

## FCT reports 5.996 cents DPU for 1H2021, boosted by acquisition of ARF portfolio

- ◆ 1H2021 performance boosted by the enlarged retail portfolio post the ARF Acquisition
- ◆ FCT's portfolio tenants' sales recovery outpaced broader retail market
- ◆ Steady roll-out of Singapore's COVID-19 vaccination programme and continued re-opening of the economy will further support the recovery of shopper traffic and tenants' sales

**SINGAPORE, 23 APRIL 2021**

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 distribution per unit ("**DPU**") of 5.996<sup>1</sup> Singapore cents for the period from 1 October 2020 to 31 March 2021 ("**1H2021**") which is 28.4% higher year-on-year ("**y-o-y**"). The books closure date for the 1H2021 DPU is 5.00 p.m. on 3 May 2021 and the payment date is 28 May 2021.

Mr Richard Ng, Chief Executive Officer of FCAM, said, "This is the first set of financial results following the completion of the acquisition (the "**ARF Acquisition**") of the remaining 63.11% stake in AsiaRetail Fund Limited ("**ARF**") in October last year. Overall performance was boosted by the enlarged retail portfolio and FCT's financial position remains strong. Our retail portfolio occupancy remained stable at 96.1%, despite the challenging leasing environment, and we have renewed approximately 50% of the expiring leases for the financial year ending 30 September 2021. Our portfolio tenants' sales registered y-o-y growth of 0.4% in January 2021 and 11.7% in February 2021, ahead of the y-o-y change in the Singapore retail sales value<sup>2</sup> of -8.1% and 7.7%, respectively for the same months. The steady roll-out of Singapore's COVID-19 vaccination programme and continued re-opening of the economy will further support the recovery of shopper traffic and tenants' sales."

### Summary of 1H2021 results

In S\$'000 unless otherwise stated	1H2021 1/10/20 to 31/3/21	1H2020 1/10/19 to 31/3/20	Increase/ (Decrease)
Gross revenue	173,615	99,920	73.8%
Net property income (" <b>NPI</b> ")	125,658	72,283	73.8%
Distribution to Unitholders	101,097	71,023	42.3%
DPU (S cents)	5.996 <sup>1</sup>	4.670	28.4%
Net asset value and net tangible asset value per Unit (S\$) <sup>3</sup>	2.31	2.21	4.5%

### 1H2021 results boosted by enlarged retail portfolio post ARF Acquisition

Revenue and NPI for 1H2021 both grew 73.8% to S\$173.6 million and S\$125.7 million, respectively. The growth was mainly attributed to additional contributions from properties in the ARF portfolio, following the completion of the ARF Acquisition. The ARF Acquisition added approximately five months of contribution post completion of the ARF Acquisition on 27 October 2020. The 1H2021 financial performance was

<sup>1</sup> Included the 0.132 Singapore cents DPU for the period from 1 October 2020 to 6 October 2020 accrued prior to the issuance of new FCT units on 7 October 2020 pursuant to the equity fund raising announced on 28 September 2020. It was paid to Unitholders on 4 December 2020. The DPU amount to be paid on 28 May 2021 is 5.864 Singapore cents.

<sup>2</sup> Retail Sales value (ex auto) from Singapore Department of Statistics, 5 April 2021.

<sup>3</sup> As at 31 March 2021 for 1H2021 and 31 March 2020 for 1H2020.

partially offset by the absence of atrium rental revenue due to prevailing restrictions under the COVID-19 safe distancing measures and the divestment of Bedok Point. Distribution to unitholders for 1H2021 is up 42.3% y-o-y to \$101.1 million.

### **FCT's financial position remains strong**

Total assets as at 31 March 2021 stood at approximately S\$6.12 billion, up 57.7% from S\$3.88 billion as at the end of last financial year on 30 September 2020. The increase was due mainly to the enlargement of FCT's investment property portfolio, following the completion of the ARF Acquisition. FCT completed the divestment of Bedok Point and Anchorpoint in November 2020 and March 2021 respectively. It had also announced the proposed divestment of YewTee Point, which is expected to be completed in May 2021. Net asset value per unit as at 31 March 2021 was up 4.5% to S\$2.31.

FCT's financial position remains strong with gearing level of 35.2%<sup>4</sup> and year-to-date interest coverage ratio of 5.04 times as at 31 March 2021. The year-to-date all-in average cost of borrowing was 2.16%, compared with 2.50% in the same period last year. The proportion of borrowings hedged to fixed rate is 54% as at 31 March 2021, compared with 50% as at 31 March 2020. FCT has undrawn revolving credit facilities totalling S\$851 million as at 31 March 2021.

### **Retail portfolio<sup>5</sup> occupancy at 96.1% despite the challenging leasing environment**

FCT's retail portfolio committed occupancy remains resilient at 96.1% despite the challenging leasing environment. A total of 182 leases were renewed in 1H2021. The year-to-date rental reversion of the retail portfolio, on an incoming versus outgoing basis, was at -0.7%<sup>6</sup>.

Portfolio tenants' sales registered positive y-o-y growth in January 2021 and February 2021. The recovery rate, however, remains uneven among trade sectors and tenants. Portfolio shopper traffic has remained relatively stable at 60% to 70% of pre-COVID-19 levels.

### **Staying agile in the "New Normal"**

FCT has embarked on multiple strategic initiatives to stay agile in the "New Normal" as a result of the COVID-19 pandemic. FCT re-constituted its portfolio with dominant suburban retail malls, with the divestments of its three smaller malls, Bedok Point, Anchorpoint and YewTee Point. This enhances FCT's portfolio resilience and sharpens its cost efficiency. The Manager is also working to ensure adherence to the Frasers Property Group's sustainability goal to achieve net carbon zero, health & safety ISO standards, GRESB and GreenMark certification for its portfolio properties.

FCT, together with Frasers Property Retail, will continue to invest in its omnichannel retailing initiatives through its Frasers e-Store and Makan Master digital retail platforms and will also leverage the location advantage of its physical malls as "last mile fulfilment hubs". These digital retail initiatives complement FCT's strengths as a physical retail space provider, and position FCT strategically for omnichannel retailing, a trend which has been reinforced and accelerated by COVID-19.

<sup>4</sup> In accordance with the Property Funds Appendix, gearing ratio included FCT's proportionate share of deposited property value and borrowings in Sapphire Star Trust, which owns Waterway Point.

<sup>5</sup> Retail portfolio refers to FCT's investment property portfolio including Waterway Point and excludes Central Plaza which is an office property.

<sup>6</sup> Previous reported average rental reversions were based on the variance between the average rental rates between the new lease and the preceding lease (average to average), based on same retail space. Average lease tenure is 3 years. 1H2021 average rental reversion based on average to average is +2.9%.

On the acquisition front, FCT will continue to explore opportunities in the pipeline of its Sponsor, Frasers Property Limited, and possible third-party opportunities that may present itself from time to time. FCT has ample financial capacity to take advantage of acquisition opportunities as and when they arise.

### **FCT to voluntarily adopt the Fair Tenancy Code of Conduct from 1 June 2021**

On 26 March 2021, an industry-led Fair Tenancy Pro Tem Committee (“**Pro Tem Committee**”) introduced the Code of Conduct (the “**CoC**”) for Leasing of Retail Premises in Singapore, which sets out guidelines for the negotiation of lease agreements. The CoC will apply to all retail premises held under a lease agreement entered into on or after 1 June 2021, with a tenure of more than one year. The CoC aims to provide clarity on long-standing tenancy issues between landlords and retail tenants, and to establish industry norms on tenancy practices and terms. While the adoption of the CoC is currently on a voluntary basis, FCT has committed to adopt and abide by the CoC from the effective date of 1 June 2021. New leases in FCT’s portfolio of malls with tenure exceeding one year commencing on or after 1 June 2021 will adopt the guidelines under the CoC. The Manager does not expect the impact of CoC adoption to be significant for this financial year. The Pro Tem Committee has also recommended to the Singapore government for compliance with the CoC to be made mandatory via legislation in due course.

### **Outlook**

The Ministry of Trade and Industry (“**MTI**”) has maintained Singapore’s GDP growth forecast for 2021 at 4.0% to 6.0%. MTI noted that the domestic COVID-19 situation remains under control and the vaccination programme is underway. The Singapore economy is also expected to see a gradual recovery over the course of 2021, although the outlook remains uneven across sectors.

FCT’s portfolio shopper traffic has remained at between 60% and 70% of pre-COVID-19 levels. Total tenants’ sales of the portfolio have generally recovered to pre-COVID-19 levels even though the recovery among various trade sectors remained uneven.

The Manager has announced on 19 March 2021 the proposed divestment of YewTee Point for S\$220 million with completion targeted for 28 May 2021. The estimated net proceeds from the divestment is approximately S\$219.9 million and the Manager intends to use the net sale proceeds to repay debt and lower FCT’s gearing. Upon completion of the divestment, FCT’s retail portfolio will comprise nine suburban retail properties: Causeway Point, Northpoint City North Wing (including Yishun 10 Retail Podium), Changi City Point, Waterway Point (FCT holds 40%-interest), Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square and Tampines 1.

In the near-term, the Manager will focus on managing the operating and financial performance of FCT’s portfolio, taking into consideration the ongoing COVID-19 situation.

**End**

### **About Frasers Centrepoint Trust**

Frasers Centrepoint Trust (“**FCT**”) is a leading developer-sponsored retail real estate investment trust (“**REIT**”) and one of the largest suburban retail mall owners in Singapore with assets under management of approximately S\$6.4 billion. FCT’s current property portfolio comprises 10 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 2.3 million square feet of net lettable area with over 1,500 leases with a strong focus on providing for necessity spending, food & beverage and essential services.

The portfolio comprises Causeway Point, Northpoint City North Wing (including Yishun 10 Retail Podium), YewTee Point, Changi City Point, Waterway Point (40%-interest), Tiong Bahru Plaza, White Sands, Hougang Mall, Century Square and Tampines 1 and an office property (Central Plaza). FCT’s malls enjoy stable and recurring shopper footfall supported by commuter traffic and residential population in the catchment.

FCT also holds a 31.15% stake in Hektar Real Estate Investment Trust, a retail-focused REIT in Malaysia listed on the Main Market of Bursa Malaysia Securities Berhad.

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

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

For more information on FCT, please visit [www.frasersproperty.com/reits/fct](http://www.frasersproperty.com/reits/fct).

### **About Frasers Property Limited**

Frasers Property Limited ("Frasers Property" and together with its subsidiaries, the "Frasers Property Group" or the "Group"), is a multi-national owner-operator-developer of real estate products and services across the property value chain. Listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and headquartered in Singapore, the Group has total assets of approximately S\$38.7 billion as at 30 September 2020.

Frasers Property's multi-national businesses operate across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities and 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 SGXST. 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 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 people, Frasers Property aspires to raise sustainability ideals across its value chain, and build a more resilient business. It has 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 are invested in promoting a progressive, collaborative and respectful culture.

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

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