

FCT 1Q20 DPU up 1.3% year-on-year to 3.06 cents

- ◆ Contributions from PGIM Real Estate AsiaRetail Fund Limited (“PGIM ARF”) and Sapphire Star Trust (“SST”) lifted distribution to Unitholders by 22.1%
- ◆ Achieved positive rental reversion of 5.0% for leases renewed in 1Q20

SINGAPORE, 22 JANUARY 2020

Fraser's Centrepoint Asset Management Ltd. (“FCAM”), the manager of Fraser's Centrepoint Trust (“FCT” or the “Trust”), is pleased to announce distribution per unit (“DPU”) of 3.06 Singapore cents for the period from 1 October to 31 December 2019 (“1Q20”), up 1.3% year-on-year (“y-o-y”).

FCT Unitholders (“Unitholders”) can expect to receive their DPU for 1Q20 on 28 February 2020. The Ex-Date is 30 January 2020 and the Books Closure Date is 31 January 2020.

Mr Richard Ng, Chief Executive Officer of FCAM, said, “We are pleased that FCT has delivered another quarter of steady performance and a higher DPU for 1Q20. The portfolio has achieved higher average occupancy and rental growth from new leases signed and renewed leases to underpin the growth in revenue and net property income (“NPI”). The distributable income is also boosted by contributions from our investments in PGIM ARF and SST which holds the interest in Waterway Point. We will continue to focus on optimising FCT’s portfolio and its performance, and to deliver stable returns to our Unitholders.”

Summary of 1Q20 results

In S\$'000 unless otherwise stated	1Q20 1/10/19 to 31/12/19	1Q19 1/10/18 to 31/12/18	Increase/ (Decrease)
Gross revenue	49,752	49,281	1.0%
NPI	36,319	35,387	2.6%
Income available for distribution before dividends	26,348	26,665	(1.2%)
Dividends from associates and joint ventures	8,673 ¹	1,026	n.m.
Income available for distribution	35,021	27,691	26.5%
Distribution to Unitholders	34,202	28,021	22.1%
DPU (S cents)	3.06	3.02	1.3%
Net asset value and net tangible asset value per Unit (S\$) ²	2.22	2.21	0.5%

FCT portfolio continues to deliver steady performance

Gross revenue for 1Q20 was S\$49.8 million, up 1.0% y-o-y and NPI rose 2.6% to S\$36.3 million. NPI margin for 1Q20 improved 1.2 percentage-point to 73.0% from the same period last year. Gross revenue growth was supported by higher overall portfolio occupancy and rental growth from renewals and replacement leases which commenced during the quarter.

Income available for distribution for 1Q20 rose 26.5% to S\$35.0 million, due mainly to contributions from FCT’s 24.8% interest in PGIM ARF and 40.0% interest in SST. The distribution from PGIM ARF was S\$4.12 million and the amount from SST was S\$3.63 million. Distribution to Unitholders for 1Q20 was up 22.1% y-o-y to S\$34.2 million.

¹ Includes dividends from PGIM ARF: S\$4.121 million and SST: S\$3.636 million (this amount excludes interest income of S\$0.725 million from SST) (1Q19: nil)

² As at 31 December 2019 for 1Q20 and 31 December 2018 for 1Q19.

Financial position remains strong

FCT's financial position remains strong with gearing level at 33.2%³ as at 31 December 2019. The all-in cost of borrowing in 1Q20 was 2.57%, down from 2.63% in the previous quarter. The weighted average debt maturity was 2.5 years and FCT has approximately 53% of its borrowings on fixed or hedged-to-fixed interest rates.

Improved portfolio occupancy and positive rental reversion

During 1Q20, a total of 60 leases accounting for 142,103 square feet of net lettable area ("NLA") were renewed at an average portfolio rental reversion of +5.0%. All properties registered positive rental reversions ranging between 2.7% and 7.1%.

The portfolio occupancy as at 31 December 2019 was 97.3%, an improvement of 1.1%-point y-o-y and 0.8%-point over the previous quarter. Occupancy at Causeway Point improved to 97.8% from 97.0% in previous quarter after the completion of the asset enhancement works relating to the underground pedestrian link in December 2019. Anchorpoint registered a strong recovery in its occupancy to 93.5% from 79.0% in the previous quarter after the commencement of trading of the new anchor tenant in November 2019.

Overall portfolio shopper traffic was up 8.4% y-o-y, due mainly to strong traffic increase at Northpoint City and higher traffic registered in most of the properties in the portfolio. The portfolio tenants' sales for the three-month period from September to November 2019 was flat compared with the same period last year.

Outlook

The Ministry of Trade and Industry ("MTI") announced on 2 January 2020⁴ that the Singapore economy grew by 0.7% for the year 2019. MTI has announced earlier on 21 November 2019⁵, that it expects the Singapore economy to pick up modestly in 2020 and it expects the economy to grow by 0.5% to 2.5% in 2020.

The Department of Statistics reported that the Retail Sales Index excluding motor vehicles ("RSI ex-auto") in November 2019 was 0.6% lower y-o-y but 1.0% higher month-on-month. It is noted that the RSI ex-auto index for November 2019 was at 100.9, the first time it rose above the base of 100 since January 2019.

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 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.

End

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

⁴ https://www.mti.gov.sg/Newsroom/Press-Releases/2020/01/Singapore-GDP-Grew-by-0_8-Per-Cent-in-the-Fourth-Quarter-of-2019

⁵ Source: https://www.mti.gov.sg/Newsroom/Press-Releases/2019/11/MTI-Forecasts-GDP-to-Grow-by-0_5-to-1_0-Per-Cent-in-2019-and-0_5-to-2_5-Per-Cent-in-2020

About Frasers Centrepoint Trust

Fraser's 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 Fraser's Centrepoint Asset Management Ltd., a real estate management company and a subsidiary of Fraser's Property Limited.

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

About Frasers Property Limited

Fraser's Property Limited ("Fraser's 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\$37.6 billion as at 30 September 2019.

Fraser's Property's assets range from residential, retail, commercial & business parks, to industrial & logistics 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.

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

For more information on Fraser's Property, please visit www.frasersproperty.com

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