

## FCT hit a high of 99.2% committed occupancy on the back of improved shopper traffic and robust tenants' sales

- ◆ 1H2023 distribution per unit (“DPU”) of 6.130 cents to be paid on 30 May 2023
- ◆ 1H2023 retail portfolio<sup>1</sup> rental reversions higher than same period last year
- ◆ Completion of the acquisitions of 25.5% interest in NEX and additional 10.0% interest in Waterway Point will boost growth

### SINGAPORE, 26 APRIL 2023

Fraser's Centrepoint Asset Management Ltd. (“FCAM” or the “Manager”), the manager of Fraser's Centrepoint Trust (“FCT” or the “Trust”), is pleased to report a DPU of 6.130 Singapore cents for the six-month period from 1 October 2022 to 31 March 2023 (“1H2023”). The books closure date for the 1H2023 DPU is 5.00 p.m. on 5 May 2023 and the payment date is 30 May 2023.

Mr Richard Ng, Chief Executive Officer of FCAM, said, “FCT has benefitted from the continued recovery following Singapore’s transition to the COVID-19 endemic phase and delivered a very healthy set of results. Despite the headwinds from rising interest rates and operating costs, we saw good traction in lease renewals and signing of new tenants amidst improved retailer sentiments and healthy consumer spending. We also see an increasing trend of consumers prioritising their spending on essential goods and services, which bodes well for FCT’s retail portfolio.

The acquisitions of the 25.5% interest in NEX and additional 10.0% interest in Waterway Point which we completed in February 2023 provide additional growth for FCT going forward. We are also looking at growth opportunities through further acquisitions and asset enhancement initiatives. We believe the suburban retail sector remains an attractive asset class and FCT is well-positioned to thrive in the new normal of the endemic phase.”

### Summary of 1H2023 results

In S\$ million unless otherwise stated	1H2023 Six months ended 31/3/2023	1H2022 Six months ended 31/3/2022	Favourable/ (Unfavourable)
Gross revenue	187.59	176.19	6.5%
Net property income (“NPI”)	137.96	130.48	5.7%
Distribution to unitholders	104.68 <sup>2</sup>	104.41	0.3%
DPU (S cents)	6.130	6.136	(0.1%)
	<b>As at 31 March 2023</b>	<b>As at 30 September 2022</b>	
Net asset value per Unit (S\$) <sup>3</sup>	2.32	2.33	(0.4%)

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

<sup>1</sup> Retail portfolio refers to FCT’s investment property portfolio including FCT’s 50.0% interest in Waterway Point and effective 25.5% interest in NEX but excludes Central Plaza which is an office property.

<sup>2</sup> In determining the distribution relating to 1H2023, FCT had released \$1.7 million of its tax-exempt income available for distribution to Unitholders which was retained in 2H2022 and retained \$3.0 million of its current period’s tax-exempt income available for distribution to Unitholders.

<sup>3</sup> Includes the DPU to be paid for 1H2023 and 2H2022, respectively, based on issued and issuable units.

### Improved financial performance in 1H2023

1H2023 gross revenue rose 6.5% year-on-year to \$187.59 million on the back of higher occupancy, stronger turnover rents, positive rental reversion for new and renewed leases and higher atrium income<sup>4</sup>. With the higher revenue, NPI for 1H2023 increased 5.7% year-on-year to \$137.96 million. Distribution to unitholders for 1H2023 was \$104.68 million which is 0.3% higher year-on-year.

FCT's aggregate leverage as at 31 March 2023 stood at 39.6%<sup>5</sup> (30 September 2022: 33.0%) and the interest coverage ratio<sup>6</sup> ("ICR") is 4.39 times (30 September 2022: 5.19 times). The increase in leverage was attributed to the increase in bank borrowings to finance the acquisitions of the effective 25.50% interest in NEX and the additional 10.00% interest in Waterway Point which were completed on 6 February 2023 and 8 February 2023, respectively. The Manager continues to exercise prudent capital management, with financing in place to refinance the borrowings due in FY2023. The Manager has increased the proportion of fixed interest rate borrowings to 76.4% from 73.2% as at 31 December 2022 to better manage interest rate risks. The year-to-date all-in average cost of debt stood at 3.6%, compared with 3.5% as at 31 December 2022.

### Improved portfolio occupancy, higher rental reversion on the back of improved shopper traffic and robust tenants' sales

The committed occupancy for the retail portfolio hit a high of 99.2%. The occupancy of Century Square increased to 96.8% from 88.7% after lease commitment was secured for the anchor cinema space. Overall, FCT's portfolio properties registered positive year-on-year growth in revenue and NPI of approximately 6%. 1H2023 average rental reversion for the retail portfolio was positive 1.9% on incoming versus outgoing basis and positive 4.3% on average-to-average basis, both of which are higher than the same period a year ago. The shopper traffic and tenants' sales growth in 1H2023<sup>7</sup> remained robust. Shopper traffic was 35.3% higher year-on-year and tenants' sales was 9.2% higher year-on-year.

The asset enhancement initiative ("AEI") at Tampines 1 is showing strong leasing traction, achieving more than 90%<sup>8</sup> pre-commitment achieved prior the works commencement. The AEI at Tampines 1 is scheduled to complete in the third quarter of 2024.

### Outlook

The Ministry of Trade and Industry (the "MTI") has maintained its GDP growth forecast for 2023 at "0.5 to 2.5 per cent"<sup>9</sup>, taking into account the global and domestic economic environment.

The MTI noted that the uncertainties in the global economy remain, and rising interest rates could have a larger-than-expected impact on global growth. Risks also remain given the geopolitical tensions among the global powers, and this could worsen supply disruptions, dampen consumer and business confidence, as well as global trade, according to the MTI.

<sup>4</sup> Restriction on atrium events was lifted by the authorities from 29 March 2022.

<sup>5</sup> In accordance with the Property Funds Appendix, FCT's proportionate share of its joint ventures' borrowings and total assets (being 50.00% interest in Sapphire Star Trust which holds Waterway Point and 25.50% interest in Gold Ridge Pte. Ltd. which holds NEX) are included when computing the aggregate leverage.

<sup>6</sup> Calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees as defined in the Code on Collective Investment Schemes issued by the MAS. As the Group has not issued any hybrid securities, adjusted ICR is identical to the ICR of Group.

<sup>7</sup> The reported 1H2023 shopper traffic and tenants' sales excludes NEX.

<sup>8</sup> Based on net lettable area ("NLA") of leases signed and in advanced negotiations as a percentage of total AEI NLA.

<sup>9</sup> Ministry of Trade and Industry. (13 February 2023). MTI Maintains 2023 GDP Growth Forecast at "0.5 to 2.5 Per Cent". [https://www.mti.gov.sg/-/media/MTI/Resources/Economic-Survey-of-Singapore/2022/Economic-Survey-of-Singapore-2022/PR\\_AES2022.pdf](https://www.mti.gov.sg/-/media/MTI/Resources/Economic-Survey-of-Singapore/2022/Economic-Survey-of-Singapore-2022/PR_AES2022.pdf)

With the progressive normalisation of economic and consumer spending in Singapore, retail sales and food & beverage (F&B) services have continued their recovery path. The Department of Statistics (“DOS”) reported<sup>10</sup> a 4.9% year-on-year increase in retail sales (excluding motor vehicles) for the two-month period of January 2023 and February 2023.

FCT’s portfolio of high-quality suburban retail properties has strong competitive advantages with proximity to residential homes and transportation nodes and excellent catchment. It is well-positioned to ride on rising trends such as hybrid work arrangement and the shift to omnichannel retailing. These attributes and the focus on essential trades and services underpin the portfolio’s resilience.

**End**

### **About Frasers Centrepoint Trust**

Frasers Centrepoint Trust (“FCT”) is a leading developer-sponsored retail real estate investment trust (“REIT”) and one of the largest suburban retail mall owners in Singapore with assets under management of approximately S\$6.9 billion. FCT’s current property portfolio comprises ten retail malls and an office building located in the suburban regions of Singapore, near homes and within minutes to transportation amenities. The retail portfolio has approximately 2.9 million square feet of net lettable area with over 1,800 leases with a strong focus on providing for necessity spending, food & beverage and essential services.

The portfolio comprises Causeway Point, Century Square, Changi City Point, Hougang Mall, NEX (effective 25.50%-interest), Northpoint City North Wing (including Yishun 10 Retail Podium), Tampines 1, Tiong Bahru Plaza, Waterway Point (50.00%-interest), White Sands and an office property (Central Plaza). FCT’s malls enjoy stable and recurring shopper footfall supported by commuter traffic and residential population in the catchment areas.

FCT also holds a 30.97% stake in Hektar Real Estate Investment Trust, a retail-focused REIT in Malaysia listed on the Main Market of Bursa Malaysia Securities Berhad.

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

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

### **About Frasers Property Limited**

Frasers Property Limited (“Frasers Property” and together with its subsidiaries, the “Frasers Property Group” or the “Group”), is a multinational investor-developer-manager of real estate products and services across the property value chain. Listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and headquartered in Singapore, the Group has total assets of approximately S\$40.2 billion as at 30 September 2022.

Frasers Property’s multinational businesses operate across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels spans 70 cities in over 20 countries across Asia, Australia, Europe, the Middle East and Africa.

Frasers Property is also the sponsor of two real estate investment trusts (“REITs”) and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust and Frasers Logistics & Commercial Trust are focused on retail, and industrial & commercial properties, respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties. In addition, the Group has two REITs listed on the Stock Exchange of Thailand. Frasers Property (Thailand) Public Company Limited is the

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<sup>10</sup> Department of Statistics (DoS) Singapore. (5 April 2023). Monthly Retail Sales Index and Food & Beverage Services Index, February 2023. <https://www.singstat.gov.sg/-/media/files/news/mrsfeb2023.ashx>

sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on industrial & logistics properties in Thailand, and Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial properties.

The Group is committed to inspiring experiences and creating places for good for its stakeholders. By acting progressively, producing and consuming responsibly, and focusing on its people, Frasers Property aspires to raise sustainability ideals across its value chain, and build a more resilient business. It is committed to be a net-zero carbon corporation by 2050. Building on its heritage as well as leveraging its knowledge and capabilities, the Group aims to create lasting shared value for its people, the businesses and communities it serves. Frasers Property believes in the diversity of its people and is invested in promoting a progressive, collaborative and respectful culture.

For more information on Frasers Property, please visit [frasersproperty.com](https://frasersproperty.com) or follow us on [LinkedIn](#).

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