

FCT 4Q19 DPU up 1.8% year-on-year to 2.913 cents

- ◆ Total DPU for FY2019 at a new high of 12.07 cents
- ◆ Strong pipeline assets to support exciting phase of growth
- ◆ FCT to remain Singapore-centric and suburban retail-focused

SINGAPORE, 23 OCTOBER 2019

Frasers Centrepoint Asset Management Ltd. (“FCAM”), the manager of Frasers Centrepoint Trust (“FCT” or the “Trust”), is pleased to announce distribution per unit (“DPU”) of 2.913 cents for the period from 1 July to 30 September 2019 (“4Q19”), up 1.8% year-on-year. This brings the total DPU for the financial year ended 30 September 2019 (“FY2019”) to a new high at 12.07 cents.

Unitholders can expect to receive their DPU for 4Q19 on 29 November 2019. The Ex-Date is 31 October 2019 and the Books Closure Date is 1 November 2019.

Mr Richard Ng, Chief Executive Officer of FCAM, said, “We are delighted that the Trust has delivered another quarter of good performance to close FY2019 on a strong note. FY2019 is a transformational year for FCT. The Trust invested \$910 million to acquire significant stakes in PGIM Real Estate AsiaRetail Fund Limited (“PGIM ARF”) and in Waterway Point, which reinforced FCT’s position and enlarged its market share in the Singapore suburban retail sector. Together with the opportunity to acquire suburban retail assets from its sponsor Frasers Property, FCT now has a very strong pipeline of assets in Singapore, setting the stage for an exciting phase of growth.

For next few years, we will be focusing on improving the performance of the properties in our portfolio and those in our joint ventures and associates, as well as executing our strategies to drive FCT’s growth and to optimise returns to our unitholders. Our focus will continue to be in Singapore and in the suburban retail sector.”

Summary of 4Q19 and FY2019 Results

	4Q19 1/7/19 to 30/9/19	4Q18 1/7/18 to 30/9/18	Increase/ (Decrease)	FY2019 1/10/18 to 30/9/19	FY2018 1/10/17 to 30/9/18	Increase/ (Decrease)
Gross revenue ('000)	48,269	48,511	(0.5%)	196,386	193,347	1.6%
Net property income ('000)	32,849	32,878	(0.1%)	139,283	137,186	1.5%
Income available for distribution ('000)	30,434	25,808	17.9%	118,718	111,316	6.6%
Distribution to unitholders ('000)	32,553	26,549	22.6%	119,652	111,316	7.5%
Distribution per unit (cents)	2.913¢	2.862¢	1.8%	12.07¢	12.015¢	0.5%
Net asset value and net tangible asset value per unit (\$) ¹	\$2.21	\$2.08	6.3%			

¹ As at 30 September 2019 for 4Q19 and 30 September 2018 for 4Q18.

FCT portfolio continues to deliver steady performance

FCT reported gross revenue of \$48.3 million and net property income (“NPI”) of \$32.8 million for 4Q19, both marginally lower compared with the same period last year. Excluding non-cash accounting adjustments² which would reflect actual operating performance, the revenue and NPI in 4Q19 were 2.7% and 4.8% better year-on-year, due to higher average portfolio occupancy and higher contributions from Northpoint City North Wing, Changi City Point and YewTee Point. Overall property expense was 1.4% lower year-on-year and the NPI margin remained stable.

Distributable income for 4Q19 was \$30.4 million, up 17.9% year-on-year, mainly due to additional contributions³ from FCT’s shareholding in PGIM ARF and its shareholding in Sapphire Star Trust which holds Waterway Point.

Financial position remains strong

FCT’s financial position remains strong with gearing level at 32.9%⁴ as at 30 September 2019. The all-in average cost of borrowings was 2.6%, stable compared with the same period last year. The weighted average debt maturity was 2.3 years. FCT has approximately 50% of its borrowings on fixed or hedged-to-fixed interest rates.

Higher appraised valuation of investment properties

Total appraised value of FCT’s portfolio of investment properties as at 30 September 2019 stood at \$2,846 million, which is \$97 million or 3.5% higher than the \$2,749 million recorded a year ago. Causeway Point registered the largest increase of \$80 million to \$1,298 million. The remaining properties registered between 0% and 3.2% increase in appraised values. The revaluation surplus was \$93.3 million after including accounting adjustments⁵ of about \$1.3 million.

Stable operation performance with +4.8% average rental reversion for FY2019

During 4Q18, a total of 63 leases accounting for 66,304 square feet of net lettable area (“NLA”) were renewed at an average rental reversion of +3.9%. All properties, except Bedok Point, registered positive rental reversion in 4Q19. The portfolio average rental reversion for the full year FY2019 is +4.8% compared with +3.2% achieved in FY2018.

The portfolio occupancy as at 30 September 2019 was 96.5%, higher than the 94.7% registered in the same quarter in the previous year. Causeway Point’s occupancy was 97.0%, lower compared with 98.4% last year due to the ongoing works relating to the construction of the underground pedestrian link (the “UPL”) at its basement level, which is expected to complete in December 2019. Anchorpoint’s occupancy currently at 79.0%, is expected to improve to 94.2% when the new tenants complete their fitting-out progressively in October and November 2019.

4Q19 portfolio shopper traffic was 8.9% higher year-on-year, attributed mainly to the increase in shopper traffic at Northpoint City North Wing after the opening of the new Yishun bus interchange. The portfolio tenants’ sales for the three-month period from June to August 2019 was flat compared with the same period last year. The higher tenants’ sales year-on-year growth registered at Northpoint City North Wing, Changi City Point, YewTee Point and Waterway Point during the period were offset mainly by the decline at Causeway Point. Causeway Point saw decline in tenants’ sales due to the UPL works and the lease

² Refers to financial Reporting Standards (FRS) 116 and 109 accounting adjustments which are non-cash and do not affect distributable income.

³ Includes pro-rated net distribution of \$2.012 million attributed to FCT’s shareholding in PGIM ARF and (post one-off tax) distribution of \$2.38 million attributed to its shareholding in Sapphire Star Trust.

⁴ The gearing of 32.9% includes FCT’s proportional share of assets and underlying borrowings in Sapphire Star Trust.

⁵ Relating to FRS 116 adjustment arising from amortisation of rent incentives.

termination of certain tenants in the computer trade sector in early 2019. The tenants' sales performance in other sectors in the mall remained stable.

Outlook

The Ministry of Trade and Industry ("MTI") announced on 13 August 2019 that the GDP growth forecast for 2019 has been downgraded to "0.0 to 1.0 per cent", from "1.5 to 2.5 per cent", with growth expected to come in at around the mid-point of the forecast range, due to weakened global economic growth outlook, increased uncertainties and downside risks exacerbated by US-China trade conflict among other macroeconomic challenges. The Department of Statistics reported that retail sales in August 2019 (excluding motor vehicles) was 1.1% lower year-on-year but 2.2% higher month-on-month.

FCT completed the acquisition of an additional 6% interest in Waterway Point on 18 September 2019 to bring its total stake in the mall to 40.0%. Separately, FCT's stake in PGIM ARF has increased to approximately 24.82% from 21.13%, subsequent to the investors' shares redemption in the capital of PGIM ARF on 30 September 2019. These investments are expected to further increase income diversification for FCT's portfolio.

FCT's property portfolio consists of seven quality suburban retail properties in Singapore, i.e., Causeway Point, Northpoint City North Wing and Yishun 10 Retail Podium, Anchorpoint, YewTee Point, Bedok Point, Changi City Point and Waterway Point (40%-interest). These properties are located in populous residential precincts and they are well-connected to the public transportation system. The focus on necessity shopping, healthy mall occupancy and steady shopper traffic helps to underpin the stable performance and resilience of the portfolio.

End

About Frasers Centrepoint Trust

Frasers Centrepoint Trust ("FCT") is a leading developer-sponsored retail real estate investment trust (REIT). FCT's property portfolio comprises the following suburban retail properties in Singapore: Causeway Point, Northpoint City North Wing (including Yishun 10 Retail Podium), Anchorpoint, YewTee Point, Bedok Point, Changi City Point and Waterway Point (40%-interest). FCT malls are strategically located in various established residential townships and have a large and diversified tenant base covering a wide variety of trade sectors.

FCT holds 24.82% stake in PGIM Real Estate AsiaRetail Fund Limited ("PGIM ARF") through its wholly owned subsidiary FCT Holdings (Sigma) Pte. Ltd. PREAFL 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 holds a 31.15% stake in Hektar Real Estate Investment Trust, a retail-focused REIT in Malaysia listed on the Main Market of Bursa Malaysia Securities Berhad.

FCT is focused on increasing shareholder value by pursuing organic, enhancement and acquisition growth strategies. With proactive lease management initiatives, FCT is well placed to achieve sustainable rental growth. To unlock the full potential of its assets, FCT continues to enhance existing assets to maximise their performance. The potential acquisitions of new assets will help FCT gain greater scale and drive further income growth for unitholders.

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

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

About Frasers Property Limited

Frasers Property Limited ("Frasers Property" and together with its subsidiaries, the "Group"), is a multi-national company that develops, owns and manages a diverse, integrated portfolio of properties. 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\$33.6 billion as at 30 June 2019.

Frasers Property's assets range from residential, retail, commercial & business parks, to logistics & industrial in Southeast Asia, Australia, Europe and China. Its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities across Asia, Australia, Europe, the Middle East and Africa. The Group is unified by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging its knowledge and capabilities from across markets and property sectors, to deliver value in its multiple asset classes.

Frasers Property is also the sponsor of three real estate investment trusts and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust, Frasers Commercial Trust, and Frasers Logistics & Industrial Trust are focused on retail, commercial & business parks, and logistics & industrial 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, Frasers Property Thailand is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on logistics and industrial properties in Thailand and is listed on the Stock Exchange of Thailand.

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

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