold from 3 January 2006	21 Choa Chu Kang North 6	Commercial	97.1	189,000	186,000	5.6	6.5
Bedok Point	99-year leasehold from 15 March 1978	799 New Upper Changi Road	Commercial	95.7	94,000	94,000	2.8	3.3
Changi City Point	60-year leasehold from 30 April 2009	5 Changi Business Park Central 1	Commercial	95.9	342,000	332,000	10.0	11.7
Yishun 10 Retail Podium	99-year leasehold from 1 April 1990	51 Yishun Central 1	Commercial	99.5	38,000	38,000	1.1	1.3
Investment properties, at valuation					2,846,000	2,749,000	83.6	96.8
Investment in associates (see **Note 8**)					64,608	64,608	1.9	2.3
Investment in joint ventures, including loan to joint venture (see **Note 9**)					287,368	1	8.4	–
					3,197,976	2,813,609	93.9	99.1
Other assets					206,266	25,085	6.1	0.9
Total assets attributable to Unitholders					3,404,242	2,838,694	100.0	100.0

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

Portfolio Statements

AS AT 30 SEPTEMBER 2019

On 30 September 2019, 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"). 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:

Description of Property	Valuer	Valuation Method	Valuation 2019 $'000	Valuation 2018 $'000
Causeway Point	Savills (2018: Knight Frank)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2018: Capitalisation approach and discounted cash flow analysis)	1,298,000	1,218,000
Northpoint City North Wing	Colliers (2018: Savills)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2018: Capitalisation approach, discounted cash flow analysis and direct comparison method)	771,500	771,000
Anchorpoint	Colliers (2018: Colliers)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2018: Capitalisation approach, discounted cash flow analysis and direct comparison method)	113,500	110,000
YewTee Point	CBRE (2018: CBRE)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2018: Capitalisation approach, discounted cash flow analysis and direct comparison method)	189,000	186,000
Bedok Point	CBRE (2018: CBRE)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2018: Capitalisation approach, discounted cash flow analysis and direct comparison method)	94,000	94,000
Changi City Point	Savills (2018: Savills)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2018: Capitalisation approach, discounted cash flow analysis and direct comparison method)	342,000	332,000
Yishun 10 Retail Podium	Savills (2018: Colliers)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2018: Capitalisation approach, discounted cash flow analysis and direct comparison method)	38,000	38,000

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 $9,441,000 (2018: $9,211,000).

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 2019

	Group 2019 $'000	Group 2018 $'000
Operating activities		
Total return before tax	205,956	166,820
Adjustments for:		
Allowance for doubtful receivables	8	62
Write back of allowance for doubtful receivables	(16)	(59)
Borrowing costs	24,648	20,040
Asset management and acquisition fees paid/payable in Units	14,517	5,326
Depreciation of fixed assets	93	92
Amortisation of intangible assets	12	18
Share of associates' results	(22,548)	(3,222)
Share of joint ventures' results	(6,409)	(550)
Impairment loss on investment in joint venture	1,132	–
Surplus on revaluation of investment properties	(93,290)	(62,740)
Unrealised loss/(gain) from fair valuation of derivatives	998	(373)
Amortisation of lease incentives	1,303	(182)
Deferred income recognised	(13)	(134)
Write off of fixed assets	–	1
Operating income before working capital changes	**126,391**	**125,099**
Changes in working capital:		
Trade and other receivables	255	738
Trade and other payables	4,109	11,036
Cash flows generated from operating activities	**130,755**	**136,873**
Investing activities		
Distributions received from associates	9,907	3,420
Distributions received from joint ventures	2,920	566
Capital expenditure on investment properties	(4,990)	(15,400)
Acquisition of fixed assets	(29)	(146)
Acquisition of investment in associate	(379,953)	–
Acquisition of investment in joint venture	(174,689)	–
Loan to a joint venture	(113,810)	–
Cash flows used in investing activities	**(660,644)**	**(11,560)**
Financing activities		
Proceeds from borrowings	1,121,115	180,000
Proceeds from issue of new units	437,366	–
Repayment of borrowings	(892,032)	(165,000)
Borrowing costs paid	(22,627)	(19,596)
Distributions to Unitholders	(113,650)	(112,243)
Payment of transaction costs	(2,540)	(157)
Payment of issue expenses	(6,504)	–
Cash flows generated from/(used in) financing activities	**521,128**	**(116,996)**
Net (decrease)/increase in cash and cash equivalents	(8,761)	8,317
Cash and cash equivalents at beginning of year	21,864	13,547
Cash and cash equivalents at end of year (Note 12)	**13,103**	**21,864**

Significant Non-Cash Transactions

During the financial years, 2,116,627 (2018: 2,392,218) Units were issued and issuable in satisfaction of asset management fees payable in Units, amounting to a value of $5,518,174 (2018: $5,326,294) in respect of the financial year.

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 PGIM 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 S$3.9 million in connection with the acquisition of PGIM ARF.

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

Notes to the Financial Statements

30 SEPTEMBER 2019

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 21 Collyer Quay #13-02 HSBC Building Singapore 049320.

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 7.

The financial statements were authorised for issue by the Manager and the Trustee on 15 November 2019.

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 2019

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 2019, the Manager has opted to receive 20% to 55% (2018: 20% to 50%) 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").

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below. This is the first set of the Group's annual financial statements in which FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* have been applied. Changes to significant accounting policies are described in Note 2.2.

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 2019

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 8 – Investment in associates; and

(iii) Note 9 – Investment in joint ventures.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

(i) Note 4 – Valuation of investment properties; and

(ii) Note 11 – Valuation of financial derivatives.

2.2 Changes in accounting policies

The Group has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 October 2018:

- FRS 115 *Revenue from Contracts with Customers;*
- *Clarifications to FRS 115 Revenue from Contracts with Customers* (Amendments to FRS 115);
- FRS 109 *Financial Instruments;*
- Applying FRS 109 *Financial Instruments* with FRS 104 *Insurance Contracts* (Amendments to FRS 104);
- *Classification and Measurement of Share-based Payment Transactions* (Amendments to FRS 102);
- *Transfers of Investment Property* (Amendments to FRS 40);
- *Deletion of short-term exemptions for first-time adopters* (Amendments to FRS 101);
- *Measuring an Associate or Joint Venture at Fair Value* (Amendments to FRS 28); and
- INT FRS 122 *Foreign Currency Transactions and Advance Consideration*.

Other than FRS 109, the adoption of these FRSs, amendments to standards and interpretations did not have a material effect on the Group's and the Trust's financial statements.

Notes to the Financial Statements

30 SEPTEMBER 2019

2. BASIS OF PREPARATION (CONT'D)

2.2 Changes in accounting policies (cont'd)

FRS 109 *Financial Instruments*

FRS 109 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new expected credit loss ("ECL") model and a general hedge accounting model.

As a result of the adoption of FRS 109, the Group has adopted consequential amendments to FRS 1 *Presentation of Financial Statements*, which require impairment of financial assets to be presented in a separate line item in the statements of total return. Previously, the Group's approach was to include the impairment of trade receivables in other property expenses.

Additionally, the Group has adopted consequential amendments to FRS 107 *Financial Instruments: Disclosures* that are applied to disclosures about 2019 but have not been generally applied to comparative information.

Changes in accounting policies resulting from the adoption of FRS 109 have been applied by the Group retrospectively, except as described below.

- The Group has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Accordingly, the information presented for 2018 does not generally reflect the requirement of FRS 109, but rather those of FRS 39.

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

  - The determination of the business model within which a financial asset is held.

  - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at fair value through profit or loss ("FVTPL").

(i) Classification and measurement of financial assets and financial liabilities

FRS 109 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") or FVTPL. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. FRS 109 eliminates the previous FRS 39 *Financial Instruments: Recognition and Measurement* categories of held-to-maturity, loans and receivables and available-for-sale.

FRS 109 largely retains the existing requirements in FRS 39 for the classification and measurement of financial liabilities.

The adoption of FRS 109 has not had a significant effect on the Group's accounting policies related to financial liabilities and derivative financial instruments.

For an explanation of how the Group classifies and measures financial assets and financial liabilities and related gains and losses under the FRS 109, see **Note 3.5**.

Notes to the Financial Statements

30 SEPTEMBER 2019

2. BASIS OF PREPARATION (CONT'D)

2.2 Changes in accounting policies (cont'd)

(i) Classification and measurement of financial assets and financial liabilities (cont'd)

The following table and the accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under FRS 109 of each class of the Group's and the Trust's financial assets and financial liabilities as at 1 October 2018.

			1 October 2018	
	Original classification under FRS 39	New classification under FRS 109	Original carrying amount under FRS 39 $'000	New carrying amount under FRS 109 $'000
Group				
Financial assets				
Trade and other receivables [1]	Loans and receivables	Amortised cost	1,745	1,745
Financial derivatives	Designated at FVTPL	Mandatorily at FVTPL	56	56
Cash and cash equivalents	Loans and receivables	Amortised cost	21,864	21,864
Total financial assets			23,665	23,665
Financial liabilities				
Trade and other payables [2]	Other financial liabilities	Other financial liabilities	45,141	45,141
Loans and borrowings	Other financial liabilities	Other financial liabilities	812,588	812,588
Security deposits	Other financial liabilities	Other financial liabilities	47,810	47,810
Total financial liabilities			905,539	905,539
Trust				
Financial assets				
Trade and other receivables [1]	Loans and receivables	Amortised cost	1,745	1,745
Financial derivatives	Designated at FVTPL	Mandatorily at FVTPL	56	56
Cash and cash equivalents	Loans and receivables	Amortised cost	21,864	21,864
Total financial assets			23,665	23,665
Financial liabilities				
Trade and other payables [2]	Other financial liabilities	Other financial liabilities	45,165	45,165
Loans and borrowings	Other financial liabilities	Other financial liabilities	812,588	812,588
Security deposits	Other financial liabilities	Other financial liabilities	47,810	47,810
Total financial liabilities			905,563	905,563

(1) Excludes prepayments and loan arrangement fees
(2) Excludes withholding tax

Notes to the Financial Statements

30 SEPTEMBER 2019

2. BASIS OF PREPARATION (CONT'D)

2.2 Changes in accounting policies (cont'd)

(ii) Impairment of financial assets

FRS 109 replaces the 'incurred loss' model in FRS 39 with an ECL model. The new impairment model applies to financial assets measured at amortised cost but not to equity instruments. The Group and the Trust have determined that the application of FRS 109 impairment requirements at 1 October 2018 is immaterial.

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,

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 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 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 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.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

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 transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in statements of total return. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(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. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

In the Trust's balance sheet, investment in subsidiary is accounted for at cost less any accumulated impairment losses.

The consolidated financial statements incorporate the financial statements of the Trust and its subsidiaries as of the balance sheet date. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date and using consistent accounting policies as the Trust.

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 profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iii) Investments in associates and joint ventures

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.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(iii) Investments in associates and joint ventures (cont'd)

Under the equity method, the investment in associates or joint ventures are carried in the balance sheets at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

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 8** and **9**, respectively.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Property acquisitions and business combinations

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary.

When the acquisition does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Contingencies

A contingent liability is:

- A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Trust; or

- A present obligation that arises from past events but is not recognised because:

  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Trust.

Contingent liabilities and assets are not recognised on the Balance Sheets, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3.3 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.

3.4 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.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 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 – Policy applicable from 1 October 2018

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.

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.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets: Business model assessment – Policy applicable from 1 October 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 October 2018

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).

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets: Business model assessment – Policy applicable from 1 October 2018 (cont'd)

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 – Policy applicable from 1 October 2018

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 profit or loss. Any gain or loss on derecognition is recognised in the statements of total return.

Non-derivative financial assets – Policy applicable before 1 October 2018

The Group classifies non-derivative financial assets into the following categories: loans and receivables and financial assets at FVTPL.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market were classified as loans and receivables. Subsequent to initial recognition, loans and receivables were carried at amortised cost using the effective interest method, less any impairment losses. Gains or losses were recognised in the statements of total return when the loans and receivables were derecognised or impaired, as well as through the amortisation process.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets at FVTPL

Financial assets at fair value through profit or loss included financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets classified as held for trading included derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives, were also classified as held for trading unless they were designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in the statements of total return.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date (i.e., the date that the Group commits to purchase or sell the asset). Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

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 profit or loss. Directly attributable transaction costs are recognised in 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 statements of total return. These financial liabilities comprised loans and borrowings, trade and other payables and security deposits.

(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.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

(iii) Derecognition (cont'd)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the 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.

(v) Cash and cash equivalent

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 statements of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in 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.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 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 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 statements of total return in the same period or periods as the hedged expected future cash flows affect 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 statements of total return.

(vii) Units and unit issuance expenses

Proceeds from issuance of Units are recognised as Unitholders' funds. Incremental costs directly attributable to the issuance of Units are deducted against Unitholders' funds.

3.6 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.

When 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 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 statements of total return as incurred.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 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 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. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

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.

3.7 Foreign currency

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 approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the Statements of Total Return except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in the Unitholders' Funds as translation reserve in the Balance Sheets and recognised in the Statements of Total Return on disposal of the foreign operation.

For consolidation purposes, the assets and liabilities of foreign operations are translated into Singapore dollars at the rate of exchange ruling at the balance sheet date and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on translation are taken directly to a separate component of the Unitholders' Funds as translation reserve. On disposal of a foreign operation, the cumulative amount recognised in translation reserve relating to that particular foreign operation is recognised in the Statements of Total Return.

When associates that are foreign operations are partially disposed, the proportionate share of the accumulated exchange differences is reclassified to the Statements of Total Return.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment

(i) Non-derivative financial assets

Policy applicable from 1 October 2018

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

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. 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 borrower 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.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- 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 borrower 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.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Policy applicable before 1 October 2018

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of impairment loss is calculated as the difference between its carrying amount, and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss and any subsequent write-back is recognised in the statements of total return.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statements of total return to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Associates and joint ventures

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.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(iii) 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.

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.

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.

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.

3.9 Intangible assets

Software is initially recognised at cost and subsequently carried at cost less accumulated amortisation.

Amortisation is recognised in 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.

3.10 Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption rate being recognised in the Statements of Total Return over the period of the borrowings on an effective interest basis.

3.11 Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

Borrowing costs comprise interest expense on loans and borrowings, and amortisation of loans and borrowings related costs. Finance costs are recognised in the statements of total return using the effective interest method.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 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 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.

3.13 Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset even if that right is not explicitly specified in an arrangement.

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 3.15(i).

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

Rental income

Rental income from investment property is recognised as 'revenue' on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as 'other income'.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 3.5.

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.

3.18 Taxation

(i) Current income tax

Current income tax is the expected tax payable on the taxable income for the period, using tax rates and tax laws enacted or substantively enacted at the balance sheet date.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax is not recognised for temporary differences that:

- arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that affects neither the accounting profit nor taxable profit or loss; and

- are associated with investments in subsidiaries, associates and joint ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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 presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. 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.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Taxation (cont'd)

(ii) Deferred tax (cont'd)

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.

A deferred tax asset is recognised for unused tax losses, 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 utilised. 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.

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.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(iii) 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.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Taxation (cont'd)

(iii) Tax transparency (cont'd)

A Qualifying non-individual investor or foreign fund 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.

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.

Notes to the Financial Statements

30 SEPTEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 New standards and interpretations not yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 October 2018 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 effective for annual periods beginning after 1 October 2018:

Applicable to 2020 financial statements

- FRS 116 *Leases*;
- INT FRS 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 FRS 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); and
- *Plan Amendment, Curtailment or Settlement* (Amendments to FRS 19).

Applicable to 2022 financial statements

- FRS 117 *Insurance Contracts*

Mandatory effective date deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to FRS 110 and FRS 28)

The Group has assessed the estimated impact that initial application of FRS 116 will have on the financial statements and the Group does not expect the impact on the financial statements to be significant as described below.

FRS 116 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

Notes to the Financial Statements

30 SEPTEMBER 2019

4. INVESTMENT PROPERTIES

	Group and Trust 2019 $'000	Group and Trust 2018 $'000
At beginning	2,749,000	2,668,100
Capital expenditure	5,013	17,978
	2,754,013	2,686,078
Surplus on revaluation taken to Statements of Total Return	91,987	62,922
At end	2,846,000	2,749,000

The investment properties owned by the Group and the Trust are set out in the Portfolio Statements on pages 124 to 126.

Anchorpoint has been mortgaged as security for a $80 million secured five-year term loan from DBS Bank Ltd (**Note 15(a)(ii)**).

YewTee Point has been mortgaged as security for a $136 million secured five-year term loan from Oversea-Chinese Banking Corporation Limited and DBS Bank Ltd (**Note 15(a)(iii)**).

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)**).

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.

In determining the fair value, the valuers have used valuation methods which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yields, discount rates and terminal yields. The Manager reviews the appropriateness of the valuation methodologies, assumptions and estimates adopted and is of the view that they are reflective of the market conditions as at 30 September 2019.

Notes to the Financial Statements

30 SEPTEMBER 2019

4. INVESTMENT PROPERTIES (CONT'D)

Fair value hierarchy

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 30 September 2019				
Non-financial assets				
Investment properties	–	–	2,846,000	2,846,000
At 30 September 2018				
Non-financial assets				
Investment properties	–	–	2,749,000	2,749,000

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 2019 $'000	Valuation techniques	Key unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties	2,846,000	Capitalisation approach	Capitalisation rate	3.75% – 5.00% (2018: 3.75% – 5.00%)	The higher the rates, the lower the fair value.
		Discounted cash flow analysis	Discount rate	7.00% – 7.50% (2018: 7.00% – 7.75%)	The higher the rates, the lower the fair value.
			Terminal yield	4.00% – 5.25% (2018: 4.00% – 5.25%)	The higher the rates, the lower the fair value.
		Direct comparison method	Transacted prices	$1,209 – $4,379 psf[(1)] (2018: $1,209 – $2,525 psf)	The higher the comparable values, the higher the fair value.

(1) For Causeway Point, YewTee Point, Bedok Point, Changi City Point and Yishun 10 (2018: YewTee Point and Bedok Point).

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.

Notes to the Financial Statements

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4. INVESTMENT PROPERTIES (CONT'D)

Level 3 fair value measurements (cont'd)

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.

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	
	2019 $'000	2018 $'000
Surplus on revaluation	91,987	62,922
Amortisation of lease incentives	1,303	(182)
Surplus on revaluation recognised in Statements of Total Return	93,290	62,740

Direct operating expenses (including repairs and maintenance) arising from rental generating properties are disclosed on **Note 20** 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.

Notes to the Financial Statements

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5. FIXED ASSETS

	Equipment, furniture and fittings, and others Group and Trust 2019 $'000	Equipment, furniture and fittings, and others Group and Trust 2018 $'000
Cost		
At beginning	421	291
Additions	29	162
Disposals	(49)	(32)
At end	401	421
Accumulated depreciation		
At beginning	272	211
Charge for the year	93	92
Disposals	(49)	(31)
At end	316	272
Carrying amount		
At beginning	149	80
At end	85	149

6. INTANGIBLE ASSETS

	Software Group and Trust 2019 $'000	Software Group and Trust 2018 $'000
Cost		
At beginning	90	90
Additions	–	–
At end	90	90
Accumulated depreciation		
At beginning	78	60
Charge for the year	12	18
At end	90	78
Carrying amount		
At beginning	12	30
At end	–	12

Notes to the Financial Statements

30 SEPTEMBER 2019

7. INVESTMENT IN SUBSIDIARIES

	Trust	
	2019 $'000	2018 $'000
Unquoted equity investments, at cost	1	*

* Denotes amount less than $500.

Details of the subsidiaries are as follows:

Name of subsidiary	Place of incorporation/ business	Effective equity interest held by the Trust 2019 %	2018 %
FCT MTN Pte. Ltd. (1)	Singapore	100	100
FCT Holdings (Sigma) Pte. Ltd. (1)	Singapore	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 $1,000 comprising 1,000 ordinary shares. The principal activity of the subsidiary is investment holding.

8. INVESTMENT IN ASSOCIATES

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Investments, at cost	454,537	74,584	74,584	74,584
Share of post-acquisition reserves	28,521	17,051	–	–
Translation difference	(18,829)	(18,816)	–	–
	464,229	72,819	74,584	74,584
Allowance for impairment	(6,759)	(6,759)	(9,976)	(9,976)
	457,470	66,060	64,608	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	
		2019 %	2018 %	2019 %	2018 %
Hektar Real Estate Investment Trust (1)	Malaysia	31.15	31.15	31.15	31.15
PGIM Real Estate AsiaRetail Fund Limited ("PGIM ARF") (2)	Bermuda/ Singapore	21.13 (3)	–	–	–

(1) Audited by BDO, Malaysia
(2) Audited by KPMG LLP, Singapore
(3) Following the investors' share redemption in the capital of PGIM ARF on 30 September 2019, the Group's equity interest is now 24.82%.

Notes to the Financial Statements

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8. 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.

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 2019, the Group has estimated the results of H-REIT for the quarter ended 30 September 2019 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% (2018: 10%) withholding tax in Malaysia.

The fair value of H-REIT based on published price quotations was $46,774,000 (2018: $58,883,000).

The following summarised financial information relating to the associate has not been adjusted for the percentage of ownership interest held by the Group:

	2019 $'000	2018 $'000
Assets and liabilities (4)		
Non-current assets	403,744	413,632
Current assets	11,422	12,059
Total assets	415,166	425,691
Current liabilities	23,717	40,694
Non-current liabilities	184,167	167,507
Total liabilities	207,884	208,201
Results (5)		
Revenue	44,742	44,689
Expenses	(31,746)	(30,658)
Revaluation deficit	(3,076)	(2,699)
Total return for the year	9,920	11,332

(4) The "Assets and liabilities" is based on the latest available unaudited management accounts as at 30 June 2019 and 30 June 2018, respectively.

(5) The "Results" is for six months ended 30 June 2019 and 30 June 2018 respectively and pro-rated six month results from the audited financial statements for the period ended 31 December 2018 and 31 December 2017, respectively.

As at 30 September 2019, 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

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8. INVESTMENT IN ASSOCIATES (CONT'D)

(b) PGIM Real Estate AsiaRetail Fund Limited ("PGIM 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 4 April 2019 and 26 April 2019, the Group, through its wholly-owned subsidiary, FCT Holdings (Sigma) Pte. Ltd., purchased 99,150 shares in the capital of PGIM ARF for a total consideration of approximately S$380.0 million.

The acquisition has been accounted for as a business combination, because of the strategic management function and associated processes purchased along with the acquisition. The Group engaged an independent firm to perform Purchase Price Allocation ("PPA") for PGIM ARF and was finalised during the current financial year. Included in the Group's carrying amount of its investment in PGIM ARF is goodwill amounting to S$5,591,000.

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:

	2019 $'000
Assets and liabilities (1)	
Non-current assets	3,014,711
Current assets	251,991
Total assets	3,266,702
Current liabilities	768,962
Non-current liabilities	920,476
Total liabilities	1,689,438
Results (2)	
Revenue	118,380
Expenses	(80,864)
Revaluation surplus	92,915
Other comprehensive income	(1,396)
Total return for the period	129,035

(1) The "Assets and liabilities" is based on the latest available unaudited management accounts as at 30 September 2019.
(2) The "Results" is for six months ended 30 September 2019.

As at 30 September 2019, 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, Setapak Central Mall in Kuala Lumpur and 1st Avenue Mall in Penang.

	2019 $'000	2018 $'000
Group's interest in associates at beginning of the year	66,060	64,608
Group's share of:		
– Profit after taxation	12,665	4,023
– Revaluation gain/(deficit)	9,883	(801)
– Other comprehensive income	(325)	–
Total comprehensive income	22,223	3,222
Additions during the year	379,953	–
Dividends received during the year	(10,753)	(3,420)
Translation difference	(13)	1,650
Carrying amount of interest at end of the year	457,470	66,060

Notes to the Financial Statements

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9. INVESTMENT IN JOINT VENTURES

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Unquoted equity investments, at cost	174,690	1	174,690	1
Share of post-acquisition reserves	3,715	226	–	–
	178,405	227	174,690	1
Allowance for impairment	(1,132)	–	(1,132)	–
Loan to joint venture	113,810	–	113,810	–
	291,083	227	287,368	1

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 2019 %	2018 %
Changi City Carpark Operations LLP	Singapore	43.68	43.68
Sapphire Star Trust	Singapore	40.00	–
FC Retail Trustee Pte. Ltd.	Singapore	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.

During the year, the Group completed its acquisition of 40.00% stake in 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 interest of 2.708% per annum.

No disclosure is of fair value is made for the joint ventures as they are not quoted on any market.

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9. 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.

	2019 $'000
Assets and liabilities [1]	
Non-current assets	1,300,010
Current assets [a]	42,891
Total assets	1,342,901
Current liabilities	39,594
Non-current liabilities [b]	869,157
Total liabilities	908,751

(a) Includes cash and cash equivalents of $40,914,000

(b) Includes non-current financial liabilities (excluding trade and other payables and provisions) of $575,477,000

	2019 $'000
Results [2]	
Revenue	16,444
Expenses [c]	(8,840)
Revaluation surplus	221
Total return for the period	7,825

(c) Includes:
- depreciation of $2,000
- interest income $82,000
- interest expense $5,200,000

(1) The "Assets and liabilities" is based on the latest available unaudited management accounts as at 30 September 2019.

(2) The "Results" is for period from 12 July 2019 to 30 September 2019.

	2019 $'000	2018 $'000
Group's interest in joint ventures at beginning of the year	227	243
Group's share of:		
– Profit after taxation	3,159	550
– Revaluation surplus	3,250	–
Total comprehensive income	6,409	550
Investment during the year	174,689	–
Loan to joint venture	113,810	–
Dividends received during the year	(2,920)	(566)
Allowance for impairment	(1,132)	–
Carrying amount of interest at end of the year	291,083	227

Notes to the Financial Statements

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10. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Trade receivables	1,419	1,650	1,419	1,650
Allowance for doubtful receivables	(11)	(19)	(11)	(19)
Net trade receivables	1,408	1,631	1,408	1,631
Deposits	66	66	66	66
Prepayments	189	225	162	225
Amount due from a subsidiary (non-trade)	–	–	190,231	–
Amount due from related parties (non-trade)	23	35	23	35
Other receivables	884	13	884	13
Loan arrangement fees	572	1,034	572	1,034
	3,142	3,004	193,346	3,004

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.

11. FINANCIAL DERIVATIVES

	Group and Trust	
	2019 $'000	2018 $'000
Derivative assets		
Interest rate swaps used for hedging		
– Current	–	56
Derivative liabilities		
Interest rate swaps used for hedging		
– Non-current	975	–
Financial derivatives as a percentage of net assets	0.04%	0.00%

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 2019, the Group has four (2018: two) interest rate swap contracts with a total notional amount of $213 million (2018: $148 million). Under the contracts, the Group pays fixed interest rate in the range of 1.587% to 1.905% (2018: 1.330% to 1.765%).

The fair value of the interest rate swaps is determined using valuation technique as disclosed in **Note 26(b)**.

As at 30 September 2019, 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 $0.03 million loss (2018: $nil) was recognised in the hedging reserve. There was no ineffectiveness recognised from the hedge.

Notes to the Financial Statements

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12. 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	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Cash at bank and on hand	13,103	21,864	12,834	21,864

13. TRADE AND OTHER PAYABLES

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Trade payables and accrued operating expenses	23,277	26,738	23,298	26,762
Amounts due to related parties (trade)	11,187	9,502	11,187	9,502
Amounts due to a subsidiary (non-trade)	–	–	81	–
Deposits and advances	2,866	4,630	2,866	4,630
Interest payable	5,084	4,213	5,033	4,213
Other payables	76	58	76	58
Withholding tax	4,839	1,062	4,839	1,062
	47,329	46,203	47,380	46,227

Included in trade payables and accrued operating expenses is an amount due to the Trustee of $92,423 (2018: $72,375).

Included in amounts due to related parties are amounts due to the Manager of $6,965,686 (2018: $6,266,437) and the Property Manager of $4,008,647 (2018: $3,016,739) respectively. The amounts due to related parties are unsecured, interest free and payable within the next 3 months.

14. DEFERRED INCOME

	Group and Trust	
	2019 $'000	2018 $'000
Cost		
At beginning	144	362
Additions	–	–
Fully amortised	(113)	(218)
At end	31	144
Accumulated amortisation		
At beginning	129	213
Charge for the year	13	134
Fully amortised	(113)	(218)
At end	29	129
Net deferred income	2	15
This comprises:		
Current portion	2	13
Non-current portion	–	2
	2	15

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15. INTEREST-BEARING BORROWINGS

	Group 2019 $'000	Group 2018 $'000	Trust 2019 $'000	Trust 2018 $'000
Current liabilities				
Term loan (unsecured)	–	60,000	–	60,000
Medium Term Notes (unsecured)	159,966	60,000	–	–
Loan from subsidiary (unsecured)	–	–	159,966	60,000
Short term loans (unsecured)	135,083	97,000	135,083	97,000
	295,049	217,000	295,049	217,000
Non-current liabilities				
Term loans (secured)	405,049	285,874	405,049	285,874
Term loan (unsecured)	189,856	–	–	–
Loan from subsidiary (unsecured)	–	–	149,851	309,714
Medium Term Notes (unsecured)	149,851	309,714	–	–
	744,756	595,588	554,900	595,588

(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 S$70 million Secured Term Loan had been fully repaid on 21 June 2019 and its mortgage 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.

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.

(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 loan (unsecured)

In June 2014, the Trust entered into a facility agreement with DBS Bank Ltd and Citibank N.A., Singapore branch for an unsecured term loan of $150 million of which $90 million had been repaid in April 2017. The remaining unsecured term loan of $60 million was repaid in June 2019.

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.

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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 is 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 2019, the aggregate balance of the Notes issued by the Group under the FCT MTN Programme amounted to $310 million (2018: $370 million), consisting of:

(i) $70 million (2018: $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 (2018: $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 (2018: $60 million) Fixed Rate Notes which matured on 10 April 2019 and bear a fixed interest rate of 2.900% per annum payable semi-annually in arrear;

(iv) $90 million (2018: $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;

(v) $30 million (2018: $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

(vi) $70 million (2018: $$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 arrear.

(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 2019, no Note has been issued under this programme.

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15. INTEREST-BEARING BORROWINGS (CONT'D)

(e) Short term loans (unsecured)

The Trust has obtained unsecured credit facilities totalling $314 million (2018: $200 million). As at 30 September 2019, total borrowings drawn down by the Trust on these facilities amounted to $135.1 million (2018: $97 million).

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities		Derivative liabilities held to hedge borrowings		
	Interest-bearing borrowings $'000	Interest payable $'000	Interest rate swap - assets $'000	Interest rate swap - liabilities $'000	Total $'000
Group					
Balance at 1 October 2017	797,540	4,627	–	317	802,484
Changes from financing cash flows					
Proceeds from borrowings	180,000	–	–	–	180,000
Repayment of borrowings	(165,000)	–	–	–	(165,000)
Borrowing costs paid	–	(19,596)	–	–	(19,596)
Payment of transaction costs	(157)	–	–	–	(157)
Total changes from financing cash flows	14,843	(19,596)	–	–	(4,753)
Change in fair value	–	–	(56)	(317)	(373)
Liability-related other changes					
Borrowing costs	–	19,182	–	–	19,182
Amortisation of loan arrangement fees	205	–	–	–	205
Total liability-related other changes	205	19,182	–	–	19,387
Balance at 30 September 2018	812,588	4,213	(56)	–	816,745
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

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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	
	2019 $'000	2018 $'000
At beginning	18,816	20,466
Net effect of exchange loss/(gain) arising from translation of financial statements of foreign operations	13	(1,650)
At end	18,829	18,816

17. UNITS IN ISSUE

	Group and Trust	
	2019 No. of Units '000	2018 No. of Units '000
Units in issue		
At beginning	926,392	922,448
Issue of Units		
– Private placement and preferential offering	184,000	–
– issued as satisfaction of asset management fees	2,154	3,944
– issued as satisfaction of acquisition fee	3,738	–
At end	1,116,284	926,392
Units to be issued		
– as asset management fees payable in Units	1,225	1,262
Total issued and issuable Units at end	1,117,509	927,654

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.

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17. UNITS IN ISSUE (CONT'D)

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.

18. NET ASSET VALUE PER UNIT

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Net asset value per Unit is based on:				
Net assets	2,471,059	1,933,756	2,454,234	1,932,054
	'000	'000	'000	'000
Total issued and issuable Units (**Note 17**)	1,117,509	927,654	1,117,509	927,654

19. GROSS REVENUE

	Group and Trust	
	2019 $'000	2018 $'000
Gross rental income	173,494	171,451
Turnover rental income	9,441	9,211
Carpark income	4,656	4,577
Others	8,795	8,108
	196,386	193,347

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20. PROPERTY EXPENSES

	Group and Trust	
	2019 $'000	2018 $'000
Property tax	16,911	15,950
Utilities	1,770	2,185
Maintenance	16,970	17,004
Property management fees	7,569	7,458
Marketing expenses	7,256	6,589
Allowance for doubtful receivables	8	62
Write back of allowance for doubtful receivables	(16)	(59)
Depreciation of fixed assets	93	92
Amortisation of intangible assets	12	18
Staff costs (1)	4,091	3,956
Carpark expenses	1,854	1,900
Write off of fixed assets	–	1
Others	585	1,005
	57,103	56,161

(1) Relates to reimbursement of staff costs paid/payable to the Property Manager.

The Group and the Trust do not have any employees.

21. BORROWING COSTS

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Interest expense	23,512	19,325	23,462	19,325
Amortisation of loan arrangement fees	1,136	715	1,134	715
	24,648	20,040	24,596	20,040

22. ASSET MANAGEMENT FEES

Asset management fees comprise $9,567,971 (2018: $8,352,441) of base fee and $7,187,918 (2018: $6,859,319) of performance fee computed in accordance with the fee structure as disclosed in **Note 1.2** to the financial statements.

An aggregate of 2,116,627 (2018: 2,392,218) Units were issued or are issuable to the Manager as satisfaction of the asset management fees payable for the financial year ended 30 September 2019.

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23. TAXATION

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Reconciliation of effective tax				
Net income	96,677	99,935	96,602	99,932
Income tax using Singapore tax rate of 17% (2018: 17%)	16,435	16,989	16,422	16,988
Non-tax deductible items	1,398	1,257	1,460	1,258
Income not subject to tax	1,828	581	1,803	581
Income exempt from tax	(19,650)	(18,827)	(19,685)	(18,827)
	11	–	–	–

24. EARNINGS PER UNIT

(i) Basic earnings per Unit

The calculation of basic earnings per Unit is based on the weighted average number of Units during the year and total return for the year.

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Total return for year after tax	205,945	166,820	190,451	167,031
Weighted average number of Units in issue	991,076	925,881	991,076	925,881

(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	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Total return for year after tax	205,945	166,820	190,451	167,031
Weighted average number of Units in issue	992,819	927,654	992,819	927,654

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25. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, other than the transactions disclosed in the financial statements, the following related party transactions were carried out in the normal course of business on arm's length commercial terms:

	Group and Trust 2019 $'000	Group and Trust 2018 $'000
Property management fees and reimbursement of expenses paid/payable to the Property Manager [1]	18,231	17,810
Project management fees paid/payable to the Property Manager	–	672
Reimbursement of expenses paid/payable to the Manager	64	68
Acquisition fees paid in units to the Manager in relation to the acquisitions	8,999	–
Acquisition of investment in a joint venture from a related company of the Manager	145,665	–
Reimbursement of expenses/capital expenditure paid/payable to related companies of the Manager	144	499
Recovery of expenses paid on behalf of related companies of the Manager	(122)	(416)
Loan to a Joint Venture	113,810	–
Interest income received/receivable from a Joint Venture	587	–
Income from related companies of the Manager	(16)	(34)
Reimbursement of carpark income received on behalf of a related company of the Manager	1,932	1,340
Net carpark expenses paid/payable to the Property Manager	170	147
Car park expenses paid/payable to a Joint Venture	33	34

(1) In accordance with service agreements in relation to management of the Trust and its property operations.

26. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Assets and liabilities measured at fair value

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group and Trust				
At 30 September 2019				
Financial liabilities				
Interest rate swaps	–	975	–	975
At 30 September 2018				
Financial assets				
Interest rate swaps	–	56	–	56

During the financial years ended 30 September 2019 and 2018, there have been no transfers between the respective levels.

(b) Level 2 fair value measurements

Interest rate swap contracts are valued using present value calculations by applying market observable inputs existing at each balance sheet date into swap models. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

Notes to the Financial Statements

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26. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) Fair value of financial liabilities that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair values

The following fair values, which are determined for disclosure purposes, are estimated by discounting expected future cash flows at market incremental lending rates for similar types of lending or borrowing arrangements at the balance sheet date:

	2019 $'000		2018 $'000	
	Carrying amount	Fair value	Carrying amount	Fair value
Group				
Financial liabilities				
Interest-bearing borrowings (non-current)	744,756	773,654	595,588	600,523
Security deposits (non-current)	29,093	27,911	31,518	30,056
	773,849	801,565	627,106	630,579

	2019 $'000		2018 $'000	
	Carrying amount	Fair value	Carrying amount	Fair value
Trust				
Financial liabilities				
Interest-bearing borrowings (non-current)	554,900	569,656	595,588	600,523
Security deposits (non-current)	29,093	27,911	31,518	30,056
	583,993	597,567	627,106	630,579

(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 balance sheet date.

27. FINANCIAL RISK MANAGEMENT

(a) Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains a strong and healthy capital structure in order to support its business and maximise Unitholder value.

The Group is subject to the aggregate leverage limit as defined in the Property Fund Guidelines of the CIS Code. The CIS Code stipulates that borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% of the fund's depository property.

As at 30 September 2019, the Group's Aggregate Leverage stood at 32.9% (2018: 28.6%) of its depository property, which is within the limit set by the Property Fund Guidelines and externally imposed capital requirements. The Trust has maintained its corporate ratings of "BBB+" from S&P Global Ratings and "Baa1" from Moody's Investors Service.

Notes to the Financial Statements

30 SEPTEMBER 2019

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies

Exposure to credit, interest rate and liquidity risks arises in the normal course of the Group's business. The Manager continually monitors the Group's exposure to the above risks. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures risks.

(i) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Manager has established credit limits for tenants and monitors their balances on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with tenants. Credit risk is also mitigated by the security deposits held for each of the tenants. In addition, receivables are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Trade receivables

The Manager has established an allowance account for 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 balance sheet date, approximately 25.0% (2018: 21.8%) of the Group's trade receivables were due from 5 tenants who are reputable companies located in Singapore.

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual tenants, which comprise a very large number of tenants.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off based on actual credit loss experience over the last three years.

Trade receivables that are past due but not impaired

The Group and the Trust have trade receivables amounting to $1,408,000 (2018: $1,631,000) 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	
	2019 $'000	2018 $'000
Trade receivables past due but not impaired:		
Less than 30 days	1,222	1,512
30 to 60 days	99	74
61 to 90 days	55	11
91 to 120 days	19	6
More than 120 days	13	28
	1,408	1,631

Notes to the Financial Statements

30 SEPTEMBER 2019

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Trade receivables that are impaired

Trade receivables of the Group and the Trust that are impaired at the balance sheet date and the movements of the allowance account used to record the impairment are as follows:

	Group and Trust	
	2019 $'000	2018 $'000
Trade receivables	11	19
Allowance for doubtful receivables	(11)	(19)
	–	–
Movement in allowance account:		
At beginning	19	79
Allowance for doubtful receivables recognised	8	62
Write back of allowance for doubtful receivables	(16)	(59)
Allowance utilised	–	(63)
At end	11	19

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.

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 exposures. 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 $113,809,572 (2018: $nil). The loan to joint venture is to satisfy their long term funding requirements. Based on an assessment of qualitative and qualitative 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.

Notes to the Financial Statements

30 SEPTEMBER 2019

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

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 exposures. 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.

Sensitivity analysis for interest rate risk

It is estimated that a twenty five basis points increase in interest rate at the balance sheet date, with all other variables held constant, would decrease the Group's total return and Unitholders' funds by approximately $644,000 (2018: $157,000) and $829,000 (2018: $157,000) respectively and a twenty five basis points decrease in interest rate, with all other variables held constant, would increase the Group's total return and Unitholders' Funds by approximately $671,000 (2018: $158,000) and $837,000 (2018: $158,000) 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 balance sheet 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 by approximately $1,298,000 (2018: $345,000) 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 by approximately $1,298,000 (2018: $345,000), 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 2019

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's objective is to maintain sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations. The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Manager monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

The table below summarises the maturity profile of the Group's and the Trust's financial liabilities at the balance sheet 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 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
As at 30 September 2018				
Group				
Trade and other payables	45,141	–	–	45,141
Security deposits	16,308	31,421	97	47,826
Interest-bearing borrowings	234,268	550,056	72,141	856,465
	295,717	581,477	72,238	949,432
Trust				
Trade and other payables	45,165	–	–	45,165
Security deposits	16,308	31,421	97	47,826
Interest-bearing borrowings	234,268	550,056	72,141	856,465
	295,741	581,477	72,238	949,456

Notes to the Financial Statements

30 SEPTEMBER 2019

28. 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 2019

28. 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
2019							
Revenue and expenses							
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 2019

28. 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
2018							
Revenue and expenses							
Gross rental income	77,059	46,868	7,359	12,230	5,485	22,450	171,451
Others	9,651	5,347	1,157	1,761	679	3,301	21,896
Gross revenue	86,710	52,215	8,516	13,991	6,164	25,751	193,347
Segment net property income	65,359	39,191	3,920	9,691	2,536	16,489	137,186
Interest income							25
Unallocated expenses *							(37,276)
Net income							99,935
Unrealised gain from fair valuation of derivatives							373
Share of results of associate							3,222
Share of results of joint venture							550
Surplus on revaluation of investment properties	26,915	21,789	5,168	7,083	(11,207)	12,992	62,740
Total return for the year							166,820

* Unallocated expenses include borrowing costs and asset management fees as disclosed in the Statements of Total Return.

Notes to the Financial Statements

30 SEPTEMBER 2019

28. 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							
Assets and liabilities							
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							3,610,883
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							1,139,824
Other segmental information							
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 2019

28. 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 2018							
Assets and liabilities							
Segment assets	1,222,527	818,658	111,483	187,913	95,794	335,348	2,771,723
Investment in associate							66,060
Investment in joint venture							227
Unallocated assets							2,362
Total assets							2,840,372
Segment liabilities	29,863	27,104	3,416	5,390	3,266	12,632	81,671
Unallocated liabilities							
– Trade and other payables							12,357
– Financial derivatives							–
– Interest-bearing borrowings							812,588
Total liabilities							906,616
Other segmental information							
Allowance for doubtful receivables	12	–	44	–	6	–	62
Write back of allowance for doubtful receivables	(20)	–	(11)	–	(22)	(6)	(59)
Amortisation of lease incentives	8	106	78	(25)	(115)	(234)	(182)
Depreciation of fixed assets	13	10	51	6	5	7	92
Amortisation of intangible assets	3	3	3	3	3	3	18
Fixed assets written off	–	1	–	–	–	–	1
Capital expenditure							
– Investment properties	1,093	14,817	310	892	92	774	17,978
– Fixed assets	14	6	119	4	11	8	162

Notes to the Financial Statements

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29. COMMITMENTS

	Group and Trust 2019 $'000	Group and Trust 2018 $'000
Capital expenditure contracted but not provided for	8,161	–

The Group leases out its investment properties. Non-cancellable operating lease rentals receivable are as follows:

	Group and Trust 2019 $'000	Group and Trust 2018 $'000
Receivable:		
Within 1 year	155,557	153,863
After 1 year but within 5 years	171,708	168,203
After 5 years	2,690	3,663
	329,955	325,729

30. CONTINGENT LIABILITY

Pursuant to the tax transparency ruling from the IRAS, the Trustee and the Manager have provided a tax indemnity for certain types of tax losses, including unrecovered late payment penalties, that may be suffered by the IRAS should the IRAS fail to recover from Unitholders tax due or payable on distributions made to them without deduction of tax, subject to the indemnity amount agreed with the IRAS. The amount of indemnity, as agreed with the IRAS, is limited to the higher of $500,000 or 1.0% of the taxable income of the Trust each year. Each yearly indemnity has a validity period of the earlier of seven years from the relevant year of assessment and three years from the termination of the Trust.

31. FINANCIAL RATIOS

The following financial ratios are presented as required by RAP 7:

	Group 2019 %	Group 2018 %
Expenses to weighted average net assets (1):		
– including performance component of asset management fees	0.88	0.92
– excluding performance component of asset management fees	0.54	0.55
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.

Notes to the Financial Statements

30 SEPTEMBER 2019

32. SUBSEQUENT EVENTS

On 1 October 2019, amount due from a subsidiary of S$190,199,000 was capitalised and investment in subsidiaries increased to S$190,200,002.

On 23 October 2019, the Manager declared a distribution of $32,553,000 to Unitholders in respect of the period from 1 July 2019 to 30 September 2019.

On 25 October 2019, the Trust issued 1,225,008 new Units at a price of $2.7297 per Unit in payment of the following: -

- 20% of the performance fee component of its management fee for the period from 1 October 2018 to 31 December 2018;
- 20% of the performance fee component of its management fee for the period from 1 January 2019 to 31 March 2019;
- 55% of the performance fee component of its management fee for the period from 1 April 2019 to 30 June 2019; and
- 35% of the base fee component and performance fee component of its management fee for the period from 1 July 2019 to 30 September 2019.

Use of Proceeds

Specific use of the proceeds from the private placement of 155,181,800 and preferential offering of 28,818,174 new units in the Trust (the "Equity Fund Raising") completed on 28 May 2019 and 12 June 2019, respectively.

	Amount S$ million
Gross proceeds from the Equity Fund raising	437.4
Use of gross proceeds to part pare down bridging loans in connection with the acquisitions of a stake in PGIM Real Estate AsiaRetail Fund Limited	(247.6)
Use of gross proceeds to finance purchase consideration for the acquisition of 33⅓% of the total issued units of Sapphire Star Trust and 33⅓% of the issued share capital of FC Retail Trustee Pte. Ltd. (the trustee-manager of Sapphire Star Trust) (the "Acquisition"), underwriting fees and professional and other fees and expenses incurred in connection with the Equity Fund Raising and the Acquisition	(189.8)
Balance of Proceeds at end of financial year	**–**

Such 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 16 May 2019 in relation to, among other things, the Equity Fund Raising.

Statistics of Unitholdings

ISSUED AND FULLY PAID-UP UNITS

There were 1,117,509,051 Units (voting rights: one vote per Unit) outstanding as at 22 November 2019.

There is only one class of Units.

The market capitalisation was approximately S$3,084.3 million based on closing unit price of S$2.76 on 22 November 2019.

TOP TWENTY UNITHOLDERS AS AT 22 NOVEMBER 2019

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	360,510,801	32.26
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	168,321,971	15.06
3.	HSBC (SINGAPORE) NOMINEES PTE LTD	140,216,333	12.55
4.	DBS NOMINEES (PRIVATE) LIMITED	110,945,365	9.93
5.	DBSN SERVICES PTE. LTD.	85,519,807	7.65
6.	RAFFLES NOMINEES (PTE.) LIMITED	61,102,934	5.47
7.	FRASERS CENTREPOINT ASSET MANAGEMENT LTD	47,180,721	4.22
8.	BPSS NOMINEES SINGAPORE (PTE.) LTD.	14,725,523	1.32
9.	NTUC FAIRPRICE CO-OPERATIVE LTD	7,933,545	0.71
10.	DB NOMINEES (SINGAPORE) PTE LTD	6,103,487	0.55
11.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	5,368,453	0.48
12.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,991,258	0.36
13.	UOB KAY HIAN PRIVATE LIMITED	3,509,676	0.31
14.	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,182,876	0.20
15.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,156,372	0.19
16.	YAP CHONG HIN GABRIEL	2,120,000	0.19
17.	CHAN WAI KHEONG	1,996,200	0.18
18.	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	1,741,811	0.16
19.	PHILLIP SECURITIES PTE LTD	1,591,929	0.14
20.	MERRILL LYNCH (SINGAPORE) PTE. LTD.	1,457,884	0.13
	Total	**1,028,676,946**	**92.06**

UNITHOLDINGS OF DIRECTORS OF THE MANAGER AS AT 21 OCTOBER 2019

Name of Director	Number of FCT Units held	
	Direct Interest	Deemed Interest
Mr Christopher Tang Kok Kai	50,000	639,220
Dr Cheong Choong Kong	144,649	–

Statistics of Unitholdings

SUBSTANTIAL UNITHOLDERS AS AT 22 NOVEMBER 2019

Substantial Unitholders	Direct Interest		Deemed Interest		Total Number	
	Number of Units	%	Number of Units	%	of Units Held	%
Frasers Property Retail Trust Holdings Pte. Ltd.	360,510,801	32.26	–	–	360,510,801	32.26
Frasers Property Limited (1)	–	–	407,691,522	36.48	407,691,522	36.48
Thai Beverage Public Company Limited (2)	–	–	407,691,522	36.48	407,691,522	36.48
International Beverage Holdings Limited (3)	–	–	407,691,522	36.48	407,691,522	36.48
InterBev Investment Limited (4)	–	–	407,691,522	36.48	407,691,522	36.48
Siriwana Company Limited (5)	–	–	407,691,522	36.48	407,691,522	36.48
Maxtop Management Corp (6)	–	–	407,691,522	36.48	407,691,522	36.48
Risen Mark Enterprise Ltd. (7)	–	–	407,691,522	36.48	407,691,522	36.48
Golden Capital (Singapore) Limited (8)	–	–	407,691,522	36.48	407,691,522	36.48
MM Group Limited (9)	–	–	407,691,522	36.48	407,691,522	36.48
TCC Assets Limited (10)	–	–	407,691,522	36.48	407,691,522	36.48
Charoen Sirivadhanabhakdi (11)	–	–	407,691,522	36.48	407,691,522	36.48
Khunying Wanna Sirivadhanabhakdi (12)	–	–	407,691,522	36.48	407,691,522	36.48
Schroders plc (13)	–	–	58,420,934	5.23	58,420,934	5.23

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 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 Company Limited ("**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**") 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 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.

(13) Based on information provided by Schroders Investment (Singapore) Ltd. on 25 November 2019.

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	28	0.40	706	0.00
100 to 1,000	888	12.47	690,631	0.06
1,001 to 10,000	4,515	63.41	20,068,391	1.80
10,001 to 1,000,000	1,666	23.40	64,688,110	5.79
1,000,001 and above	23	0.32	1,032,061,213	92.35
Total	**7,210**	**100.00**	**1,117,509,051**	**100.00**

LOCATION OF UNITHOLDERS

Country	Number of Unitholders	Percentage of Unitholders	Number of Units	Percentage of Units in Issue
Singapore	6,787	95.32	1,112,799,228	99.58
Malaysia	228	3.20	3,519,007	0.31
Others	105	1.48	1,190,816	0.11
Total	**7,210**	**100.00**	**1,117,509,051**	**100.00**

FREE FLOAT

Based on information made available to the Manager as at 22 November 2019, approximately 63.5% 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 2019

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 $100,000 each) are as follows:

Name of Interested Person	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) $'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 $100,000) $'000
Frasers Property Limited and its subsidiaries or associates		
– Asset management fees (1)	16,756	–
– Acquisition fees	8,960	–
– Property management fees (1)	5,803	–
– Reimbursement of expenses (1)	1,935	–
– Acquisition of 33⅓% of the units in Sapphire Star Trust ("SST") and 33⅓% of the shares in FC Retail Trustee Pte. Ltd., the trustee-manager of SST (2)	145,665	–
HSBC Institutional Trust Services (Singapore) Limited		
– Trustee's fees	477	–

(1) Includes FCT's interest in a joint venture
(2) SST holds the retail units in the property known as "Waterway Point" located at 83 Punggol Central, Singapore 828761

Saved as disclosed above, there were no additional interested person transactions (excluding transactions of less than $100,000 each) entered into during the financial year under review nor any material contracts entered into by the Trust that involved the interests of the CEO, any Director or any controlling shareholder of the Trust.

Please also see Significant Related Party Transactions in **Note 25** to the Financial Statements.

Fees payable to the Manager and the Property Manager on the basis of, and in accordance with, the terms and conditions set out in the Trust deed dated 5 June 2006 (as amended) 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.

SUBSCRIPTION OF THE TRUST UNITS

For the financial year ended 30 September 2019, an aggregate of 189,892,124 Units were issued and as at 30 September 2019, 1,116,284,043 Units were in issue. On 25 October 2019, the Trust issued 1,225,008 new Units to the Manager as the base fee component of the Manager's management fees for the quarter ended 30 September 2019 and the performance fee component of the Manager's management fees for the financial year ended 30 September 2019.

NON-DEAL ROADSHOW EXPENSES

Non-deal roadshow expenses of $33,645 (2018: $59,649) were incurred during the year ended 30 September 2019.

Additional Information

INTERESTED PERSON TRANSACTIONS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

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 2018 to 31 December 2018	24 January 2019	197,675	$2.1697 [1]
1 January 2019 to 31 March 2019	26 April 2019	179,975	$2.3285 [1]
1 April 2019 to 30 June 2019	25 July 2019	513,969	$2.5805 [1]
1 July 2019 to 30 September 2019	25 October 2019	373,973	$2.7297 [1]
Manager's Performance Fee Component			
1 October 2018 to 30 September 2019	25 October 2019	851,035	$2.7297 [1]
Acquisition Fee			
In respect of acquisition by FCT Holdings (Sigma) Pte. Ltd, a wholly-owned subsidiary of FCT, of 18.8% interest in PGIM Real Estate AsiaRetail Fund Limited on various dates	16 April 2019	1,445,217	$2.3702 [2]
	6 May 2019	141,216	$2.3713 [2]
	24 September 2019	14,388	$2.7254 [2]
In respect of acquisition of an effective 40% interest in the retail units in the property known as "Waterway Point" (the "Acquisition") on various dates	17 July 2019	1,819,199	$2.3820 [3]
	24 September 2019	317,996	$2.7254 [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

(3) Based on the higher of the issue price of the Units issued under the private placement and the preferential offering undertaken to, inter alia, finance the Acquisition in respect of which the Acquisition Fee is payable

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 11th Annual General Meeting of the unitholders of FRASERS CENTREPOINT TRUST ("**FCT**", and the unitholders of FCT, "**Unitholders**") will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Monday, 13 January 2020 at 10.00 a.m. for the following purposes:

ROUTINE BUSINESS

Resolution (1)

1. To receive and adopt the Report of the Trustee of FCT issued by HSBC Institutional Trust Services (Singapore) Limited, the trustee of FCT (the "**Trustee**"), the Statement by the Manager issued by Frasers Centrepoint Asset Management Ltd., as manager of FCT (the "**Manager**"), the Audited Financial Statements of FCT for the financial year ended 30 September 2019 and the Auditors' Report thereon.

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),

Notice of Annual General Meeting

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);

(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 trust deed 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, 23 December 2019

Notice of Annual General Meeting

NOTES:

(1) A Unitholder who is not a relevant intermediary entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in the Unitholder's stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the proportion of the Unitholder's holdings (expressed as a percentage of the whole) to be represented by each proxy.

(2) A Unitholder who is a relevant intermediary entitled to attend and vote at the meeting is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than two proxies, the appointments shall be invalid unless the Unitholder specifies in the proxy form the number of Units in relation to which each proxy has been appointed.

"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.

(3) The instrument appointing a proxy or proxies (a form is enclosed) must be deposited with the company secretary of the Manager at the office of FCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, not less than 72 hours before the time appointed for holding the meeting.

EXPLANATORY NOTE:

Resolution 3

The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this Annual General Meeting until the earliest of (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 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 a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting ("**AGM**") and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed 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) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee (or their agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

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.

Fold here, do not staple. Glue all sides firmly.

Frasers Centrepoint Trust

(CONSTITUTED IN THE REPUBLIC OF SINGAPORE PURSUANT TO A TRUST DEED DATED 5 JUNE 2006 (AS AMENDED AND RESTATED))

IMPORTANT

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see Note 2 for the definition of "relevant intermediary").
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. **PLEASE READ THE NOTES TO THE PROXY FORM**.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 23 December 2019.

Proxy Form

Annual General Meeting

I/We ________________________________ (Name) ________________________ (NRIC/Passport Number)

Of ____ (Address)

being a unitholder / unitholders of Frasers Centrepoint Trust ("**FCT**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 2)	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 2)	
			No. of Units	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of FCT to be held at 10.00 a.m. on Monday, 13 January 2020 at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958, and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the Annual General Meeting.

NO.	RESOLUTIONS RELATING TO:	No. of Votes For*	No. of Votes Against*
	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 2019 and the Auditors' 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 to exercise all your votes "For" or "Against" the relevant resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Units in the boxes provided.

Dated this ________________ day of ________________ 2019/2020

Total Number Of Units Held (Note 5)

____
Signature(s) of Unitholder(s)/Common Seal

Email Address of Unitholder (optional): ____________________________

IMPORTANT: PLEASE READ NOTES TO THE PROXY FORM

Fold here, do not staple. Glue all sides firmly.

Fold here, do not staple. Glue all sides firmly.

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. A holder of units in Frasers Centrepoint Trust ("**FCT**", and a unitholder of FCT, "**Unitholder**") who is not a relevant intermediary entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote instead of the Unitholder. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the proportion of the Unitholder's holdings (expressed as a percentage of the whole) to be represented by each proxy.

2. A Unitholder who is a relevant intermediary entitled to attend and vote at the meeting is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than two proxies, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.

   "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.

3. The instrument appointing a proxy or proxies (as the case may be) (the "**Proxy Form**") must be deposited with the company secretary of the Manager at the office of FCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, not less than 72 hours before the time appointed for holding the meeting.

4. Completion and return of this Proxy Form shall not preclude a Unitholder from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the meeting in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under this Proxy Form, to the meeting.

5. 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 ("**CDP**"), 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, 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.

6. This Proxy Form must be under the hand of the appointor or of his 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. A corporation which is a Unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

7. Where a Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the instrument may be treated as invalid.

8. 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 and/or attached to 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 the Unitholder's name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by CDP to the Manager.

Fold here

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 09533

The Company Secretary
Frasers Centrepoint Asset Management Ltd.
(as Manager of Frasers Centrepoint Trust)
c/o Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

Corporate Information[1]

Frasers Centrepoint Trust

Registered Address
HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay #10-02, HSBC Building
Singapore 049320[2]
Website Address: www.frasersproperty.com/reits/fct

Trustee

HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay, HSBC Building, #10-02,
Singapore 049320[2]

Auditor

KPMG LLP
Partner-in-charge: Ms Karen Lee Shu Pei
Appointed 21 January 2016
16 Raffles Quay, #22-00 Hong Leong Building
Singapore 048581
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

Directors of the Manager[3]

Dr Cheong Choong Kong (Chairman)
Independent, Non-Executive

Mr Philip Eng Heng Nee
Non-Executive

Mr Ho Chai Seng
Independent, Non-Executive

Mr Ho Chee Hwee Simon[4]
Independent, Non-Executive

Ms Koh Choon Fah[5]
Independent, Non-Executive

Mr Christopher Tang Kok Kai
Non-Executive

Audit, Risk and Compliance Committee

(formerly known as Audit Committee)
Mr Ho Chee Hwee Simon (Chairman)[4]
Dr Cheong Choong Kong
Mr Ho Chai Seng
Mr Philip Eng Heng Nee
Ms Koh Choon Fah[5]

Nominating and Remuneration Committee

Mr Ho Chai Seng (Chairman)
Dr Cheong Choong Kong
Mr Ho Chee Hwee Simon
Ms Koh Choon Fah[5]
Mr Christopher Tang Kok Kai

Company Secretary

Ms Catherine Yeo

1 Unless otherwise stated, the information provided herein is as of 30 September 2019.
2 With effect from 1 December 2019.
3 Dr Chew Tuan Chiong retired as Executive and Non-Independent Director and as Chief Executive Officer of the Manager on 1 July 2019.
4 With effect from 1 November 2019, Mr Ho Chee Hwee Simon relinquished his role as the chairman of the Audit, Risk and Compliance Committee ("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").
5 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 with effect from 1 October 2019. Ms Koh Choon Fah is appointed as the chairman of the ARCC with effect from 1 November 2019.

FRASERS CENTREPOINT ASSET MANAGEMENT LTD.
As Manager of Frasers Centrepoint Trust
Company Registration Number: 200601347G

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