



# SUSTAINING LONG-TERM GROWTH

ANNUAL REPORT 2015



## SUSTAINING LONG-TERM GROWTH

This year's design for the Frasers Centrepoint group of companies' annual reports comprises a series that prominently features the Frasers Centrepoint logo.

All four annual reports (Frasers Centrepoint Limited, Frasers Centrepoint Trust, Frasers Commercial Trust and Frasers Hospitality Trust) can be positioned together to form the complete corporate logo.

The Frasers Centrepoint logo symbolically personifies its brand essence of being a property group that builds upon trust and care.

In the form of a structured yet dynamic diamond shape, the logo reflects Frasers Centrepoint's strength, stability and trustworthiness as an integrated real estate group. The eight contoured strokes represent progression and continuity in its business activities.

The red strokes represent a strong business foundation, while the warm grey strokes represent its business partners, investors and customers. Together, they form a complete diamond which represents success.

The colour red symbolises warmth, vibrancy and passion while grey reflects dignity, trustworthiness and professionalism.

Integration, progression and continuity are exemplified by the coming together of the four entities.

At Frasers Centrepoint Trust, we focus on developing and growing a portfolio of retail assets which delivers stable and consistent returns. Our strength in being Singapore-centric and suburban-focused underpins our ability to deliver sustainable long-term growth to our unitholders.

## CONTENTS

### EDITORIAL

<u>01</u>	FINANCIAL HIGHLIGHTS IN 2015
<u>02</u>	ABOUT FRASERS CENTREPOINT TRUST
<u>03</u>	STRUCTURE OF FRASERS CENTREPOINT TRUST
<u>04</u>	PERFORMANCE AT A GLANCE
<u>06</u>	LETTER TO UNITHOLDERS
<u>10</u>	FINANCIAL YEAR 2015 IN BRIEF
<u>11</u>	INVESTOR RELATIONS
<u>13</u>	FCT UNIT PRICE PERFORMANCE
<u>16</u>	BOARD OF DIRECTORS
<u>20</u>	TRUST MANAGEMENT TEAM
<u>21</u>	PROPERTY MANAGEMENT TEAM

### OPERATIONS & FINANCIAL REVIEW

<u>24</u>	OPERATIONS & FINANCIAL REVIEW
<u>31</u>	CAPITAL RESOURCES
<u>33</u>	RISK MANAGEMENT
<u>34</u>	RETAIL PROPERTY MARKET REVIEW

### MALL PROFILES

<u>42</u>	FCT PORTFOLIO SUMMARY
<u>44</u>	CAUSEWAY POINT
<u>46</u>	NORTHPOINT
<u>48</u>	CHANGI CITY POINT
<u>50</u>	BEDOK POINT
<u>52</u>	YEWTEE POINT
<u>54</u>	ANCHORPOINT
<u>56</u>	HEKTAR REIT

### SUSTAINABILITY

<u>60</u>	SUSTAINABILITY REPORT
-----------	-----------------------

### CORPORATE GOVERNANCE

<u>74</u>	CORPORATE GOVERNANCE REPORT
-----------	-----------------------------

### FINANCIALS

<u>91</u>	FINANCIAL STATEMENTS
-----------	----------------------

### OTHERS

<u>142</u>	STATISTICS OF UNITHOLDERS
<u>145</u>	ADDITIONAL INFORMATION
<u>146</u>	NOTICE OF ANNUAL GENERAL MEETING
	PROXY FORM





## FINANCIAL HIGHLIGHTS IN 2015

**\$189.2M**

GROSS  
REVENUE

+12.1%

**\$131.0M**

NET PROPERTY  
INCOME

+11.0%

**11.608¢**

DISTRIBUTION  
PER UNIT

+3.8%

**\$1.91**

NET ASSET VALUE  
PER UNIT

+3.2%





## ABOUT FRASERS CENTREPOINT TRUST

Frasers Centrepoint Trust ("FCT") is a leading developer-sponsored retail real estate investment trust ("REIT") with six quality suburban malls in Singapore.

FCT's current portfolio comprises Causeway Point, Northpoint, Changi City Point, YewTee Point, Bedok Point and Anchorpoint. With combined appraised value of \$2.46 billion as at 30 September 2015, FCT's malls enjoy wide captive markets, good connectivity and high

occupancy. FCT also receives steady overseas returns via its 31% strategic stake in Hektar REIT.

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.

FCT was listed on the Main Board of the Singapore Exchange Securities Trading Limited on 5 July 2006. The trust is managed by Frasers Centrepoint Asset Management Ltd. ("FCAM"), a real estate management company and a subsidiary of Frasers Centrepoint Limited ("FCL").



### VISION

Our vision is to be "Your Malls of Choice" to our stakeholders: Tenants, Shoppers and Investors.

We aim to be a fair and value-adding landlord to our Tenants.

We aspire to create and offer a vibrant and exciting shopping experience to meet the expectations of our Shoppers.

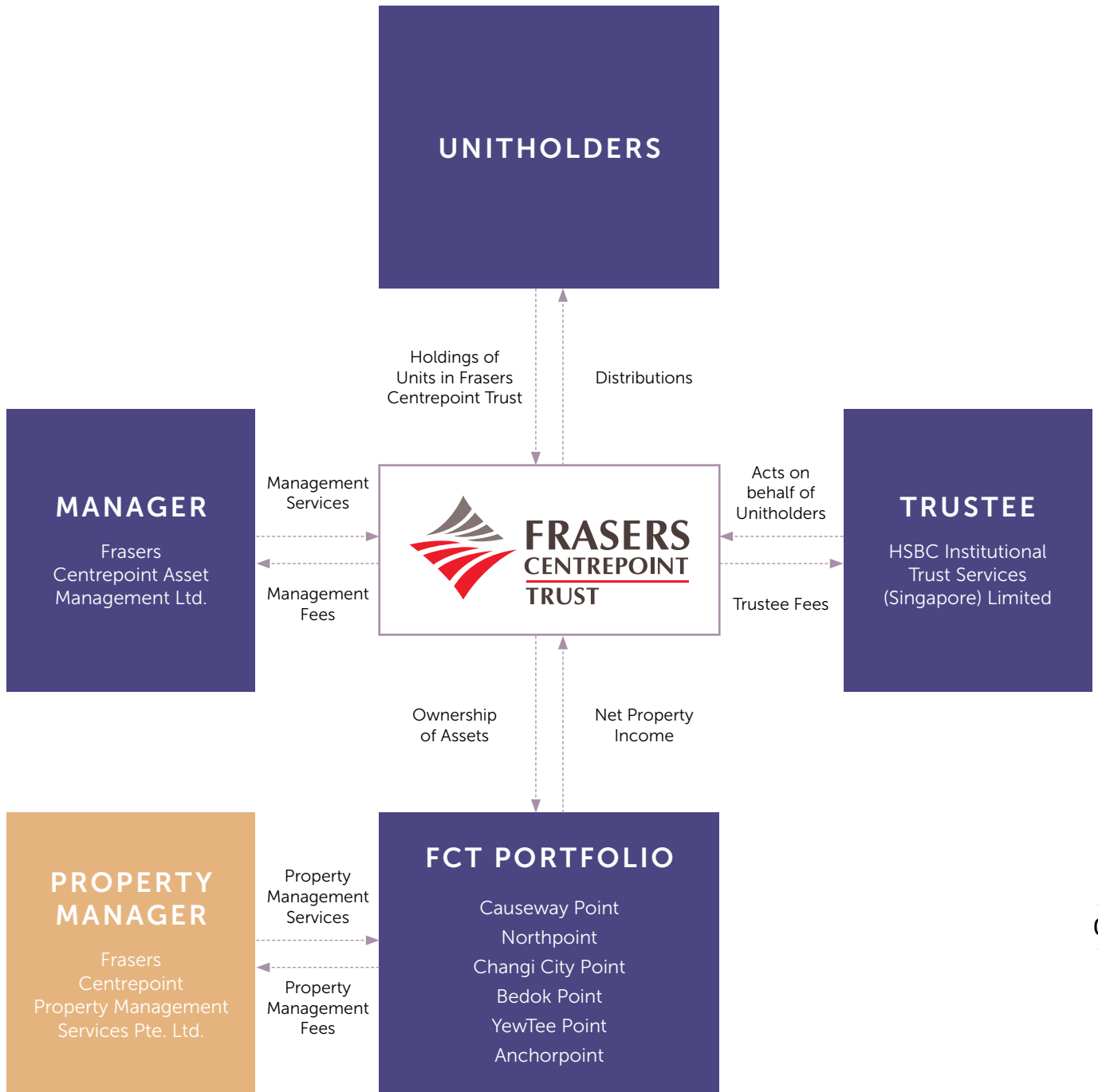
We endeavour to be the REIT of choice affording stable, sustainable and growing distributions to our Investors.

### MISSION

Frasers Centrepoint Trust's mission is to provide its unitholders with a regular and stable distribution by investing primarily in quality income-producing retail properties in Singapore and overseas, and to achieve long-term growth in net asset value.



# STRUCTURE OF FRASERS CENTREPOINT TRUST

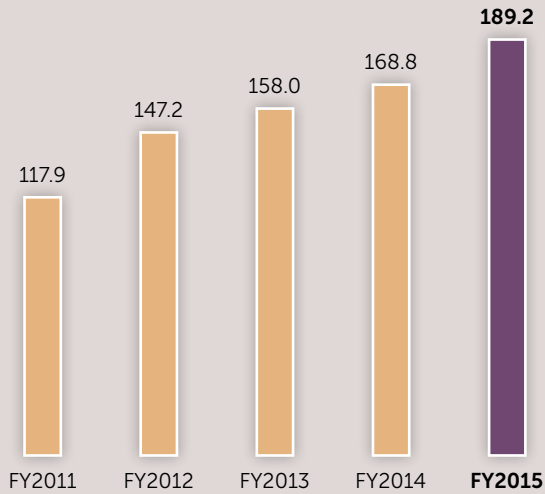


# PERFORMANCE AT A GLANCE

## GROSS REVENUE

(\$ Million)

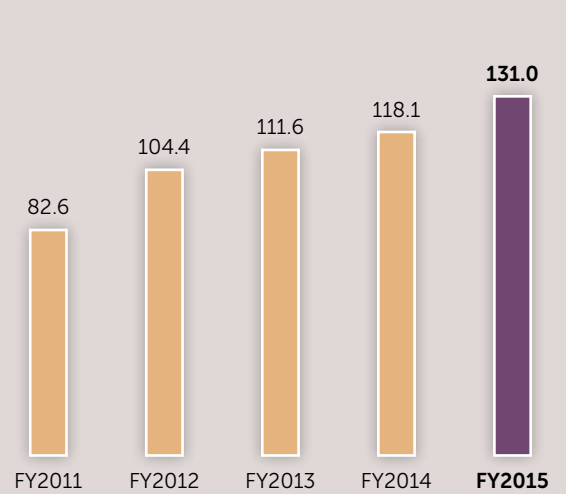
+12.1%



## NET PROPERTY INCOME

(\$ Million)

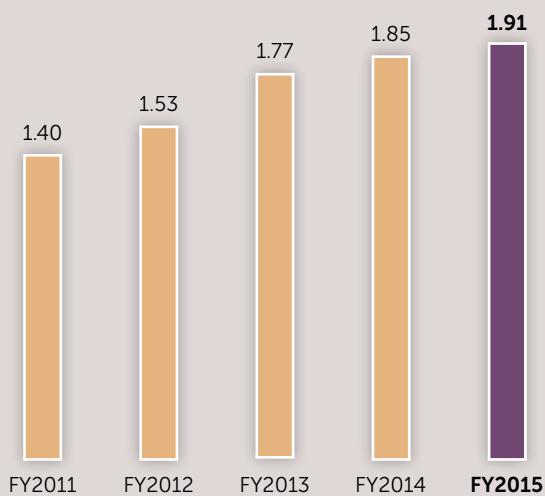
+11.0%



## NET ASSET VALUE PER UNIT

(\$)

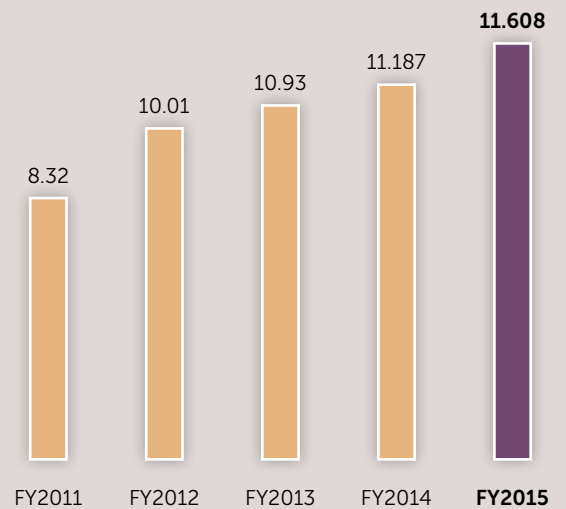
+3.2%



## DISTRIBUTION PER UNIT

(Cents)

+3.8%





# PERFORMANCE AT A GLANCE

## 5-YEAR FINANCIAL HIGHLIGHTS

Group For the Financial Year ending 30 September	FY2011	FY2012	FY2013	FY2014	FY2015
<b>Selected Income Statement and Distribution Data (\$'000)</b>					
Gross Rent	103,644	131,280	140,329	149,453	167,914
Other Revenue	14,240	15,923	17,630	19,301	21,328
<b>Gross Revenue</b>	<b>117,884</b>	<b>147,203</b>	<b>157,959</b>	<b>168,754</b>	<b>189,242</b>
<b>Net Property Income</b>	<b>82,618</b>	<b>104,430</b>	<b>111,590</b>	<b>118,096</b>	<b>131,043</b>
<b>Distributable Income</b>	<b>64,375</b>	<b>82,348</b>	<b>90,131</b>	<b>95,442</b>	<b>106,412</b>
<b>Selected Balance Sheet Data (\$ Million)</b>					
Total Assets	1,786.8	1,917.1	2,134.5	2,521.8	2,548.7
Total Borrowings	559.0	577.0	589.0	739.0	718.0
Net Assets	1,151.9	1,263.0	1,462.4	1,698.7	1,754.5
Value of Portfolio Properties <sup>1</sup>	1,697.0	1,816.0	2,019.5	2,400.0	2,464.0
<b>Key Financial Indicators</b>					
Distribution per Unit (cents)	8.32	10.01	10.93	11.187	11.608
Net Asset Value per Unit (\$)²	1.40	1.53	1.77	1.85	1.91
Ratio of Total Borrowings to Total Assets (Gearing)	31.3%	30.1%	27.6%	29.3%	28.2%
Interest Coverage (Times)	4.62	5.56	6.15	6.20	6.61

1 FCT's property portfolio comprises the following suburban retail properties in Singapore: Causeway Point, Northpoint, Anchorpoint, YewTee Point, Bedok Point and Changi City Point.

2 Includes the distribution to be paid for the last quarter of the Financial Year.

# LETTER TO UNITHOLDERS



## DEAR UNITHOLDERS,

We are pleased to present Frasers Centrepoint Trust (FCT)'s Annual Report 2015 and the inaugural Sustainability Report for the financial year ended 30 September 2015.

## GOOD SET OF FINANCIAL RESULTS AND STRONG BALANCE SHEET

FCT has delivered another set of good financial results for FY2015 with stable operating performance of its properties. Distribution per unit for FY2015 was up 3.8% to 11.608 cents and this is a new-high following nine consecutive years of growth at a compounded average growth rate of 7.5% since our IPO in 2006.

Gross revenue increased 12.1% to \$189.2 million and net property income increased 11.0% to \$131.0 million on the back of full-year contribution from Changi City Point (which was acquired in June 2014), and from the step-up rents and higher rental rates achieved for new and renewed leases signed during the year.

Net property income margin for the portfolio eased slightly to 69.2% from 70.0% in FY2014, as property expenses increase outpaced that of revenue. Our two largest malls, Causeway Point and Northpoint, continued to deliver steady performance. Net property income of Causeway Point and Northpoint grew 4.6% and 0.5% year-on-year, respectively.

Our balance sheet remains strong with gearing level at 28.2% and our average all-in cost of borrowings was 2.4%, down from 2.5% last year. Our total debt stood at \$718.0 million as at 30 September 2015, down from \$739.0 million. We have maintained the proportion of

fixed-interest rate debt of our borrowings at 75% to provide cushion from short-term interest rates volatility. On the asset side of the balance sheets, the appraised value of our properties has increased to \$2,464.0 million from \$2,400.0 million, due to upward revision of the valuations of our properties, with the exception of Bedok Point. With higher total assets and lower liabilities, our net asset value as at end-FY2015 increased 3.2% from \$1.85 to \$1.91 per unit.

## STABLE OPERATING PERFORMANCE

Our portfolio of six suburban malls are mostly located near or next to MRT stations and bus interchanges in populous residential areas. Our malls attracted a total of 97.2 million shoppers in FY2015, an increase of about 3% from FY2014. Our suburban malls typically draw stable shopper footfall from residential catchment within 3 to 5 kilometres radius of the mall, and spending at the malls are substantially for necessities such as food and dining, groceries and services. These characteristics underpin the stability and resilient performance of our properties through economic cycles.

Portfolio occupancy was 96.0% as at 30 September 2015, a slight drop from 98.9% last year owing to on-going tenant remixing activities at Changi City Point and Bedok Point. Despite the current headwinds in the retail market, we were able to achieve portfolio average rental reversion of 6.3% for the 255 leases renewed in FY2015, which accounted for 31.7% of FCT's total net lettable area. 63.6% of the area renewed were at Causeway Point and Northpoint, which achieved good reversions of 6.3% and 5.7%, respectively. Challenges however, persisted at the smaller Bedok Point, which registered decline of 6.4% in rental reversions, as the mall is still undergoing a repositioning process.



# LETTER TO UNITHOLDERS

During the year, we have intensified our advertising and promotion efforts to help draw more shopper traffic to the malls. This include hosting more festive events and promotions at our malls and enhancing the Frasers Rewards loyalty program (which has over 300,000 members) to incentivise shoppers to patronise Frasers malls more often. We also continue to adjust our tenant-mix by adding new F&B offerings, introducing popular fashion retailers and diversifying our range of service retailers, in response to the changing demography and lifestyle trends and to e-commerce. Some of the notable retailers added to our malls during the year include Ilaol Ilaol, Timberland, Crocs, and Uniqlo (at Changi City Point).

Our portfolio tenants' sales grew 2.9% year-on-year in FY2015, while our portfolio average occupancy cost stood at 15.3% for FY2015.

## GOING FORWARD

The Singapore retail sector has been facing headwinds as reflected by the weak Retail Sales Index data published by the Government. These headwinds include weaker consumer spending, slower tourists' arrivals, increasing online spending and more significantly, staffing challenges that curtailed the growth plans of retailers. Although we expect some of these headwinds to persist in FY2016, we remain sanguine that the suburban retail sector will stay resilient, underpinned by growth in median household income, sustained low unemployment rate and improvement in Singapore's economy. FCT's well-located suburban malls which attract steady shopper traffic will contribute to the stability and sustainability of the portfolio's rental income and occupancy rates.

FCT will continue to adhere to its strategy in sustaining steady unitholders' return and growth through asset acquisitions, asset enhancement initiatives and organic means.

Northpoint, our second largest mall in the portfolio, is set to undergo asset enhancement initiative (AEI) work. This is the second AEI for Northpoint since the completion of the previous one 6 years ago. The AEI is scheduled to commence in March 2016 and to complete in phases over 18 months. The AEI will focus on enhancing shopper experience and comfort, boosting the diversity of retail offerings, and to position the mall to benefit from the integration with the upcoming retail component of Northpoint City by Frasers Centrepoint Limited. We expect the AEI to deliver positive return on investment upon its completion and more importantly, to bring about long-term benefits for FCT and its unitholders.

Expansion through acquisition of new assets is one key strategy of FCT. Prospects include existing and future malls in the sponsor's portfolio, as well as other opportunities arising within Singapore and overseas.

## INAUGURAL SUSTAINABILITY REPORT

Sustainability is an important aspect of FCT's business. We are pleased to present our inaugural sustainability report within this annual report. The report is in accordance with the Global Reporting Initiative's G4 Core requirements (an international standard for sustainability reporting) and its Construction and Real Estate Sector Disclosures standard. It marks the commencement of our journey in reporting the key material aspects of our business that have impact on the environment, society and economy, significant to both our internal and external stakeholders. Our approach to sustainability is harmonised with Frasers Group's sustainability approach.

## ENGAGING INVESTORS GLOBALLY, FORGING GOOD INVESTOR RELATIONS AND RESEARCH COVERAGE

We continue to build on FCT's track record as a growing REIT with steady returns, good financial performance, excellent corporate governance and disclosures. These qualities have attracted increasing interests from investors and research analysts, contributing to FCT's improved trading liquidity and awareness among investors. We recognise the importance of good investor relations in the competitive global capital markets and we invest appreciable amount of time and resources to engage the investment community globally. During the year, our management met with 275 institutional investors in various locations including Europe, Japan, South Korea, Hong Kong and Singapore, through non-deal roadshows, investor conferences, post-result luncheons and one-on-one meetings. We are pleased that the number of equity research analysts covering FCT has increased from 16 to 18 during the year, with 11 of them holding positive view on the stock and 6 among them ranking FCT as their top picks.

## ACKNOWLEDGEMENTS

We would like to express our appreciations to our fellow board members for their stewardship and wisdom that has enabled the Trust to continue to prosper. We would also like to thank the management and staff for their dedication and hard work. Finally, we thank our Unitholders, business partners, tenants and shoppers for their continued support for FCT.

Thank you.



**MR PHILIP ENG**  
Chairman



**DR CHEW TUAN CHIONG**  
Chief Executive Officer

29 December 2015







## GROWING FROM STRENGTH TO STRENGTH

Our sound financial position is achieved via proactive and prudent capital management. Guided by keen foresight and an effective investment strategy, FCT has achieved nine consecutive years of growth in revenue, net property income and distribution per unit (DPU) since our IPO launch. Moving forward, we will continue to build on this momentum to grow to greater heights ahead.

# FINANCIAL YEAR 2015 IN BRIEF

## OCTOBER

FCT achieved new-high DPU of 11.608 cents for FY2015, an increase of 3.8% over the previous year. It was also the ninth consecutive year of DPU growth since FCT's listing.

FCT posts new-high DPU of 3.036 cents for 3Q15.

## JULY

## MAY

FCT's Causeway Point was awarded the BCA Universal Design GoldPlus Award for its user-friendliness, connectivity and safety features. Bedok Point was awarded the BCA Greenmark Gold award for its energy-efficient, water-saving and recycling features.

FCT reported its distributable income rose 14% to \$27.0 million.

FCT MTN Pte Ltd, a wholly-owned subsidiary of HSBC Institutional Trust Services, (the trustee of FCT) issued \$60 million 2.9% Medium Term Notes due 2019 under FCT's \$1 billion Multicurrency Medium Term Note Programme.

## APRIL

## FEBRUARY

Moody's changed the outlook of FCT's Baa1 issuer rating to 'Positive' from 'Stable'.

FCT MTN Pte Ltd, a wholly-owned subsidiary of HSBC Institutional Trust Services, (the trustee of FCT) made full redemption of its \$25.0 million 3.5% Medium Term Notes due 2015 under FCT's \$1.0 billion Multicurrency Medium Term Note Programme.

FCT announced DPU for 1Q15 rises 10% year-on-year to 2.75 cents.

FCT convened its sixth Annual General Meeting on 23 January 2015. All resolutions as set out in the Notice of AGM were duly passed.

## JANUARY



# INVESTOR RELATIONS

## 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 and the investment community. 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 SGX-ST website.

## ANNUAL GENERAL MEETING (AGM)

The AGM and EGM are important channels for communication between the board of directors, the management of FCAM and the unitholders of FCT. FCT convened its 6th AGM on 23 January 2015. The voting for all resolutions at the AGM were conducted via electronic polls. All resolutions tabled at the AGM were duly passed and the results of the polls were announced on the SGX and FCT websites on the same day of the events.

## ACTIVE ENGAGEMENT WITH INSTITUTIONAL AND RETAIL INVESTORS

The senior management of FCAM meets regularly with FCT’s investors and analysts at conferences (both overseas and local), one-on-one meetings, quarterly post-results luncheons and non-deal roadshows to apprise them of FCT’s corporate developments and financial performance. During the year under review, FCT participated in overseas non-deal investor roadshows to Europe, Japan, South Korea, Hong Kong and Malaysia as well as investor conferences hosted by major financial institutions.

## INVESTOR CONFERENCES AND NON-DEAL ROADSHOWS

During FY2015, the management of FCAM participated in the following events:

### SINGAPORE

- Morgan Stanley 13th Annual Asia Pacific Summit
- DBS Pulse of Asia Conference 2015
- The Bank of America Merrill Lynch ASEAN Star Conference 2015
- JP Morgan Asia Pacific Real Estate Conference 2015
- SGX-Barclays Equities Corporate Day
- Citi ASEAN Investor Conference
- Macquarie ASEAN Conference 2015
- REITAS Singapore REIT & Sponsors Forum 2015

### OVERSEAS

- UBS Global Real Estate Conference (London) and Europe Non-Deal Roadshow
- CLSA Tokyo and Seoul Access Non-Deal Roadshow (Japan and South Korea)
- Citi Asia Pacific Property Conference 2015 (Hong Kong)
- RHB Kuala Lumpur Non-Deal Roadshow (Malaysia)

The management met or spoke with 275 institutional investors in FY2015, compared to 307 investors in FY2014. The investors generally view FCT favourably because of its established track record in distribution growth, stability, good growth prospects, attractive total return, good corporate governance and transparent management.

As at 30 November 2015, 50.07% of the total FCT issued units were held by institutional investors, 41.35% were held by the Sponsor group (comprising Frasers Centrepoint Limited and FCAM) and 8.58% were held by individual investors. There were 5,837 CDP-registered unitholders of FCT and an additional 583 investors who held their units under their CPF-Investment accounts.

# INVESTOR RELATIONS

## COVERAGE BY EQUITY RESEARCH HOUSES

During the year under review, there were 18 equity research firms (FY2014: 16) which provided equity research coverage on FCT. The firms that initiated new research coverage on FCT during FY2015 include Maybank Kim Eng Research, Phillip Research and KGI Fraser Securities. Standard Chartered ceased their equity research activities in Singapore during the year.

The research firms which cover FCT (in alphabetical order) are:

1. Bank of America-Merrill Lynch
2. BNP Paribas
3. CIMB Research
4. Citi Investment Research
5. CLSA
6. Credit Suisse
7. Daiwa Capital Markets
8. DBS Vickers Securities
9. HSBC
10. J.P. Morgan
11. KGI Fraser Securities
12. Maybank Kim Eng Research
13. OCBC Investment Research
14. Phillip Research
15. Religare Institutional Research
16. RHB\*
17. UBS
18. UOB Kay Hian Research

\* Formerly DMG & Partners Securities Pte Ltd

## ENQUIRIES

For general enquiries on FCT, please contact:

Mr Chen Fung Leng  
Head, Investor Relations & Research  
Fraser's 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

## FY2016 FINANCIAL CALENDAR#

21 January 2016	Annual General Meeting
21 January 2016	1Q FY2016 Results Announcement
End February 2016	1Q FY2016 Distribution Payment
21 April 2016	2Q FY2016 Results Announcement
End May 2016	2Q FY2016 Distribution Payment
21 July 2016	3Q FY2016 Results Announcement
End August 2016	3Q FY2016 Distribution Payment
20 October 2016	4Q FY2016 Results Announcement
End November 2016	4Q FY2016 Distribution Payment

# Note: Dates are indicative and are subject to change

## FCT UNIT PRICE PERFORMANCE

### PERFORMANCE OF THE FCT UNIT PRICE FOR FY2015

(1 October 2014 – 30 September 2015)

FCT unit price closed at \$1.905 on 30 September 2015, this is 1.06% higher than the last done price on 30 September 2014, the last day of the preceding period. During this period, despite the volatilities in the global equities markets arising from uncertainties in the

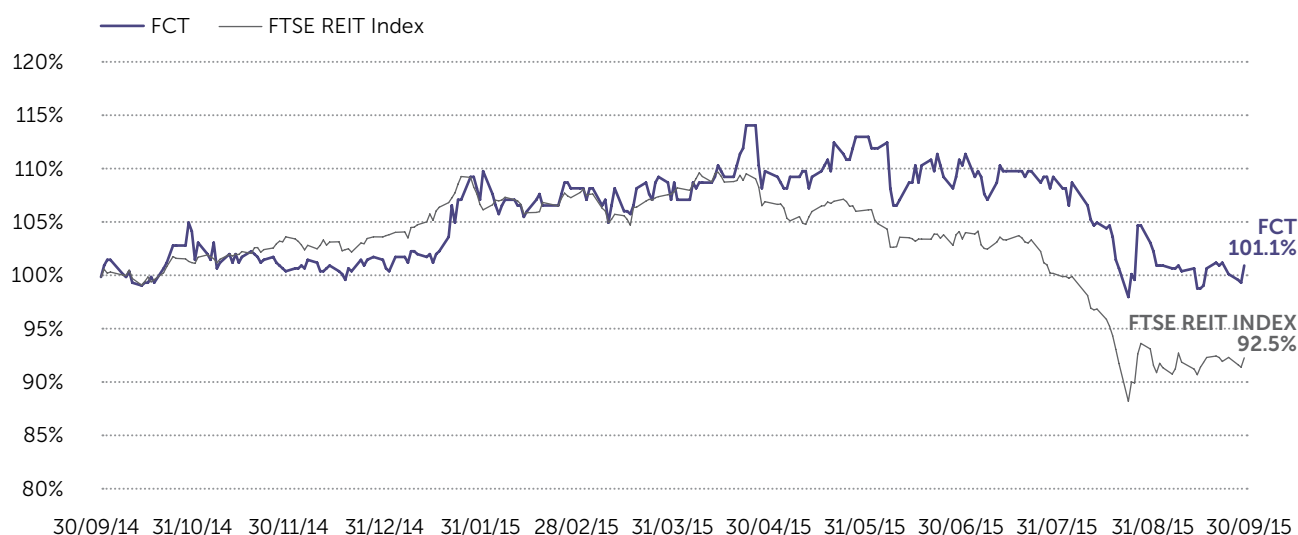
global economy, risk of interest rates hike by the US Federal Reserve, geopolitical tensions and among other factors, FCT units registered a total return of 6.96%, outperforming the FTSE REIT index which registered total return of -1.80%. Over the longer 3-year and 5-year periods, FCT units registered total returns of 24.91% and 71.16%, respectively.

### TRADING PERFORMANCE HIGHLIGHTS

- Opening price on 1 October 2014 : \$1.885
- Closing price on 30 September 2015 : \$1.905
- Highest closing price : \$2.15 on 24 April 2015
- Lowest closing price : \$1.85 on 24 August 2015
- Average daily trading volume : 1,265,170 units
- Total volume traded : 321.5 million units

### FCT UNIT PRICE PERFORMANCE IN FY2015

(Base = 100 on 30 September 2014)



Performance of FCT Compared with FTSE REIT Index	1 Year		3 Years		5 Years	
	Price Change	Total Return	Price Change	Total Return	Price Change	Total Return
FCT	1.06%	6.96%	5.25%	24.91%	28.72%	71.16%
FTSE REIT Index	-7.48%	-1.80%	-7.25%	10.74%	-0.10%	35.42%

Note: Calculation of the price change is based on the closing price on the last day of the preceding reporting period compared with the closing price on the last day of the next period. Calculation of the total return assumed the distributions paid during the period are reinvested.

Source: Bloomberg









## GROWING FOR THE FUTURE

FCT is well-positioned to tap exciting growth opportunities ahead, both in Singapore and across the region. Our focus on developing a portfolio of suburban, high-quality retail assets is supported by an established Sponsor, which places us on track to deliver steadfast performances and generate sustainable returns for our unitholders.

## BOARD OF DIRECTORS



### MR PHILIP ENG HENG NEE, 69

Chairman, Non-Executive and Independent Director

Date of appointment as Director : 3 April 2006  
Length of service as Director : 9 years and 6 months  
(as at 30 September 2015)

#### Board committee served on

- Audit Committee (Member)

#### Academic & Professional Qualifications

- Bachelor of Commerce in Accountancy, University of New South Wales
- Associate Member, Institute of Chartered Accountants in Australia

#### Present Directorships (as at 30 September 2015)

##### Listed companies

- Ezra Holdings Limited
- Frasers Centrepoint Limited (Chairman of Remuneration Committee and Member of Audit Committee)
- mDR Limited (Non-Executive Chairman)
- PT Adira Dinamika Multi Finance, Tbk (Commissioner)
- The Hour Glass Limited

##### Listed REITs/Trusts

- Hektar Asset Management Sdn Bhd, Manager of Hektar Real Estate Investment Trust

##### Others

- Frasers Property Australia Pty Limited
- Heliconia Capital Management Private Limited
- KK Women's and Children's Hospital Pte Ltd
- NTUC Income Insurance Cooperative Limited
- Singapore Health Services Pte Ltd
- Vanda 1 Investments Pte Ltd

#### Major appointments (other than Directorships)

- Singapore's Non-Resident High Commissioner to Canada

#### Past Directorships in listed companies held over the preceding 3 years (from 1 October 2012 to 30 September 2015)

- Asia Pacific Breweries Limited
- Fraser and Neave, Limited
- Hup Soon Global Corporation Limited

##### Others

- Former Group Managing Director, Jardine Cycle & Carriage Group



### DR CHEW TUAN CHIONG, 57

Executive and Non-Independent Director

Date of appointment as Director : 14 July 2010  
Length of service as Director : 5 years and 2 months  
(as at 30 September 2015)

#### Board committee served on

Nil

#### Academic & Professional Qualifications

- Bachelor of Engineering (First Class Honours), Monash University
- Master of Engineering, National University of Singapore
- Doctor of Philosophy, University of Cambridge
- Chartered Engineer, The Engineering Council UK
- Fellow, The Institution of Engineers Singapore
- Fellow, Academy of Engineering Singapore

#### Present Directorships (as at 30 September 2015)

##### Listed companies

Nil

##### Listed REITs/Trusts

- Hektar Asset Management Sdn Bhd, Manager of Hektar Real Estate Investment Trust

##### Others

- CityNet Infrastructure Management Pte Ltd

#### Major appointments (other than Directorships)

- Chief Executive Officer, Frasers Centrepoint Asset Management Ltd

#### Past Directorships in listed companies held over the preceding 3 years (from 1 October 2012 to 30 September 2015)

Nil

##### Others

- Previously Chief Executive Officer of the Science Centre Singapore (1995 – 2010)
- Public Administration Medal (Silver) (Singapore)
- Sugden Award by the Combustion Institute (UK)
- IPS Cadi Scientific Medal by the Institute of Physics Singapore
- President's Award by Asia Pacific Association of Science & Technology Centres



## BOARD OF DIRECTORS



**MR CHIA KHONG SHOONG, 44**  
Non-Executive and Non-Independent Director

Date of appointment as Director : 1 September 2009  
Length of service as Director : 6 years and 1 month  
(as at 30 September 2015)

**Board committee served on**  
Nil

#### **Academic & Professional Qualifications**

- Bachelor of Commerce (Accounting and Finance) (First Class Honours), University of Western Australia
- Master of Philosophy (Management Studies), Cambridge University

#### **Present Directorships (as at 30 September 2015)**

**Listed companies**  
Nil

#### **Listed REITs/Trusts**

- Frasers Centrepoint Asset Management (Commercial) Limited, Manager of Frasers Commercial Trust

**Others**  
Nil

#### **Major appointments (other than Directorships)**

- Chief Financial Officer, Frasers Centrepoint Limited

#### **Past Directorships in listed companies held over the preceding 3 years (from 1 October 2012 to 30 September 2015)**

- Gemdale Properties and Investment Corporation Limited

#### **Others**

- Previously, Director, Investment Banking, The Hong Kong & Shanghai Banking Corporation Ltd



**MR BOBBY CHIN YOKE CHOONG, 64**  
Non-Executive and Independent Director

Date of appointment as Director : 3 April 2006  
Length of service as Director : 9 years and 6 months  
(as at 30 September 2015)

**Board committee served on**

- Audit Committee (Chairman)

#### **Academic & Professional Qualifications**

- Bachelor of Accountancy, University of Singapore
- Associate member, Institute of Chartered Accountants in England and Wales

#### **Present Directorships (as at 30 September 2015)**

##### **Listed companies**

- AV Jennings Limited
- Ho Bee Land Limited
- Sembcorp Industries Limited
- Singapore Telecommunications Limited
- Yeo Hiap Seng Limited

##### **Others**

- NTUC Enterprise Co-operative Limited (Deputy Chairman)
- NTUC Fairprice Co-operative Limited (Chairman)
- Singapore Labour Foundation
- Temasek Holdings (Private) Limited

#### **Major appointments (other than Directorships)**

- Council of Presidential Advisers (Member)

#### **Past Directorships in listed companies held over the preceding 3 years (from 1 October 2012 to 30 September 2015)**

- Oversea-Chinese Banking Corporation Limited

##### **Others**

- Former Managing Partner of KPMG Singapore
- Former Board member of Urban Redevelopment Authority (URA) from 1997 to 2006, and its Chairman from 2001 to 2006
- Former Chairman of Singapore Totalisator Board from 2006 to 2012

## BOARD OF DIRECTORS



**MR LIM EE SENG, BBM, 64**

Non-Executive and Non-Independent Director

Date of appointment as Director : 27 January 2006  
Length of service as Director : 9 years and 8 months  
(as at 30 September 2015)

**Board committee served on**

Nil

**Academic & Professional Qualifications**

- Bachelor of Engineering (Civil Engineering), University of Singapore
- Master of Science (Project Management), National University of Singapore
- Fellow, Singapore Institute of Directors
- Member, The Institution of Engineers Singapore

**Present Directorships (as at 30 September 2015)**

**Listed companies**

Nil

**Listed REITs/Trusts**

- Frasers Centrepoint Asset Management (Commercial) Limited, Manager of Frasers Commercial Trust
- Frasers Hospitality Asset Management Pte Ltd, Manager of Frasers Hospitality Real Estate Investment Trust
- Frasers Hospitality Trust Management Pte Ltd, Trustee-Manager of Frasers Hospitality Business Trust

**Others**

- Frasers Property Australia Pty Limited
- Vacaron Company Sdn Bhd

**Major appointments (other than Directorships)**

- Group Chief Executive Officer, Frasers Centrepoint Limited
- 2<sup>nd</sup> Vice-President, Real Estate Development Association of Singapore

**Past Directorships in listed companies held over the preceding 3 years (from 1 October 2012 to 30 September 2015)**

- Gemdale Properties and Investment Corporation Limited

**Others**

- Awarded Public Service Star (BBM)
- Former Board member of the Building and Construction Authority of Singapore
- Former Council member of the Singapore Chinese Chamber of Commerce and Industry
- Previously Managing Director of MCL Land Limited
- Previously General Manager (Property Division), First Capital Corporation Ltd.
- Previously Project Manager, Singapore Land Limited



**MR SOH KIM SOON, 69**

Non-Executive and Independent Director

Date of appointment as Director : 23 March 2006  
Length of service as Director : 9 years and 6 months  
(as at 30 September 2015)

**Board committee served on**

- Audit Committee (Member)

**Academic & Professional Qualifications**

- Bachelor of Arts (Honours), University of Singapore
- Associate, Chartered Institute of Bankers

**Present Directorships (as at 30 September 2015)**

**Listed companies**

- EnGro Corporation Limited

**Others**

- ORIX Investment and Management Private Limited
- ORIX Leasing Singapore Limited

**Major appointments (other than Directorships)**

- Chairman of ORIX Investment and Management Private Limited

**Past Directorships in listed companies held over the preceding 3 years (from 1 October 2012 to 30 September 2015)**

Nil

**Others**

- Previously Senior Managing Director of DBS Bank

# BOARD OF DIRECTORS



## **MR CHRISTOPHER TANG KOK KAI, 54**

Non-Executive and Non-Independent Director

---

Date of appointment as Director : 27 January 2006  
Length of service as Director : 9 years and 8 months  
(as at 30 September 2015)

### **Board committee served on**

Nil

### **Academic & Professional Qualifications**

- Bachelor of Science, National University of Singapore
- Master of Business Administration, National University of Singapore

### **Present Directorships (as at 30 September 2015)**

#### **Listed companies**

Nil

#### **Listed REITs/Trusts**

- Frasers Centrepoint Asset Management (Commercial) Limited, Manager of Frasers Commercial Trust
- Hektar Asset Management Sdn Bhd, Manager of Hektar Real Estate Investment Trust

#### **Others**

- Republic Polytechnic (Member of the Board of Governors)
- REIT Association of Singapore (Member of the Executive Committee)

### **Major appointments (other than Directorships)**

- Chief Executive Officer, Frasers Centrepoint Commercial, Frasers Centrepoint Limited
- Chief Executive Officer, Greater China, Frasers Centrepoint Limited

### **Past Directorships in listed companies held over the preceding 3 years (from 1 October 2012 to 30 September 2015)**

- Gemdale Properties and Investment Corporation Limited

#### **Others**

- Previously the Chief Executive Officer of Frasers Centrepoint Asset Management Ltd., the Manager of Frasers Centrepoint Trust, from July 2006 to February 2010
- Previously worked with DBS Bank, DBS Land and British Petroleum



## TRUST MANAGEMENT TEAM



From left: Ms Lim Poh Tin, Mr Alex Chia, Dr Chew Tuan Chiong, Ms Tay Hwee Pio, Mr Chen Fung Leng

### **DR CHEW TUAN CHIONG**

Chief Executive Officer & Executive Director

Please refer to Dr Chew's biography in the section on 'Board of Directors'

### **MS LIM POH TIN**

General Manager and Head, Asset Management

Poh Tin's responsibilities include formulating business and asset enhancement plans in relation to FCT's properties with short, medium and long-term objectives. This involves working together with the Property Manager to ensure that the property business plans are executed diligently.

Poh Tin has more than 25 years of experience in real estate asset and property management. She holds Diplomas in Building Maintenance and Management from Ngee Ann Technical College and Management Studies from Singapore Institute of Management. She obtained her Bachelor of Science (Honours) degree in Real Estate Management from Oxford Brookes University.

### **MR ALEX CHIA**

Head, Investment

Alex leads the investment team that is responsible for the expansion of FCT's asset portfolio with the objective of ensuring optimum investment returns.

Alex has over 8 years of business development experience in serviced residence industry covering the Pan Asia market. He also has more than 5 years of retail experience in areas of operations and project planning.

Alex holds a Bachelor Degree in Business Administration from National University of Singapore and an MBA from University of Hull, United Kingdom.

### **MS TAY HWEE PIO**

Financial Controller

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 Centrepoint Limited's business operations in China since year 2006. Before joining Frasers Centrepoint Limited, Hwee Pio held financial positions at Keppel Land, Guocoland and 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 CHEN FUNG LENG**

Head, Investor Relations and Research

Fung Leng is responsible for FCT's investor relations function, he covers investor targeting, media and unitholder communication, as well as to provide market intelligence and research support to management. 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



From left: Mr Edmund Tan, Mr Chia Shee Liang, Ms Molly Lim, Ms Jill Ng, Ms See San San

### **MR EDMUND TAN**

Head, Retail Design Management

Edmund leads the retail designs function, responsible for the review and approval of shop front designs and layouts across 10 Frasers Centrepoint malls. He develops and implements retail design guidelines to maintain standards and quality in tenancy designs. He is also involved in asset enhancement initiatives, design and feasibility studies to continuously improve the standards of both interior and tenancy designs in the malls.

Prior to joining Frasers Centrepoint, Edmund has 11 years of working experience in design conceptualisation, space planning and project management in retail, corporate office and hospitality sectors in Singapore and in overseas. He graduated in Interior Design from the LaSalle-SIA, College of the Arts.

### **MR CHIA SHEE LIANG**

General Manager

Shee Liang has more than 20 years of experience in the real estate sector. He leads the Property Management team in managing the portfolio of retail properties in the company. Shee Liang spent 17 years working overseas in China, Hong Kong, Taipei and Indonesia, specialising in retail management and consultancies. Prior to joining FCL, Shee Liang was head of Property Management with Savills, Singapore. He has extensive hands on experience in leading and coordinating shopping centres and mixed development that comprises retail, residential, hotel and office,

from conceptual planning stage to pre and post operational stages of the development process. The sizes of projects ranged from 50,000 to 200,000 sqm. Shee Liang obtained his B.Sc (Estate Management) from National University of Singapore.

### **MS MOLLY LIM**

Senior Manager, Retail Properties

Molly oversees the operations and business processes of 3 malls in the FCT portfolio. She has 25 years in retail property management and commercial leasing. Prior to this, she was overseeing Causeway Point for 18 years. Being part of the pioneer centre management team for Causeway Point, she was instrumental in establishing the administrative framework and standard operational procedures for the mall. Her responsibilities include the operations and management of the mall, tenancy and leasing management, customer service, and the implementation of retail policies and initiatives of the Frasers Group. She played significant role in the asset enhancement works of Causeway Point which was completed in 2012.

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

### **MS JILL NG**

Head, Advertising & Promotions

Jill has 14 years of experience in sales and marketing in the field of information technology, event management and mall management. Prior to joining Frasers Centrepoint 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 SEE SAN SAN**

Head, Leasing

San San heads the leasing function across ten malls in the FCL Group and she has more than 20 years of work experience. Prior to this, San San was Assistant General Manager of Marina Centre Holdings (MCH) where she was responsible for marketing/leasing the shopping mall, leisure-plex and office block at Marina Square, Singapore's third largest shopping mall. Prior to joining MCH, San San gained extensive marketing and management experience in the retail, industrial and residential sector working for Jones Lang Wootton, Colliers Jardine, and Colliers Goh & Tan. San San holds a Bachelor Degree in Estate Management from the National University of Singapore and a graduate diploma in marketing from the Marketing Institute of Singapore.









## OPERATIONS & FINANCIAL REVIEW

**24**  
Operations  
Review

**28**  
Financial  
Review

**31**  
Capital  
Resources

**33**  
Risk  
Management

**34**  
Retail Property  
Market Review

# OPERATIONS & FINANCIAL REVIEW

## OPERATIONS REVIEW

### LEASE RENEWALS

A total of 255 leases were renewed in FY2015. These leases accounted for 343,836 square feet or 31.7% of FCT's total net lettable area (the "NLA") and the average rental reversion of these renewals was 6.3% (FY2014: 6.5%). Rental reversion refers to the variance between the average rental rate of the renewed leases and the preceding expired leases which were contracted typically 3 years ago. All malls, with the exception of Bedok Point, recorded positive rental reversions of between 5.7% and 10.8% for the year.

### SUMMARY OF LEASES RENEWED<sup>1</sup> IN FY2015

Property	Number of leases renewed	Aggregate NLA of renewed leases (square feet)	Renewed NLA as percentage of property's NLA	Average rental reversion Positive/ (Negative)
Causeway Point	74	105,677	25.4%	6.3%
Northpoint	78	112,968	48.0%	5.7%
Changi City Point	46	54,734	26.4%	9.0%
Bedok Point	11	14,262	17.2%	(6.4%)
YewTee Point	32	34,692	47.1%	8.4%
Anchorpoint	14	21,503	30.3%	10.8%
<b>FCT Portfolio</b>	<b>255</b>	<b>343,836</b>	<b>31.7%</b>	<b>6.3%</b>

1 Excluding newly-created and reconfigured area.

### LEASE EXPIRY PROFILE

The portfolio lease expiry from FY2016 to FY2020 and the lease expiry by property in FY2016 are presented in the next two tables. 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 lease expiry profile of the portfolio is relatively well-staggered with leases accounting for 29.9% and 35.2% of FCT's Gross Rental Income (the "GRI") due for renewals in FY2016 and FY2017, respectively. As at 30 September 2015, the weighted average lease expiry of FCT portfolio stood at 1.50 years by NLA and 1.54 years by GRI.

The aggregate NLA of the leases in FCT portfolio due for renewal in FY2016 is 320,021 square feet and substantial portion of it is attributed to Causeway Point, Changi City Point and Northpoint.

### PORTFOLIO LEASE EXPIRY AS AT 30 SEPTEMBER 2015

	FY2016	FY2017	FY2018	FY2019	FY2020	Total
Number of leases expiring	227	243	214	9	1	694
Total NLA of expiring leases (square feet)	320,021	360,267	293,586	59,808	8,461	1,042,143
NLA of expiring leases as % of the portfolio's NLA	30.7%	34.6%	28.2%	5.7%	0.8%	100.0%
GRI of expiring leases as % of the portfolio's GRI	29.9%	35.2%	29.2%	5.3%	0.4%	100.0%



# OPERATIONS & FINANCIAL REVIEW

## LEASE EXPIRY FOR FY2016 AS AT 30 SEPTEMBER 2015

Property	Number of leases expiring	NLA of expiring leases (square feet)	NLA of expiring leases as % of the mall's NLA <sup>1</sup>	GRI of expiring leases as % of the mall's GRI <sup>2</sup>
Causeway Point	57	105,021	25.4%	24.1%
Northpoint	56	75,468	32.6%	34.1%
Changi City Point	54	86,993	46.1%	44.8%
Bedok Point	12	14,557	20.9%	23.1%
YewTee Point	23	14,616	20.9%	23.3%
Anchorpoint	25	23,366	34.0%	35.1%
<b>FCT Portfolio</b>	<b>227</b>	<b>320,021</b>	<b>30.7%<sup>3</sup></b>	<b>29.9%<sup>4</sup></b>

1 As percentage of mall's NLA as at 30 September 2015.

2 As percentage of mall's actual gross rent income for the month of September 2015, excluding gross turnover rent.

3 As percentage of leased area of FCT portfolio as at 30 September 2015.

4 As percentage of actual gross rent income of FCT portfolio for the month of September 2015, excluding gross turnover rent.

## PORTFOLIO TENANTS' SALES AND OCCUPANCY COST

FCT's portfolio tenants' sales grew 2.9% in FY2015 compared with the same period in FY2014. The average occupancy cost for FCT portfolio for the 12-month period between October 2014 and September 2015 was 15.3%. This is slightly lower than the 16.4% registered in FY2014. Occupancy cost refers to the ratio of gross rental paid by the tenants to the tenant's sales turnover (excluding Goods & Services Tax).

## 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, 95% 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. The aggregate GTO as a percentage of FCT's gross revenue was approximately 5% for the year under review, which is stable compared with FY2014.

## PERCENTAGE OF OCCUPIED LEASES WITH GTO AND STEP-UP CLAUSES

	FY2015	FY2014	Increase/(Decrease)
With GTO clause	94.8%	95.3%	(0.5%-point)
With step-up clause	99.3%	99.2%	0.1%-point

## PORTFOLIO OCCUPANCY

The average portfolio occupancy stood at 96.0% as at 30 September 2015, this is 2.9%-point lower than a year ago. The occupancy by property is shown in the table below. The occupancy at Causeway Point, Northpoint, YewTee Point and Anchorpoint remained relatively stable within 2%-point variance. Bedok Point and Changi City Point saw steeper declines in their occupancy compared with a year ago, mainly due to vacancies from on-going tenant re-positioning activities at these two malls.

Occupancy by Property	As at 30 September 2015	As at 30 September 2014	Increase/(Decrease)
Causeway Point	99.5%	99.8%	(0.3%-point)
Northpoint	98.2%	99.4%	(1.2%-point)
Changi City Point	91.1%	97.9%	(6.8%-point)
Bedok Point	84.2%	98.2%	(14.0%-point)
YewTee Point	94.8%	96.6%	(1.8%-point)
Anchorpoint	96.9%	97.8%	(0.9%-point)
<b>FCT Portfolio</b>	<b>96.0%</b>	<b>98.9%</b>	<b>(2.9%-point)</b>

# OPERATIONS & FINANCIAL REVIEW

## SHOPPER TRAFFIC

The total shopper traffic in FY2015, excluding Changi City Point which was acquired on 16 June 2014, was 86.6 million (FY2014: 83.5 million), an increase of 3.7% year-on-year. The growth can be generally attributed to increased promotional activities and events, more long weekends such as the SG50 Jubilee weekends and the normalising of the shopper traffic pattern over time after the opening of several new malls in the previous year. In the case of the Causeway Point, which registered 11.2% growth in traffic, some of the additional shopper traffic could be attributed to the partial closure of a shopping mall in the adjacent precinct which underwent renovations for several months. Bedok Point showed 11.3% decline in shopper traffic due to on-going tenant remixing activities at the mall and competition from a larger mall nearby. Traffic at the other malls, including Changi City Point, remained relatively stable.

Shopper Traffic by Property (Million)	FY2015	FY2014	Increase/(Decrease)
Causeway Point	24.9	22.4	11.2%
Northpoint	41.3	40.3	2.5%
Bedok Point	4.7	5.3	(11.3)%
YewTee Point	12.1	11.7	3.4%
Anchorpoint	3.6	3.8	(5.3)%
<b>FCT portfolio, excluding Changi City Point</b>	<b>86.6</b>	<b>83.5</b>	<b>3.7%</b>
Changi City Point	10.6	2.7 <sup>1</sup>	-
<b>FCT Portfolio</b>	<b>97.2</b>	<b>86.2</b>	<b>-</b>

1 This is the shopper traffic for 3 months from July to September 2014. Changi City Point was acquired on 16 June 2014

## TRADE SECTOR ANALYSIS

FCT's well-diversified portfolio comprises 11 trade sectors. Food & Restaurants is the largest sector which accounted for 30.1% of FCT's total NLA, down slightly from 30.7% a year ago. In term of gross rents, Food & Restaurants is again the largest contributor, accounting for 34.2% of total FCT gross rents, up slightly from 33.8% a year ago.

Trade Classifications	% NLA	% Rents <sup>1</sup>
1 Food & Restaurants	30.1%	34.2%
2 Fashion	15.1%	21.5%
3 Services/Education	8.8%	8.9%
4 Beauty, Hair, Cosmetics, Personal Care	5.3%	7.7%
5 Household	8.7%	7.6%
6 Supermarket	8.1%	4.9%
7 Healthcare	2.7%	3.9%
8 Department Store	5.7%	3.3%
9 Books, Music, Art & Craft, Hobbies	3.7%	3.2%
10 Sports Apparels & Equipment	3.3%	3.1%
11 Leisure/Entertainment	4.5%	1.7%
12 Vacant	4.0%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

1 As percentage of actual gross rent income of FCT portfolio for the month of September 2015, excluding gross turnover rent.

# OPERATIONS & FINANCIAL REVIEW

## TOP 10 TENANTS BY GRI<sup>1</sup>

The top ten tenants collectively accounted for 23.8% of the total GRI as at 30 September 2015 (30 September 2014: 22.0%). Our largest tenant, Cold Storage Singapore (1983) Pte Ltd, the operator of Cold Storage supermarkets, the Guardian Pharmacy and 7-Eleven stores in FCT malls, accounted for 5.4% of the portfolio GRI in FY2015.

## TOP 10 TENANTS BY GRI AS AT 30 SEPTEMBER 2015

Tenant	Trade Sector	GRI %
Cold Storage Singapore (1983) Pte Ltd <sup>2</sup>	Supermarket	5.4%
Metro (Private) Limited <sup>3</sup>	Department Store	3.2%
Copitiam Pte Ltd <sup>4</sup>	Food & Restaurants	2.9%
Courts (Singapore) Limited	Household	2.6%
Koufu Pte Ltd	Food & Restaurants	2.2%
Food Republic Pte Ltd	Food & Restaurants	1.7%
Watson's Personal Care Stores Pte Ltd	Beauty, Hair, Cosmetics, Personal Care	1.5%
NTUC FairPrice Co-operative Ltd <sup>5</sup>	Supermarket	1.5%
McDonald's Restaurants Pte Ltd	Food & Restaurants	1.4%
Uniqlo (Singapore) Pte Ltd	Fashion	1.4%
<b>TOTAL (Top 10)</b>		<b>23.8%</b>

- 1 Based on actual gross rental income for the month of September 2015, excluding gross turnover rent
- 2 Includes the leases for Cold Storage supermarket, Guardian Pharmacy and 7-Eleven stores
- 3 Includes the leases for Metro departmental store and Clinique Service Centre
- 4 Operator of Kopitiam food courts, includes Kopitiam, Bagus, Cantine, Dorakeiki
- 5 Includes leases for NTUC FairPrice and NTUC Healthcare (Unity)



# OPERATIONS & FINANCIAL REVIEW

## FINANCIAL REVIEW

Gross Revenue (\$'000)	FY2015	FY2014	Increase/(Decrease)
Causeway Point	80,960	78,233	3.5%
Northpoint	50,335	49,491	1.7%
Bedok Point	9,386	10,805	(13.1)%
YewTee Point	14,049	13,738	2.3%
Anchorpoint	8,772	8,663	1.3%
Changi City Point	25,740	7,824 <sup>1</sup>	229.0%
<b>Total FCT</b>	<b>189,242</b>	<b>168,754</b>	<b>12.1%</b>

Property Expenses (\$'000)	FY2015	FY2014	Increase/(Decrease)
Causeway Point	21,860	21,752	0.5%
Northpoint	14,179	13,512	4.9%
Bedok Point	4,441	4,573	(2.9)%
YewTee Point	4,329	4,174	3.7%
Anchorpoint	3,973	3,986	(0.3)%
Changi City Point	9,417	2,661 <sup>1</sup>	253.9%
<b>Total FCT</b>	<b>58,199</b>	<b>50,658</b>	<b>14.9%</b>

Net Property Income (\$'000)	FY2015	FY2014	Increase/(Decrease)
Causeway Point	59,100	56,481	4.6%
Northpoint	36,156	35,979	0.5%
Bedok Point	4,945	6,232	(20.7)%
YewTee Point	9,720	9,564	1.6%
Anchorpoint	4,799	4,677	2.6%
Changi City Point	16,323	5,163 <sup>1</sup>	216.2%
<b>Total FCT</b>	<b>131,043</b>	<b>118,096</b>	<b>11.0%</b>

1 Changi City Point was acquired on 16 June 2014. The financial figures for FY2014 for Changi City Point is for the period 16 June 2014 to 30 September 2014.

# OPERATIONS & FINANCIAL REVIEW

## PERFORMANCE COMPARISON BETWEEN FY2015 AND FY2014

Gross revenue for the year ended 30 September 2015 was \$189.2 million, an increase of \$20.5 million or 12.1% over the corresponding period last year. The increase was mainly contributed by the addition of Changi City Point to the portfolio on 16 June 2014.

FCT's property portfolio continued to achieve net positive rental reversions during the year. Rentals from renewal and replacement leases from the Properties commencing during the period, showed an average increase of 6.3% over the expiring leases.

Property expenses for the year ended 30 September 2015 totaled \$58.2 million, an increase of \$7.5 million or 14.9% from the corresponding period last year. The increase was mainly due to the addition of Changi City Point to the portfolio on 16 June 2014, as well as higher maintenance expenses and other property expenses. The above increase was partially offset by the write-back of provisions for property tax and property tax refunds.

Hence, net property income was \$131.0 million, which was \$12.9 million or 11.0% higher than the corresponding period last year.

## DISTRIBUTION

Income available for distribution for the year ended 30 September 2015 was \$106.4 million, which was \$11.0 million higher compared to the corresponding period in the preceding financial year. Distribution per unit for FY2015 grew 3.8% to a new-high of 11.608 cents from 11.187 cents.

The breakdown and comparison of the distribution per unit for FY2015 and FY2014 are presented below.

## DISTRIBUTION PER UNIT (CENTS)

Financial Year Ended 30 September	FY2015	FY2014	Increase
First quarter (1 October – 31 December)	2.750	2.500	10.0%
Second quarter (1 January – 31 March)	2.963	2.880	2.9%
Third quarter (1 April – 30 June)	3.036	3.022	0.5%
Fourth quarter (1 July – 30 September)	2.859	2.785	2.7%
<b>Full Year (1 October – 30 September)</b>	<b>11.608</b>	<b>11.187</b>	<b>3.8%</b>

# OPERATIONS & FINANCIAL REVIEW

## TOTAL ASSETS AND NET ASSET VALUE PER UNIT

As at 30 September 2015, the total assets of FCT stood at \$2,549 million, a slight increase from \$2,522 million a year ago. The increase was attributed to the recognition of \$64.0 million of surplus on revaluation of FCT's properties, partially offset by a decrease in cash due to repayment of debt as well as decrease in carrying value of investment in H-REIT.

The total appraised value of the investment properties was \$2,464 million as at 30 September 2015, being \$64.0 million higher than the year before.

FCT's net assets stood at \$1.75 billion as at 30 September 2015, compared with \$1.70 billion a year ago. Correspondingly, the net asset value (the "NAV") of FCT increased to \$1.91 per unit from \$1.85 a year ago.

As at	30 September 2015	30 September 2014
NAV per unit	\$1.91 <sup>1</sup>	\$1.85 <sup>2</sup>

- 1 Computed based on 917,211,336 units, comprising (i) 916,840,040 units in issue as at 30 September 2015; and (ii) 371,296 units issuable to the Manager in October 2015 at an issue price of \$1.8925 per unit, in satisfaction of 20% of the management fee payable to the Manager for the quarter ended 30 September 2015.
- 2 Computed based on 915,779,232 units, comprising (i) 915,415,215 units in issue as at 30 September 2014; and (ii) 364,017 units issuable to the Manager in October 2014 at an issue price of \$1.9085 per unit, in satisfaction of 20% of the management fee payable to the Manager for the quarter ended 30 September 2014.

## APPRAISED VALUE OF PROPERTIES<sup>3</sup>

Property	Valuation as at 30 September 2015 (\$ million)	Valuation as at 30 September 2014 (\$ million)	Capitalisation Rate <sup>4</sup>	
			2015	2014
Causeway Point	1,110.0	1,058.0	5.35%	5.35%
Northpoint	665.0	655.0	5.25%	5.25%
Bedok Point	108.0	120.0	5.50%	5.50%
YewTee Point	170.0	168.0	5.50%	5.50%
Anchorpoint	100.0	93.0	5.50%	5.50%
Changi City Point	311.0	306.0	5.70%	5.70%
<b>Total</b>	<b>2,464.0</b>	<b>2,400.0</b>		

- 3 The properties were valued by one of CBRE Pte. Ltd., Colliers International Consultancy & Valuation (Singapore) Pte. Ltd., DTZ Debenham Tie Leung (SE Asia) Pte. Ltd., Jones Lang LaSalle Property Consultants Pte. Ltd., or Knight Frank Pte. Ltd. on 30 September 2015. Valuation methods used include: capitalisation approach, discounted cash flows analysis and direct comparison method in determining the fair values of the properties. Annual valuations are required by the Code on Collective Investment Schemes.
- 4 As indicated by property valuers.



# CAPITAL RESOURCES

## OVERVIEW

Frasers Centrepoint Asset Management Ltd. (“**FCAM**”), as 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. FCAM proactively manages FCT’s cash flows, financial position, debt maturity profile, cost of funds, interest rates exposure and overall liquidity position. FCAM 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 deemed sufficient by management with several reputable banks to ensure FCT has access to diversified sources of bank borrowings.

## SOURCES OF FUNDING

FCT relies on the debt capital and syndicated loans markets, equity market and bilateral bank facilities for its funding needs. FCAM maintains active relationship with several reputable banks which are located in Singapore. The principal bankers of FCT are DBS Bank Ltd, Oversea-Chinese Banking Corporation, Standard Chartered Bank and Citibank.

As at 30 September 2015, FCT has a total capacity of \$1,534 million from its sources of funding, of which \$718 million or 46.8% 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
Revolving credit facility	Unsecured	\$50 million	\$14 million	28.0%
Medium Term Note Programme	Unsecured	\$1,000 million	\$220 million	22.0%
Bank borrowings	Secured	\$484 million	\$484 million	100.0%
<b>Total</b>		<b>\$1,534 million</b>	<b>\$718 million</b>	<b>46.8%</b>

## CREDIT RATINGS

FCT has corporate credit ratings from Standard & Poor’s Rating Services (“**S&P**”) and Moody’s Investors Service (“**Moody’s**”).

On 17 February 2015, Moody’s changed the outlook of FCT’s Baa1 issuer rating to positive from stable. The rating action reflects FCT’s enlarged asset portfolio, which remains focused on the resilient suburban retail sector, as well as its strong financial profile that is supported by a long track record of prudent financial management.

S&P has given FCT a corporate rating of “BBB+” with a stable outlook. In addition, S&P has also given a “BBB+” credit rating for FCT’s multicurrency Medium Term Notes Programme (“**MTN Programme**”).

## DEBT PROFILE

The Manager, on 10 April 2015, issued \$60 million 2.9% Medium Term Notes (“Notes”) due 2019 under FCT’s existing MTN programme. The proceeds from this issue was utilised to refinance the \$70 million 2.3% Notes which matured on 12 June 2015.

FCT’s total gross borrowings stood at \$718 million at 30 September 2015, of which \$278 million of borrowing (about 38.7% of total borrowing) will mature in the next 12 months. The total borrowings comprised \$334 million in secured bank borrowings, \$164 million unsecured bank borrowings and \$220 million in unsecured Notes.

FCT’s gearing stood at 28.2% as at 30 September 2015. The interest cover for the year ended 30 September 2015 was 6.61 times.

The weighted average debt maturity was 1.6 years as at 30 September 2015.

# CAPITAL RESOURCES

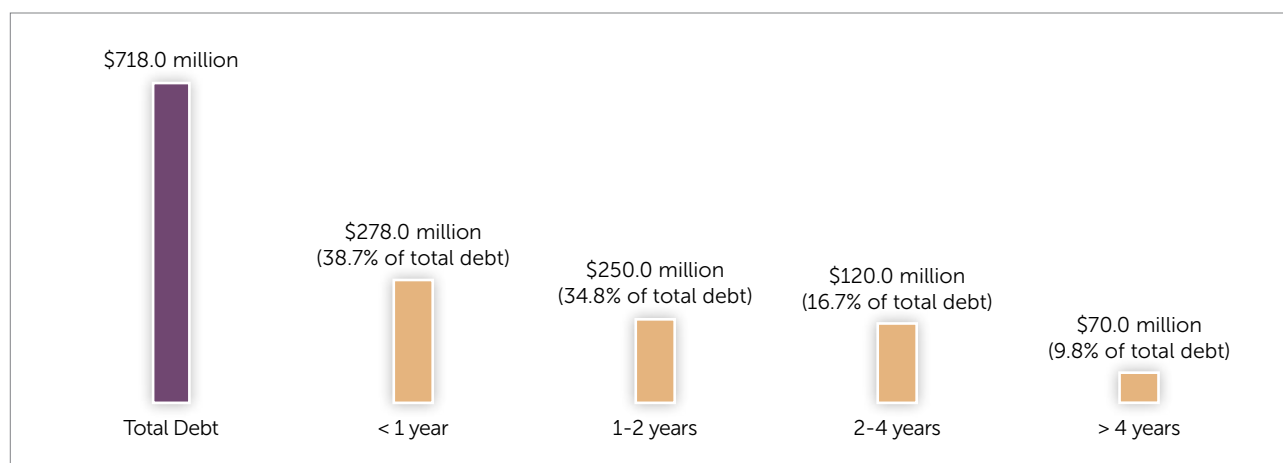
## HIGHLIGHTS

Financial Year ended 30 September	2015	2014
Total Borrowings	\$718 million	\$739 million
Gearing <sup>1</sup>	28.2%	29.3%
Interest Cover	6.61 times	6.20 times
Average cost of borrowing	2.40%	2.51%
Average Debt Maturity	1.6 years	2.5 years

1 Calculated as the ratio of total outstanding borrowings over the total assets as at the stated balance sheet date.

## DEBT MATURITY PROFILE AS AT 30 SEPTEMBER 2015

Timeframe	Amount Due (\$ million)	As % of total borrowings
< 1 year	278.0	38.7%
1-2 years	250.0	34.8%
2-4 years	120.0	16.7%
> 4 years	70.0	9.8%
<b>Total Borrowings</b>	<b>718.0</b>	<b>100.0%</b>



# RISK MANAGEMENT

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

## 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.

Risks are reported and monitored at the operational level using a Risk Scorecard which captures risks, mitigating measures, timeline for action items and risk ratings. Where applicable, Key Risk Indicators ("KRIs") are established to monitor risks. For risks that are material, the mitigating measures and KRIs are presented in the form of a Key Risk Dashboard and reviewed by the Management and Audit Committee on a regular basis.

Risk tolerance statements setting out the nature and extent of significant risks which FCAM is willing to take in achieving its strategic objectives are reviewed annually.

## RISK UPDATE

Formal risk reviews take place half yearly and the scorecard is updated regularly. On a yearly basis, ERM validations are held where the Management of FCAM provides assurance to the Audit Committee, that key risks have been identified and the mitigating measures are adequate, and the system of risk management is adequate and effective to address risks which are considered relevant and material to the operations.

FCAM also seeks to benchmark its ERM programme against industry best practices and standards. In assessing areas for improvement and how the ERM processes and practices can be strengthened, reference was made to the best practices in risk management

including those set out in the Code of Corporate Governance 2012 and the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council in May 2012.

As every staff has a role to play in risk management, ERM and business continuity plans ("BCPs") awareness briefings are conducted for new staff. Refresher sessions are also held to update staff on relevant developments in the area of ERM and BCPs, where required.

## KEY RISKS IN FINANCIAL YEAR 2015

### OPERATIONAL RISK

FCAM 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. BCPs are regularly tested for their effectiveness.

### HUMAN CAPITAL RISK

FCAM 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 managing FCT, FCAM adheres closely to the covenants in the loan agreements and property fund guidelines in the Code of Collective Investment Schemes issued by the Monetary Authority of Singapore.

In addition, there is close monitoring by FCAM of FCT's cash flow position and requirements so as to ensure sufficient liquidity reserves to finance its operations and meet any short-term obligations.

### 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, and having due regard to market conditions and outlook.

### INTEREST RATE RISK

Interest rate risk is managed by FCAM on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

For a major portion of FCT's outstanding borrowings, FCAM adopts a policy of hedging the floating-rate loans to fixed-rates through interest rate swaps.

### CREDIT RISK

FCAM 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.

FCAM 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.



# RETAIL PROPERTY MARKET REVIEW

BY JONES LANG LASALLE PROPERTY CONSULTANTS PTE LTD  
30 OCTOBER 2015

## MACRO-ECONOMIC OVERVIEW

### GROSS DOMESTIC PRODUCT

Singapore's economic growth continued to moderate in 2015, after growing 2.9% in 2014 and 4.4% in 2013. According to the Ministry of Trade and Industry (MTI), gross domestic product (GDP) growth was reduced to 1.8% y-o-y in 2Q 2015, following a 2.8% y-o-y expansion 1Q 2015. The advance estimates for 3Q 2015 GDP from the MTI moderated further, growing by 1.4% y-o-y.

Economic growth was underpinned by a sustained y-o-y growth in the wholesale and retail trade, a key contributor to the Singapore economy. Overall growth, however, was dragged down by an extended and a faster paced contraction in the manufacturing and accommodation & food services sectors in 2Q 2015 than was seen in 1Q 2015. A decline in the transportation & storage sector also weighed on growth in 2Q 2015.

### INFLATION

The Monetary Authority of Singapore's (MAS) Core Inflation (excluding costs of accommodation and private road transport) picked up to 0.6% y-o-y in September 2015 compared to 0.2% y-o-y in August. This mainly reflected the stronger pickup in prices of services and retail goods.

Core Inflation at 0.6% y-o-y in the January-September 2015 period continued to soften, following an increase of 1.5% y-o-y for full-year 2014. The inflation in 2015 was largely driven by higher prices of food and education.

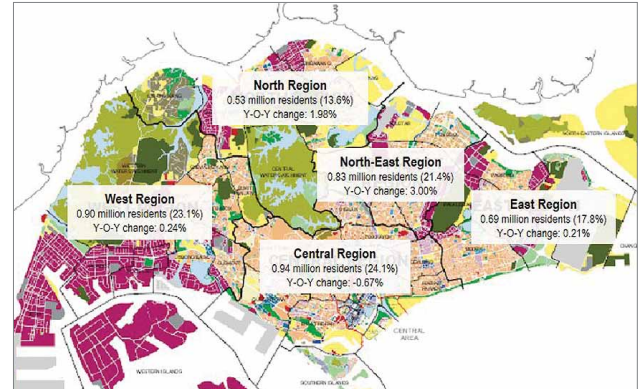
### POPULATION AND EMPLOYMENT

As of September 2015, Singapore's total population rose 1.2% y-o-y to 5.53 million. Residents, comprising citizens and permanent residents, made up 3.87 million of the total population while non-residents contributed the remaining 1.6 million. Between 2010 and 2015, the total population rose 9.0% mainly driven by an influx of non-residents, the number of which rose 25.1% over this period.

Figure 1 highlights Singapore's population spread and growth based on the Urban Redevelopment Authority's boundaries. Although the Central and West regions of Singapore are the most densely-populated, population growth is strongest in the North and North-East regions of the country. This growth is due to the completion of housing developments in Sembawang in the North region and in the new residential towns, namely Punggol and Sengkang in the North-East region.

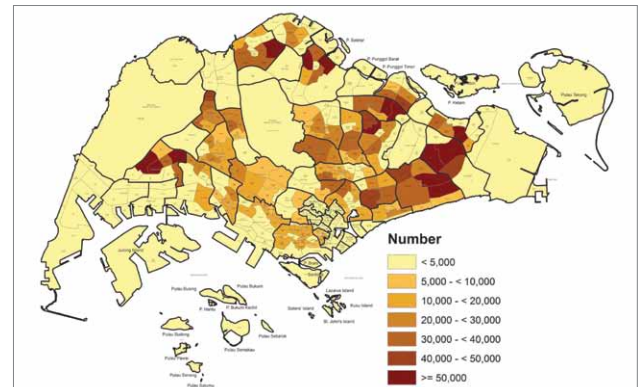
Figure 2 highlights the population density of housing estates across Singapore. Many suburban estates, including Woodlands, Yishun, Choa Chu Kang and Bedok have high density, providing natural catchments for suburban malls.

**FIGURE 1: RESIDENT POPULATION IN SINGAPORE**  
(as of June 2015)



Source: URA, Department of Statistics Singapore, JLL Research, September 2015

**FIGURE 2: RESIDENT POPULATION BY PLANNING AREA**  
(as of June 2015)



Source: Department of Statistics Singapore, September 2015

Overall, unemployment remained low at 2.0% as of June 2015 as new employment continued to outpace layoffs. However, overall employment growth in the first half of 2015 slowed down, on a y-o-y basis, due to a lower increase in foreign manpower than in the previous year. Singapore has been progressively raising the quality of its workforce and reducing reliance on foreign labour.

Overall, the labour market is expected to remain tight over the near term, with demand growth likely supported by externally oriented sectors such as the wholesale trade, and finance & insurance. Labour intensive industries will continue to be constrained by a shortage of workers.

# RETAIL PROPERTY MARKET REVIEW

BY JONES LANG LASALLE PROPERTY CONSULTANTS PTE LTD  
30 OCTOBER 2015

## KEY GOVERNMENT PLANS AND POLICIES

The following plans and policies introduced by the government highlight the growth opportunities for the retail industry:

**Population White Paper 2013 on Population Growth in 2020 and 2030.** The government is projecting that Singapore's total population could reach 5.8 to 6 million by 2020, and 6.5 to 6.9 million by 2030. This translates to a forecast growth rate of 1 - 1.5% from 2014 to 2020 and 1.1 - 1.4% from 2020 to 2030. A growing population will lead to increased retail spending which is expected to lift demand for retail space.

**Urban Redevelopment Authority (URA) Plans** – URA's emphasis on decentralisation will introduce more commercial and industrial activities to the suburban areas. Woodlands Regional Centre will have 700,000 sqm of new commercial space and more amenities introduced in existing and new housing areas. Changi will benefit from the expansion of the business park and become a hub for employment and will also benefit from the development of a leading-edge university. The increased activities will raise the resident and working catchment, and benefit retail malls in the areas.

**Land Transport Authority Plans for New Train Lines and Extensions.** The expected completion of the Downtown Line and the Jurong Regional Line extensions in 2017 and 2025 respectively, as well as the new Cross Island Line in 2030, will improve connectivity and access to retail space island-wide. This is expected to improve shoppers' mobility and benefit retail malls near transport nodes.

**Singapore Tourism Board (STB) efforts to Boost Tourism.** The STB will invest SGD65 million in joint marketing campaigns globally and domestically together with industry stakeholders, including the Changi Airport Group (CAG) to boost tourist arrivals in Singapore. With these efforts, the downside risks of weak tourist arrivals and retail sales are likely to be contained in 2015, and retailers' sales in the short-to-medium term will be boosted.

## HOUSEHOLD INCOME AND EXPENDITURE

According to the Department of Statistics, over the last ten years between 2004 and 2014, the average monthly household income from work rose 3.2% annually, in real terms. Over this period, household income growth for the lower 50.0% decile over 2009-2014 outpaced growth over 2004-2009, a reflection of the success of the government initiatives in lifting the skill levels of lower and middle-income workers over the past five years. The rising real income trend for all income groups will increase the amount of money available for retail spending and, in turn, demand for retail space. Specifically, the rising income of the lower and middle income groups that fuel spending, contributed to the growth plans of mass-market retailers and to the growth in demand for suburban retail space.

According to the Household Expenditure Survey made by the Department of Statistics, average household expenditure grew by 4.4% per annum over the past five years between 2007/2008 and 2012/2013. This was faster than the 2.6% annual growth between 2002/2003 and 2007/2008, and was a reflection of household's greater propensity to spend with higher income growth, especially those from the lower and middle-income groups. With rising affluence, households spent more on dining in restaurants, cafes and pubs, contributing to the growth of F&B outlets in shopping malls. Household spending on education services also rose in line with the greater emphasis on children's education over the years and this fueled the growth of education centres, predominantly in the suburban shopping malls.

## PRIVATE CONSUMPTION EXPENDITURE (PCE)

Private Consumption Expenditure (PCE) grew by 3.4% annually between 2010 and 2014. Growth in 2014 slowed to 2.2% y-o-y, a reflection of more cautious spending due to softer global and domestic economic growth. On a positive note, PCE picked up momentum in 2015 with growth of 3.3% y-o-y in 1Q 2015 and 3.8% y-o-y in 2Q 2015. The major contributors to PCE in 2014 were housing & utilities, recreation & culture, transport, food & non-alcoholic beverages, health and food servicing services.

## RETAIL SALES INDEX, TOURISM ARRIVALS AND TOURISM RECEIPTS

The seasonally adjusted constant-price basis Retail Sales Index (excluding motor vehicles) has been volatile over the past year. On a brighter note, the index continued its uptrend, recording an increase of 4.6% m-o-m and 2.1% y-o-y in August 2015, following a slight recovery of 2.6% m-o-m and 0.8% y-o-y in July 2015. The positive change in retail sales in August 2015 was mainly attributable to improved sales of wearing apparel & footwear (10.5% m-o-m and 1.6% y-o-y), furniture & household equipment (8.1% m-o-m and 5.4% y-o-y), watches & jewellery (7.3% m-o-m and 10.3% y-o-y) and telecommunication apparatus & computers (6.8% m-o-m and 0.7% y-o-y). Island-wide special deals and promotions as part of Singapore's 50 years' anniversary celebration could have contributed to the improved retail sales performance of wearing apparel & footwear and furniture & household equipment. A recovery in tourist arrivals could have accounted for the healthier sales performance of watches & jewellery while the launch of several new smartphone devices could have led to the stronger sales of telecommunication apparatus & computers. The marginal improvement in overall retail sales in the first two months of 3Q 2015 led to improved retail confidence.

Following seventeen months of weak or negative growth, inbound visitor arrivals picked up sharply by 7.9% y-o-y to 1.5 million in July 2015 and 6.0% y-o-y to 1.4 million in August 2015, according to the Singapore Tourism Board (STB). Compared to the modest increases in visitor arrivals earlier in the year (1.2% y-o-y in May and 0.3% y-o-y in June) and negative growth from January to April 2015, July's performance was a peak for 2015.

# RETAIL PROPERTY MARKET REVIEW

BY JONES LANG LASALLE PROPERTY CONSULTANTS PTE LTD  
30 OCTOBER 2015

However, there were fewer visitors from Australia (-8.5% y-o-y in July and 0.7% y-o-y in August), a key source market. Surprisingly, tourists from Mainland China, who accounted for an average of 14% of the total numbers of tourist arrivals over January-August 2015, surged 53.4% y-o-y in August 2015. This may be attributable to the strength of the Chinese Yuan against the Singapore dollar, which made trips to Singapore more affordable for Chinese tourists, as well as the easing of the stigma associated with the global aviation disaster of Malaysian Airlines flight MH370, which led to a negative impact on tourism demand.

## OUTLOOK

Following a weak first half, global economic growth in 2H 2015 is expected to pick up gradually, on the back of a modest recovery in the domestic-driven US economy and a continuous but gradual growth in the Euro zone economy. In 2015, the International Monetary Fund has forecast global economic growth of 3.3%, somewhat lower than the 3.4% of 2014, led by a gradual pick-up in the advanced economies but weighed down by slower economic growth prospects in China and the consequent dampening impact on the ASEAN economies.

A gradual pick-up in the global economy is expected to support Singapore's economic growth in 2015, although sustained low oil prices and the manpower crunch will weigh on the marine & offshore and labour-intensive sectors respectively.

Considering the uncertainties, the Ministry of Trade and Industry has narrowed its growth forecast for Singapore's economy in 2015 to 2.0-2.5%, from the previous 2.0-4.0%.

The retail market outlook is expected to remain tepid on the back of weak consumer confidence. Prospects of an imminent interest rate hike that would reduce disposal income for consumer spending, would further dampen retail sentiment.

Notwithstanding short-term challenges, Singapore's stable economic growth, competitive and mature retail market and strong infrastructure will continue to support consumption and resilience in the retail sector.

## RETAIL PROPERTY MARKET

### RETAIL INDUSTRY TRENDS

**International retailers continue to enter Singapore** – Notwithstanding intense competition and a tight labour market, Singapore continues to serve as a gateway for international retailers looking to enter the South East Asian and Chinese markets. The primary sub-market remains the preferred location for new-to-market international retailers. Also, over the past years, mass and mid-tier international retailers have expanded into the suburban market to capture the growing affluence of the local catchments. However, in light of the softer economic outlook, international retailers, particularly

those in the lifestyle fashion trade, have become increasingly cautious, favouring only established and accessible locations.

**Suburban shopping continues to gain popularity** – With more new suburban malls conveniently located in the suburban markets, and the improving quality of retailers, consumers are increasingly shopping at suburban malls. The strong foot traffic continues to sustain the leasing interest of both international retailers and local brands in the suburban markets, particularly in the regional centres of Tampines and Woodlands. New growth areas such as Paya Lebar and Alexandra are also expected to attract retailers as these have less retail competition and an increasingly affluent population base.

### Warehouse retailing catering to mass consumers

– Warehouse retailing offering a one-stop shopping experience has been gaining popularity, and capturing not only shoppers' but retailers' attention due to the wide range of reasonably priced products offered and the potentially lower occupancy costs. This has led to an increase in warehouse-retail developments in the suburban market over the past year and this increases pressure on traditional mall operators to offer shoppers a better quality shopping experience. It also forces them to keep up-to-date with retail offerings that meet changing consumer preferences and patterns.

**Omni-channel retailing on the rise** – According to the 2012/2013 Household Expenditure Singapore Survey, online purchases are gaining popularity in Singapore, especially amongst those aged 25-44 and those in the higher income groups. Aligning themselves with changing purchasing patterns, retailers, particularly in the fashion trade, are increasingly embracing omni-channel retailing, and offering a strong online presence to allow shoppers to research, browse and purchase on-the-go whilst maintaining physical stores to build loyalty for their brands. Also, a physical store provides service, a point-of-sale, and a more complete shopping experience that allows shoppers to test, feel and try products.

**Emergence of pop-up stores** – To offer shoppers a more complete shopping experience, on-line retailers are increasingly maintaining a physical retail presence through pop-up stores in shopping malls. The concept provides a benefits for both parties as it offers retailers preferential rental rates that are not locked into multi-year leases while landlords can fill vacant space and, at the same time, gain new target markets for their shopping malls.

### EXISTING SUPPLY

Based on JLL tracked shopping malls, the island wide retail space stock in 3Q2015 grew 6.3% y-o-y to 24.3 million sq ft. Due to their relatively larger market sizes, the Suburban sub-markets provided the bulk (44.5% or 10.8 million sq ft) of total retail space while the Orchard sub-market, which comprises the popular Orchard shopping belt provided approximately 8.1 million sq ft –



# RETAIL PROPERTY MARKET REVIEW

BY JONES LANG LASALLE PROPERTY CONSULTANTS PTE LTD  
30 OCTOBER 2015

33.3% of the island wide stock. The Marina sub-market had the remaining 5.4 million sq ft, contributing 22.2% of the total.

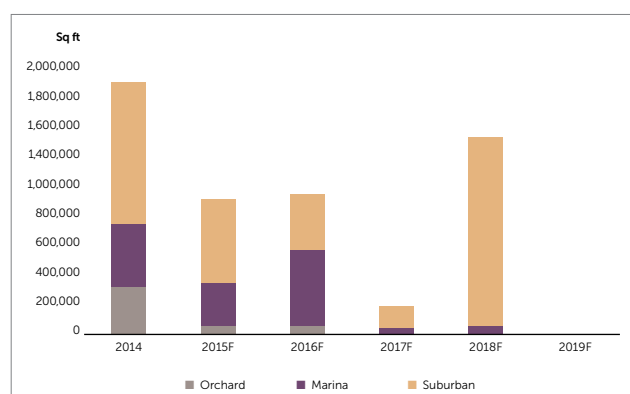
The additional supply came largely from about 1.4 million sq ft of new retail space in the Suburban sub-markets, following completions of new developments such as One KM (210,000 sq ft), Big Box (260,000 sq ft) and The Seletar Mall (188,000 sq ft), as well as the refurbished mall, Eastpoint Mall (214,000 sq ft).

The Orchard and Marina sub-markets have contributed only 141,000 sq ft and 160,000 sq ft of additional retail space since 3Q 2014, the result of new completions and the refurbishment of existing retail malls.

## POTENTIAL SUPPLY

Potential supply to come on stream from 4Q 2015 to 2019 is expected to be 3.1 million sq ft, representing a 12.8% increase in the existing stock of 3Q 2015 (Figure 3).

FIGURE 3: FUTURE SUPPLY



Source: JLL Research, 3Q 2015

Including new stock in 4Q 2015, a total of 897,000 sq ft of additional retail space will have been added in 2015, 53.0% less than the new supply of 1.9 million sq ft in 2014 and about 45.0% less than the 1.6 million sq ft in 2013. The new space in 2015 is about 20% below the 10-year historical average of new supply of 1.1 million sq ft.

The bulk (72.8%) of the new supply from 4Q 2015 to 2019 will be from the Suburban sub-market, with 2.3 million sq ft of new space. The Orchard sub-market will contribute about 71,000 sq ft (or 2.3% of total future supply) and this will largely be refurbished space. The Marina sub-market will add about 780,000 sq ft, or 24.9% of total new supply.

Table 4 highlights the pipeline supply for 4Q 2015 and 2016.

Most of the new supply in the Suburban sub-market from 4Q 2015 to 2019 will be in growth suburban areas such as Paya Lebar, Woodlands and Changi. This is in line with government plans to decentralise commercial activities and to grow commercial centres outside the city centre. Apart from Waterway Point (344,000 sq ft), which is scheduled for completion in 4Q 2015, most of this new space is scheduled for completion in 2018, with the Paya Lebar mixed development (450,000 sq ft), Northpoint City (290,000 sq ft) and Jewel @ Changi (575,000 sq ft) expected to come on stream.

No new construction is planned for the Orchard sub-market in the medium term. The only supply over the next five years will be the refurbished space in The Centrepoint mall.

In the Marina sub-market, the new supply coming on-stream is from six new developments, namely The Heart, retail space at Tanjong Pagar mixed development, Downtown Gallery and South Beach, as well as from two refurbishment projects at Marina Square and Downtown Gallery. Most of this space is due for completion in 2016.

TABLE 4: UPCOMING SUPPLY OF RETAIL SPACE BY LOCATION AND SCHEDULED COMPLETION YEAR

Project Name	Location	Estimated NLA (sq ft)
<b>4Q15</b>		
<b>Marina</b>		
Refurbishment of Marina Square	City Hall	140,000
<b>Suburban</b>		
Waterway Point	Punggol Central / Punggol Walk	344,370
The Promenade @ Pelikat	Jalan Pelikat	58,394
<b>2016</b>		
<b>Prime</b>		
The Centrepoint	Orchard Road	71,380
<b>Marina</b>		
South Beach	Beach Road	60,000
Duo Galleria	Bugis	54,000
The Heart (within Marina One)	Marina South	140,000
Guoco Tower	Peck Seah Street / Choon Guan Street	100,000
Downtown Gallery (OUE Downtown)	Raffles Place	160,000
<b>Suburban</b>		
Hillion Mall	Jelebu Road	168,000
Tiong Bahru Plaza	Bukit Merah	167,200

Source: JLL Research, 3Q 2015

# RETAIL PROPERTY MARKET REVIEW

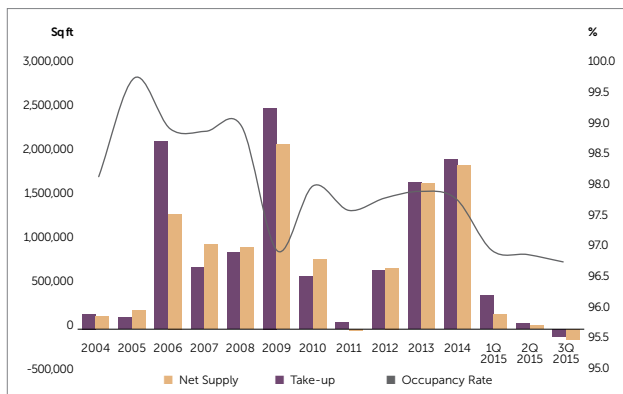
BY JONES LANG LASALLE PROPERTY CONSULTANTS PTE LTD  
30 OCTOBER 2015

## DEMAND AND OCCUPANCY

Healthy pre-commitments contributed to the relatively strong take-up of 1.8 million sq ft of retail space in 2014 (Figure 5).

Leasing demand turned mildly tepid in 2015. Weighed down by a softer economic outlook, cautious consumer spending and manpower woes, several existing retailers, including FJ Benjamin, Courts and Tommy Hilfiger, reported significant declines in sales, while others, such as Wendy's and Goods of Desire, pulled out of Singapore. As a result, retailers were more cautious in their expansion plans, choosing to take up space in established malls with proven track records. Demand was largely supply-led and island-wide net absorption was 95,900 sq ft from 1Q 2015 to 3Q 2015 (Figure 6).

**FIGURE 5: ISLAND-WIDE RETAIL NET ADDITIONS, TAKE-UP AND OCCUPANCY RATE\***



Source: JLL Research, 3Q2015

\*Captures only retail space above 50,000 sq ft

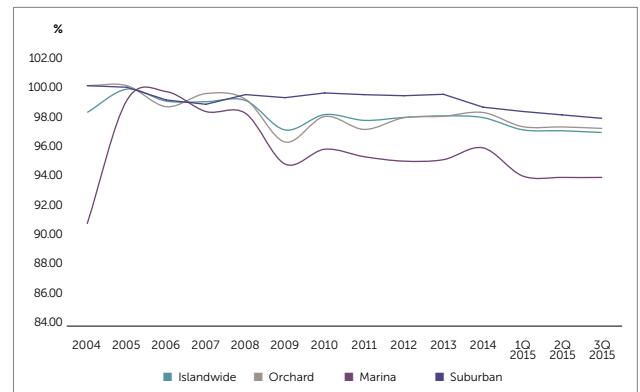
The completion of several new malls contributed to the island-wide net addition of 354,000 sq ft from 1Q 2015 to 3Q 2015. As a result of a supply-demand imbalance, island-wide occupancy fell 100 basis points from 97.8% as of 4Q 2014 to 96.8% as of 3Q 2015 (Figure 6).

Notwithstanding the weakening consumer sentiment, the Suburban sub-market, which depends largely on local consumers, remained relatively resilient, benefitting from the population growth of the local catchment areas. Malls in Regional Centres such as Woodlands, that benefits from both the local catchment areas and the general population, continued to thrive while demand for space in malls in good locations and with high shopper patronage, such as VivoCity, remained relatively firm. As a result, the occupancy rate in the Suburban sub-market dipped by a lesser extent than in the Orchard sub-market, falling by 90 basis points to 97.7% as of 3Q 2015, from 98.6% as of 4Q 2014 (Figure 6).

The Orchard sub-market experienced a steeper decline in occupancy, weighed by the higher vacancies in newly opened Orchard Gateway and the older Far East Plaza. As at 3Q 2015, occupancy fell 110 basis points to 97.1%, from 98.2% as at 4Q 2014 (Figure 6).

Occupancy in the Marina sub-market saw the largest decline, falling 140 basis points from 95.8% as of 4Q 2014 to 94.4% as of 3Q 2015 due to the completion of a massive amount of new space from the final phase of asset enhancement at Suntec City.

**FIGURE 6: RETAIL OCCUPANCY RATE\***



Source: JLL Research, 3Q 2015

\*Captures only retail spaces above 50,000 sq ft

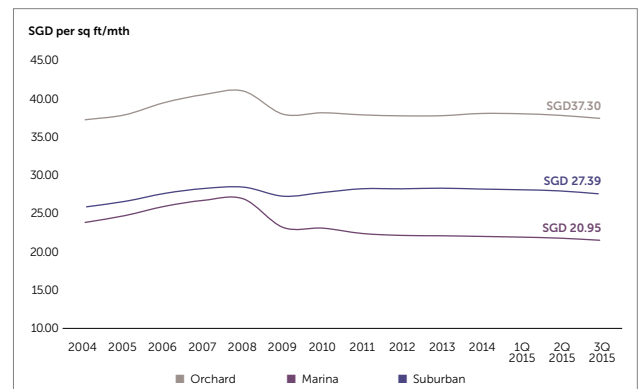
## RENTAL VALUES

In 2015, following a relatively firm 2014 rental market, rents corrected across all sub-markets on the back of the weaker economic outlook, lower consumer spending and the tight labour market.

Despite strong occupier demand for space in major malls, rents in the Suburban sub-market fell 2.7% from SGD 28.15 psf in 4Q 2014 to SGD 27.39 psf in 3Q 2015. Rents were affected by slower take-up and the falling rents of smaller malls in non-prime locations (Figures 7 and 8).

Rents in the Orchard area gave a relatively better performance, declining 1.8% from SGD 38.00 psf in 4Q 2014 to SGD 37.30 psf in 3Q 2015, supported by the limited new supply and the sustained leasing interest in established malls in the prime Orchard Road shopping belt (Figures 7 and 8).

**FIGURE 7: GROSS RENTS BY SUB-MARKETS**

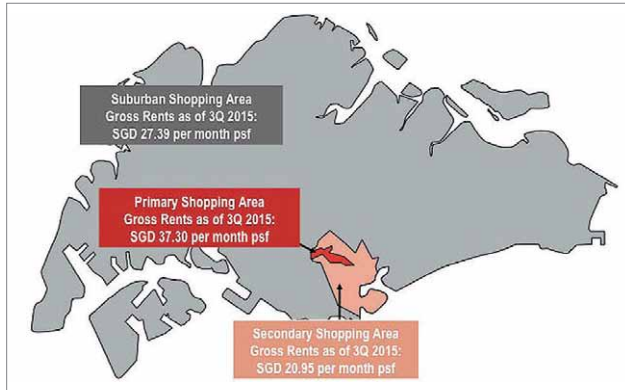


Source: JLL Research, 3Q 2015

# RETAIL PROPERTY MARKET REVIEW

BY JONES LANG LASALLE PROPERTY CONSULTANTS PTE LTD  
30 OCTOBER 2015

**FIGURE 8: GROSS RENTS IN ORCHARD, MARINA AND SUBURBAN SUB-MARKETS**



Source: JLL Research, 3Q 2015

In spite of leasing interest from new-to-market retailers in new premium-quality space, rents in the Marina sub-market continued to soften, falling 2.5% from SGD 21.49 psf in 4Q 2014 to SGD 20.95 psf in 3Q 2015 (Figures 7 and 8).

## OUTLOOK

Retail rents are expected to remain soft for the rest of 2015 in the light of more cautious consumer spending amid a weaker economic outlook, and a more challenging operating environment faced by retailers exacerbated by the labour shortfall. However, despite these challenges, Singapore remains attractive to international brands, given its status as a commercial gateway to ASEAN and its large middle income population with high spending power. The healthy demand from these sources should moderate the downside risks for rents.

Rents in the Suburban sub-market are expected to remain weak, declining about 2.2% for the rest of 2015. The completion of Waterway Point in Punggol in 4Q 2015, with 344,000 sq ft of new retail space, is expected to put pressure on rents. Space consolidation by retailers that previously expanded aggressively and were now facing declining sales, should further contribute to downward pressure on rents and occupancy.

Notwithstanding these challenges, well-located malls near transport nodes and offering a rich trade mix and a one-stop shopping experience, such as Causeway Point and North Point, will continue to draw foot traffic and rental interest, and maintain healthy occupancy. However, smaller and older malls that are less accessible may have to compromise on rents in order to maintain occupancy. Overall, rents in the Suburban sub-market are expected to soften a further 1.9% in 2016.









## MALL PROFILES

**42**  
FCT Portfolio Summary

**44**  
Causeway Point

**46**  
Northpoint

**48**  
Changi City Point

**50**  
Bedok Point

**52**  
YewTee Point

**54**  
Anchorpoint

**56**  
Hektar REIT

# FCT PORTFOLIO SUMMARY

## AS AT 30 SEP 2015




FCT Portfolio Summary as at 30 Sep 2015	Causeway Point	Northpoint	Changi City Point
			
<b>Net Lettable Area<sup>1</sup> (square feet)</b>	415,774	235,850	207,244
<b>Number of Leases</b>	223	172	122
<b>Title</b>	99 years leasehold commencing 30/10/95 (79 years remaining)	99 years leasehold commencing 1/4/90 (74 years remaining)	60 years leasehold commencing 30/4/09 (54 years remaining)
<b>Year Purchased</b>	2006	Northpoint 1: 2006 Northpoint 2: 2010	2014
<b>Purchase Price (\$ million)</b>	606.17	Northpoint 1: 249.27 Northpoint 2: 164.55	305.00
<b>Appraised Value (\$ million)</b>	1,110.00	665.00	311.00
<b>As % of Total Portfolio Appraised Value</b>	45.0%	27.0%	12.6%
<b>FY2015 Gross Revenue (\$'000)</b>	80,960	50,335	25,740
<b>FY2015 Net Property Income (\$'000)</b>	59,100	36,156	16,323
<b>Occupancy Rate</b>	99.5%	98.2%	91.1%
<b>Key Tenants by Gross Rental Income</b>	Metro, Courts, Cold Storage supermarket, Cathay Cineplexes, Food Republic, Uniqlo	Cold Storage supermarket, Harvey Norman, Kopitiam food court and Popular bookstore	Uniqlo, Nike, Timberland, Cold Storage supermarket, Koufu and Bagus
<b>Annual Shopper Traffic (millions)</b>	24.9	41.3	10.6
<b>Connectivity</b>	Woodlands MRT station & bus interchange	Yishun MRT station & bus interchange	Expo MRT station

1 Net lettable area as stated in valuation reports dated 30 September 2015 for the respective assets.



# FCT PORTFOLIO SUMMARY

AS AT 30 SEP 2015

FCT Portfolio Summary as at 30 Sep 2015	Bedok Point	YewTee Point	Anchorpoint
			
<b>Net Lettable Area<sup>1</sup> (square feet)</b>	82,713	73,670	70,989
<b>Number of Leases</b>	47	70	60
<b>Title</b>	99 years leasehold commencing 15/3/78 (61 years remaining)	99 years leasehold commencing 3/1/06 (89 years remaining)	Freehold
<b>Year Purchased</b>	2011	2010	2006
<b>Purchase Price (\$ million)</b>	127.00	125.65	36.02
<b>Appraised Value (\$ million)</b>	108.00	170.00	100.00
<b>As % of Total Portfolio Appraised Value</b>	4.4%	6.9%	4.1%
<b>FY2015 Gross Revenue (\$'000)</b>	9,386	14,049	8,772
<b>FY2015 Net Property Income (\$'000)</b>	4,945	9,720	4,799
<b>Occupancy Rate</b>	84.2%	94.8%	96.9%
<b>Key Tenants by Gross Rental Income</b>	Harvey Norman, Challenger, Ssiksins Korea BBQ, Mind Stretcher	NTUC FairPrice, Koufu food court, Watson's, KFC	Cold Storage, Gyu-Kaku, Koufu, Xin Wang Hong Kong Cafe
<b>Annual Shopper Traffic (millions)</b>	4.7	12.1	3.6
<b>Connectivity</b>	Bedok MRT station & bus interchange	YewTee MRT station & bus stop	Near Queenstown MRT station & bus stop

1 Net lettable area as stated in valuation reports dated 30 September 2015 for the respective assets.

# MALL PROFILES

## CAUSEWAY POINT



### MALL PROFILE

Causeway Point is the largest mall in Woodlands, one of Singapore's most populous residential estates. It is conveniently 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 line in the future.

With more than 200 stores and food outlets spread over seven retail levels (including basement level), Causeway Point offers its shoppers a one-stop shopping and dining destination. The mall recorded gross revenue of \$80.96 million in FY2015, up 3.5% from \$78.2 million for the same period a year ago. The mall attracted 24.9 million shoppers in FY2015, up 11.2% from 22.4 million in FY2014.

Causeway Point is the winner of BCA Universal Design GoldPlus award in 2015 for its emphasis in incorporating user-friendliness, connectivity and safety aspects in its mall design and features. The mall is also awarded the Platinum Award in the BCA's GreenMark program for its host of environmental-friendly features that reduces its energy consumption and carbon footprint.

### PROPERTY DESCRIPTION

<b>Description</b>	Seven retail levels (including one basement level) and seven car park levels (B2, B3 and 2 <sup>nd</sup> - 6 <sup>th</sup> levels)
<b>Address</b>	1 Woodlands Square Singapore 738099
<b>Net Lettable Area</b>	415,774 square feet <sup>1</sup>
<b>Car Park Lots</b>	839
<b>Title</b>	99 years leasehold w.e.f 30 Oct 1995
<b>Year Acquired by FCT</b>	2006
<b>Market Valuation</b>	\$1,110.0 million as at 30 Sep 2015
<b>Annual Shopper Traffic</b>	24.9 million (Oct 2014 – Sep 2015)
<b>Senior Centre Manager</b>	Ms Elsie Goh
<b>Key Tenants</b>	Metro, Courts, Cold Storage supermarket, Cathay Cineplexes, Food Republic, Uniqlo

### MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (\$'000)	FY2015	FY2014	Increase/(Decrease)
Gross Revenue	80,960	78,233	3.5%
Property Expenses	21,860	21,752	0.5%
Net Property Income	59,100	56,481	4.6%
Occupancy	99.5%	99.8%	(0.3% -point)
Shopper Traffic (million)	24.9	22.4	11.2%

1 As indicated in the valuation report for Causeway Point, dated 30 September 2015, by DTZ Debenham Tie Leung (SE Asia) Pte Ltd.

# MALL PROFILES

## TOP 10 TENANTS

As at 30 September 2015, Causeway Point has a total of 223 leases, excluding vacancy. The key tenants include Metro, Courts, Cold Storage Supermarket, Food Republic and Cathay Cineplexes, among others. The top 10 tenants contributed collectively, 33.1% (FY2014: 32.8%) of the mall's total gross rental income.

Top 10 Tenants at Causeway Point (as at 30 September 2015)	% of Mall's Gross Rental Income
Metro (Private) Limited <sup>1</sup>	7.4%
Courts (Singapore) Limited	6.1%
Cold Storage Singapore (1983) Pte Ltd <sup>2</sup>	5.0%
Food Republic Pte Ltd	3.9%
Cathay Cineplexes Pte Ltd	2.3%
Uniqlo (Singapore) Pte Ltd	2.2%
McDonald's Restaurants Pte Ltd	1.8%
Bagus Management Pte Ltd	1.5%
Aspial Corporation Ltd <sup>3</sup>	1.5%
RE&S Enterprises <sup>4</sup>	1.4%
<b>Total</b>	<b>33.1%</b>

- 1 Includes leases for Metro Department Store & Clinique Service Centre
- 2 Includes leases for Cold Storage supermarket, Guardian Pharmacy and 7-Eleven stores
- 3 Includes leases for Lee Hwa Jewellery, CITIGEMs and Goldheart Jewellery
- 4 Operator of Kuriya Japanese Market and Ichiban Boshi restaurant

## TRADE SECTOR ANALYSIS

Food & Restaurants contributed 28.5%, (FY2014: 28.6%) of the mall's gross rental income, followed by the Fashion trade at 23.9% (FY2014: 25.4%). These two trades account for 52.4% of the mall's gross rental income. The breakdown of the trade sector analysis by net lettable area and gross rental income is presented on the right.

As at 30 September 2015	By Net Lettable Area	By Gross Rental Income <sup>5</sup>
Food & Restaurants	23.1%	28.5%
Fashion	17.5%	23.9%
Household	11.7%	10.2%
Department Store	14.5%	7.2%
Services/Education	4.9%	7.2%
Beauty, Hair, Cosmetics, Personal Care	4.3%	6.7%
Books, Music, Art & Craft, Hobbies	4.5%	3.6%
Sports Apparels & Equipment	2.2%	3.3%
Supermarket	5.7%	3.2%
Healthcare	1.9%	3.2%
Leisure/Entertainment	9.2%	3.0%
Vacant	0.5%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

- 5 Excludes gross turnover rent

## LEASE EXPIRY PROFILE

As at 30 September 2015

	FY2016	FY2017	FY2018	FY2019	FY2020	TOTAL
Number of Leases Expiring	57	92	69	5	–	<b>223</b>
Net Lettable Area of Expiring Leases (square feet)	105,021	163,164	103,122	42,572	–	<b>413,879</b>
Expiries as % of Mall's Total Leased Area	25.4%	39.4%	24.9%	10.3%	0.0%	<b>100.0%</b>
Gross Rental Income (GRI) Contribution of Expiring Leases as % of Mall's Total GRI	24.0%	41.3%	25.5%	9.2%	0.0%	<b>100.0%</b>



# MALL PROFILES

## NORTHPOINT



### MALL PROFILE

Northpoint, opened in 1992, is Singapore's pioneer suburban retail mall. The mall is located in the central of the populous Yishun estate. The mall offers six retail levels of shopping (including two basement levels). It is connected to the Yishun bus interchange and is also linked to the Yishun MRT station via a direct underground pedestrian underpass.

Northpoint consistently attracts high shopper traffic flow from the surrounding residential estate and schools. Shopper traffic in FY2014 was 41.3 million or an average of 3.4 million per month, one of the highest among suburban malls in Singapore.

Key tenants at Northpoint include Cold Storage supermarket, Harvey Norman, Kopitiam food court and Popular bookstore. The mall also features a community library and a 5,400 square feet rooftop wet and dry children's playground on the rooftop.

### PROPERTY DESCRIPTION

<b>Description</b>	Six retail levels (including two basement levels) and three levels of car park (B1 - B3)
<b>Address</b>	930 Yishun Avenue 2, Northpoint Singapore 769098
<b>Net Lettable Area</b>	235,850 square feet <sup>1</sup>
<b>Car Park Lots</b>	236
<b>Title</b>	99 years leasehold w.e.f 1 Apr 1990
<b>Year Acquired by FCT</b>	2006 (Northpoint 1), 2010 (Northpoint 2)
<b>Market Valuation</b>	\$665.0 million as at 30 Sep 2015
<b>Annual Shopper Traffic</b>	41.3 million (Oct 2014 – Sep 2015)
<b>Senior Centre Manager</b>	Ms Cynthia Ng
<b>Key Tenants</b>	Cold Storage supermarket, Harvey Norman, Kopitiam food court and Popular bookstore

### MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (\$'000)	FY2015	FY2014	Increase/(Decrease)
Gross Revenue	50,335	49,491	1.7%
Property Expenses	14,179	13,512	4.9%
Net Property Income	36,156	35,979	0.5%
Occupancy	98.2%	99.4%	(1.2%-point)
Shopper Traffic (million)	41.3	40.3	2.5%

1 As indicated in the valuation report for Northpoint, dated 30 September 2015, by Jones Lang LaSalle Property Consultants Pte. Ltd.

## MALL PROFILES

### TOP 10 TENANTS

As at 30 September 2015, Northpoint has a total of 172 leases, excluding vacancy. The key tenants include Kopitiam food court, Cold Storage supermarket, Aspial (CITIGEMS, Goldheart Jewellery and Maxi-Cash), Harvey Norman, among others. The top 10 tenants contributed collectively, 32.1% (FY2014: 29.7%) of the mall's total gross rental income.

Top 10 Tenants at Northpoint (as at 30 September 2015)	% of Mall's Gross Rental Income
Copitiam Pte Ltd <sup>1</sup>	8.8%
Cold Storage Singapore (1983) Pte Ltd <sup>2</sup>	6.3%
Aspial Corporation Ltd <sup>3</sup>	2.5%
Pertama Merchandising Pte Ltd <sup>4</sup>	2.5%
United Overseas Bank Ltd	2.4%
Overseas-Chinese Banking Corporation Ltd	2.3%
Popular Book Company Pte Ltd	2.0%
Malayan Banking Berhad	2.0%
Soo Kee Jewellery Pte Ltd	1.7%
McDonald's Restaurants Pte Ltd	1.6%
<b>Total</b>	<b>32.1%</b>

- 1 Operator of the Kopitiam food court and Cantine at Northpoint
- 2 Includes leases for Cold Storage supermarket, Guardian Pharmacy and 7-Eleven stores
- 3 Includes leases for CITIGEMS, Goldheart Jewellery and Maxi-Cash
- 4 Operator of the Harvey Norman store at Northpoint

### TRADE SECTOR ANALYSIS

Food & Restaurants contributed 31.9%, (FY2014: 31.9%) of the mall's gross rental income, followed by the Fashion trade at 25.7% (FY2014: 27.4%). The breakdown of the trade sector analysis by net lettable area and gross rental income is presented on the right.

As at 30 September 2015	By Net Lettable Area	By Gross Rental Income <sup>5</sup>
Food & Restaurants	27.4%	31.9%
Fashion	15.0%	25.7%
Services/Education	17.7%	13.0%
Beauty, Hair, Cosmetics, Personal Care	5.7%	7.3%
Household	6.5%	5.3%
Healthcare	3.5%	5.2%
Books, Music, Art & Craft, Hobbies	6.6%	4.2%
Supermarket	8.8%	3.3%
Sports Apparels & Equipment	2.5%	2.4%
Leisure/Entertainment	4.5%	1.7%
Vacant	1.8%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

- 5 Excludes gross turnover rent

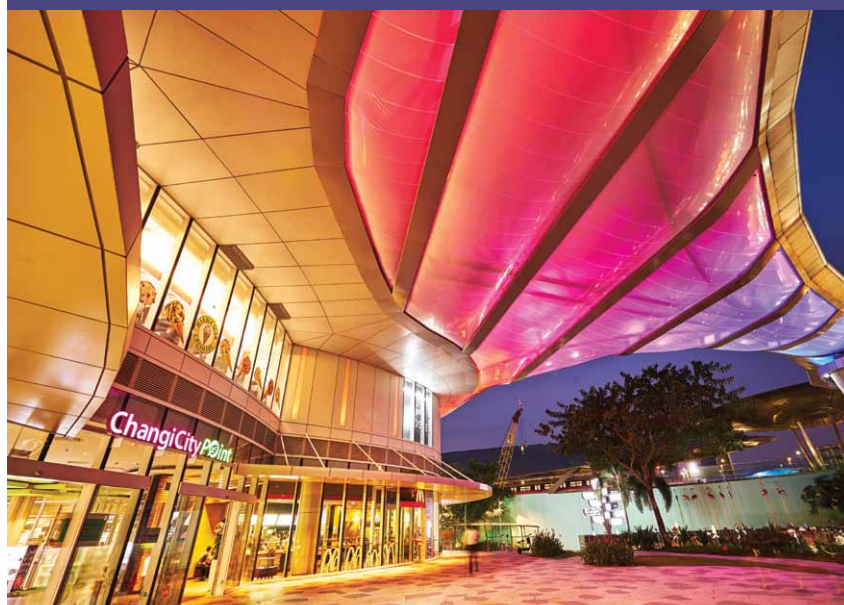
### LEASE EXPIRY PROFILE

As at 30 September 2015

	FY2016	FY2017	FY2018	FY2019	FY2020	TOTAL
Number of Leases Expiring	56	55	60	1	–	<b>172</b>
Net Lettable Area of Expiring Leases (square feet)	75,468	59,005	93,899	2,877	–	<b>231,249</b>
Expiries as % of Mall's Total Leased Area	32.6%	25.5%	40.6%	1.3%	0.0%	<b>100.0%</b>
Gross Rental Income (GRI) Contribution of Expiring Leases as % of Mall's Total GRI	34.1%	26.8%	36.7%	2.4%	0.0%	<b>100.0%</b>

# MALL PROFILES

## CHANGI CITY POINT



### MALL PROFILE

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 Singapore's largest convention and exhibition venue, The Singapore Expo. Changi City Point is the third largest by net lettable area among Frasers Centrepoint Trust's portfolio of six retail malls.

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 retailers including Uniqlo, Nike, Timberland, Adidas and many outlets stores. Shoppers can also do their grocery shopping at the Cold Storage supermarket. The restaurants at the mall include Tung Lok Signatures and Table Manners and the Koufu and Bagus food courts. Families can also enjoy the landscaped rooftop garden that also features a wet and dry children's playground.

### PROPERTY DESCRIPTION

<b>Description</b>	Three retail levels (including one basement level)
<b>Address</b>	5 Changi Business Park Central 1, Changi City Point, Singapore 486038
<b>Net Lettable Area</b>	207,244 square feet <sup>1</sup>
<b>Car Park Lots</b>	627 <sup>2</sup>
<b>Title</b>	60 years leasehold w.e.f 30 Apr 2009
<b>Year Acquired by FCT</b>	2014
<b>Market Valuation</b>	\$311.0 million as at 30 Sep 2015
<b>Annual Shopper Traffic</b>	10.6 million (Oct 2014 – Sep 2015)
<b>Senior Centre Manager</b>	Ms Emily Fong
<b>Key Tenants</b>	Uniqlo, Nike, Timberland, Cold Storage supermarket, Koufu and Bagus

### MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (\$'000)	FY2015	FY2014 <sup>3</sup>	Increase/(Decrease)
Gross Revenue	25,740	7,824	229.0%
Property Expenses	9,417	2,661	253.9%
Net Property Income	16,323	5,163	216.2%
Occupancy	91.1%	97.9%	(6.8%-point)
Shopper Traffic (million)	10.6	2.7 <sup>4</sup>	not meaningful

1 As indicated in the valuation report for Changi City Point, dated 30 September 2015, by Knight Frank Pte. Ltd.

2 The car park lots are shared between Changi City Point, Capri By Fraser and ONE@Changi City.

3 Included the results of Changi City Point from 16 June (date of acquisition) to 30 September 2014

4 For 3-month period between 1 July and 30 September 2014



## MALL PROFILES

### TOP 10 TENANTS

As at 30 September 2015, Changi City Point has a total of 122 leases, excluding vacancy. The key tenants include Koufu food court, Cold Storage supermarket, Bagus food court, Uniqlo and Nike, among others. The top 10 tenants contributed collectively, 35.0% (FY2014: 33.1%) of the mall's total gross rental income.

Top 10 Tenants at Changi City Point (as at 30 September 2015)	% of Mall's Gross Rental Income
Koufu Pte Ltd <sup>1</sup>	8.9%
Cold Storage Singapore (1983) Pte Ltd <sup>2</sup>	7.4%
Copitiam Pte Ltd <sup>3</sup>	3.9%
Uniqlo (Singapore) Pte Ltd	3.2%
NIKE Singapore Pte Ltd	2.1%
D & N Singapore Pte Ltd <sup>4</sup>	2.1%
Tung Lok Millennium Pte Ltd	1.9%
Trilogies of Beers Pte Ltd	1.9%
Challenger Technologies Limited	1.9%
RE & S Enterprise Pte Ltd <sup>5</sup>	1.7%
<b>Total</b>	<b>35.0%</b>

- 1 Operates the Koufu food court at Changi City Point
- 2 Includes leases for Cold Storage supermarket, Guardian Pharmacy and 7-Eleven stores
- 3 Operates the Bagus food court and Dora KeiKi at Changi City Point
- 4 Operates the Spaghetti Goemon & The Asian Kitchen at Changi City Point
- 5 Operates the Ichiban Sushi restaurant at Changi City Point

### TRADE SECTOR ANALYSIS

Food & Restaurants contributed 47.5%, (FY2014: 44.1%) of the mall's gross rental income, followed by the Fashion trade at 20.8% (FY2014: 19.7%). The breakdown of the trade sector analysis by net lettable area and gross rental income is presented on the right.

As at 30 September 2015	By Net Lettable Area	By Gross Rental Income <sup>6</sup>
Food & Restaurants	38.8%	47.5%
Fashion	19.0%	20.8%
Sports Apparels & Equipment	9.0%	6.9%
Supermarket	7.4%	6.0%
Services/Education	5.3%	5.7%
Household	4.1%	3.9%
Healthcare	3.4%	3.8%
Beauty, Hair, Cosmetics, Personal Care	2.1%	3.7%
Department Store	1.1%	1.0%
Books, Music, Art & Craft, Hobbies	0.9%	0.7%
Vacant	8.9%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

- 6 Excludes gross turnover rent

### LEASE EXPIRY PROFILE

As at 30 September 2015

	FY2016	FY2017	FY2018	FY2019	FY2020	TOTAL
Number of Leases Expiring	54	25	41	1	1	<b>122</b>
Net Lettable Area of Expiring Leases (square feet)	86,993	50,320	41,766	1,173	8,461	<b>180,252</b>
Expiries as % of Mall's Total Leased Area	46.1%	26.7%	22.1%	0.6%	4.5%	<b>100.0%</b>
Gross Rental Income (GRI) Contribution of Expiring Leases as % of Mall's Total GRI	44.8%	24.9%	26.3%	0.8%	3.2%	<b>100.0%</b>

## MALL PROFILES

### BEDOK POINT



#### MALL PROFILE

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, Challenger, Ssiksin Korea BBQ, Mind Stretcher, The Learning Lab and Paradise Inn, among others. Total shopper traffic to the mall in FY2014 was 4.7 million.

Bedok Point was awarded the BCA green Mark gold Award in 2014.

#### PROPERTY DESCRIPTION

<b>Description</b>	Five retail levels (including one basement level) and one basement car park
<b>Address</b>	799 New Upper Changi Road Singapore 467351
<b>Net Lettable Area</b>	82,713 square feet <sup>1</sup>
<b>Car Park Lots</b>	76
<b>Title</b>	99 years leasehold w.e.f 15 Mar 1978
<b>Year Acquired by FCT</b>	2011
<b>Market Valuation</b>	\$108.0 million as at 30 Sep 2015
<b>Annual Shopper Traffic</b>	4.7 million (Oct 2014 – Sep 2015)
<b>Assistant Centre Manager</b>	Ms Donna Oh
<b>Key Tenants</b>	Harvey Norman, Challenger, Ssiksin Korea BBQ, Mind Stretcher

#### MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (\$'000)	FY2015	FY2014	Increase/(Decrease)
Gross Revenue	9,386	10,805	(13.1%)
Property Expenses	4,441	4,573	(2.9%)
Net Property Income	4,945	6,232	(20.7%)
Occupancy	84.2%	98.2%	(14.0%-point)
Shopper Traffic (million)	4.7	5.3	(11.3%)

<sup>1</sup> As indicated in the valuation report for Bedok Point, dated 30 September 2015, by CBRE Pte Ltd.

# MALL PROFILES

## TOP 10 TENANTS

As at 30 September 2015, Bedok Point has a total of 47 leases, excluding vacancy. The key tenants include Pertama Merchandising Pte Ltd (operator of Harvey Norman), Go Sushi, Korea Buffet Pte Ltd (operator of Ssiksin), among others. The top 10 tenants contributed collectively, 46.2% (FY2014: 48.7%) of the mall's total gross rental income.

Top 10 Tenants at Bedok Point (as at 30 September 2015)	% of Mall's Gross Rental Income
Pertama Merchandising Pte Ltd <sup>1</sup>	10.9%
Go Sushi Pte Ltd <sup>2</sup>	5.4%
Korea Buffet Pte Ltd <sup>3</sup>	5.3%
Louisiana QSR Pte Ltd <sup>4</sup>	4.2%
Mind Stretcher Learning Centre Ltd	3.9%
Creative Eateries Pte Ltd <sup>5</sup>	3.9%
Starbucks Coffee Singapore Pte Ltd	3.7%
Chen Kang Foot Spa Pte Ltd	3.1%
Cristofori Music Pte Ltd	3.0%
Meng Har Le Spa Pte Ltd	2.8%
<b>Total</b>	<b>46.2%</b>

- 1 Operator of the Harvey Norman Store at Bedok Point
- 2 Operator of Sushi Express at Bedok Point
- 3 Operator of Ssiksin Korea BBQ at Bedok Point
- 4 Operator of Popeyes at Bedok Point
- 5 Operator of Sukiya at Bedok Point

## TRADE SECTOR ANALYSIS

Food & Restaurants contributed 50.1%, (FY2014: 46.2%) of the mall's gross rental income, followed by the Household trade at 13.7% (FY2014: 13.1%). The breakdown of the trade sector analysis by net lettable area and gross rental income is presented on the right.

As at 30 September 2015	By Net Lettable Area	By Gross Rental Income <sup>6</sup>
Food & Restaurants	36.8%	50.1%
Household	18.5%	13.7%
Services/Education	14.6%	13.4%
Beauty, Hair, Cosmetics, Personal Care	7.5%	13.0%
Fashion	2.3%	5.0%
Sports Apparels & Equipment	2.7%	2.5%
Healthcare	0.6%	1.2%
Books, Music, Art & Craft, Hobbies	1.2%	1.1%
Vacant	15.8%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

- 6 Excludes gross turnover rent

## LEASE EXPIRY PROFILE

As at 30 September 2015

	FY2016	FY2017	FY2018	FY2019	FY2020	TOTAL
Number of Leases Expiring	12	26	9	–	–	<b>47</b>
Net Lettable Area of Expiring Leases (square feet)	14,557	40,657	14,425	–	–	<b>69,639</b>
Expiries as % of Mall's Total Leased Area	20.9%	58.4%	20.7%	–	–	<b>100.0%</b>
Gross Rental Income (GRI) Contribution of Expiring Leases as % of Mall's Total GRI	23.1%	58.0%	18.9%	–	–	<b>100.0%</b>



## MALL PROFILES

### YEWTEE POINT



#### MALL PROFILE

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, north-west 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 and KFC, 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. Total shopper traffic to the mall in FY2015 was 12.1 million.

#### PROPERTY DESCRIPTION

<b>Description</b>	Two retail levels (including one basement level) and one basement car park
<b>Address</b>	21 Choa Chu Kang North 6 Singapore 689578
<b>Net Lettable Area</b>	73,670 square feet <sup>1</sup>
<b>Car Park Lots</b>	83 <sup>2</sup>
<b>Title</b>	99 years leasehold w.e.f 3 Jan 2006
<b>Year Acquired by FCT</b>	2010
<b>Market Valuation</b>	\$170.0 million as at 30 Sep 2015
<b>Annual Shopper Traffic</b>	12.1 million (Oct 2014 – Sep 2015)
<b>Centre Manager</b>	Ms Jazmine Lim
<b>Key Tenants</b>	NTUC FairPrice, Koufu food court, Watson's, KFC

#### MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (\$'000)	FY2015	FY2014	Increase/(Decrease)
Gross Revenue	14,049	13,738	2.3%
Property Expenses	4,329	4,174	3.7%
Net Property Income	9,720	9,564	1.6%
Occupancy	94.8%	96.6%	(1.8%-point)
Shopper Traffic (million)	12.1	11.7	3.4%

1 As indicated in the valuation report for YewTee Point, dated 30 September 2015, by Colliers International Consultancy & Valuation (Singapore) Pte. Ltd.

2 Part of limited common property for the exclusive benefit of YewTee Point.

# MALL PROFILES

## TOP 10 TENANTS

As at 30 September 2015, YewTee Point has a total of 70 leases, excluding vacancy. The key tenants include NTUC FairPrice, Koufu food court, Watson's and KFC, among others. The top 10 tenants contributed collectively, 51.6% (FY2014: 49.7%) of the mall's total gross rental income.

Top 10 Tenants at YewTee Point (as at 30 September 2015)	% of Mall's Gross Rental Income
NTUC FairPrice Co-operative Ltd <sup>1</sup>	20.5%
Koufu Pte Ltd <sup>2</sup>	10.3%
Watson's Personal Care Stores Pte Ltd	3.8%
Kentucky Fried Chicken Management Pte Ltd	3.7%
Shakura Pigmentation Pte Ltd	2.7%
West Co'z Cafe Pte Ltd	2.3%
OldTown Singapore Pte Ltd	2.3%
XWS Pte Ltd <sup>3</sup>	2.1%
BreadTalk Pte Ltd <sup>4</sup>	2.0%
London Weight Management	1.9%
<b>Total</b>	<b>51.6%</b>

- 1 Includes leases for NTUC Fairprice and NTUC Healthcare (Unity)
- 2 Operates the Koufu food court at YewTee Point
- 3 Operates Xin Wang HK Café at YewTee Point
- 4 Operates ToastBox at YewTee Point

## TRADE SECTOR ANALYSIS

Food & Restaurants contributed 38.6%, (FY2014: 37.7%) of the mall's gross rental income, followed by the supermarket trade at 19.0% (FY2014: 17.9%). The breakdown of the trade sector analysis by net lettable area and gross rental income is presented on the right.

As at 30 September 2015	By Net Lettable Area	By Gross Rental Income <sup>5</sup>
Food & Restaurants	37.0%	38.6%
Supermarket	23.4%	19.0%
Beauty, Hair, Cosmetics, Personal Care	13.6%	16.7%
Services/Education	7.3%	7.8%
Healthcare	4.9%	7.1%
Fashion	3.7%	5.0%
Household	2.9%	3.1%
Books, Music, Art & Craft, Hobbies	1.5%	2.0%
Sports Apparels & Equipment	0.5%	0.7%
Vacant	5.2%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

- 5 Excludes gross turnover rent

## LEASE EXPIRY PROFILE

As at 30 September 2015

	FY2016	FY2017	FY2018	FY2019	FY2020	TOTAL
Number of Leases Expiring	23	21	26	–	–	<b>70</b>
Net Lettable Area of Expiring Leases (square feet)	14,616	22,280	32,950	–	–	<b>69,846</b>
Expiries as % of Mall's Total Leased Area	20.9%	31.9%	47.2%	0.0%	0.0%	<b>100.0%</b>
Gross Rental Income (GRI) Contribution of Expiring Leases as % of Mall's Total GRI	23.3%	29.8%	46.9%	0.0%	0.0%	<b>100.0%</b>

# MALL PROFILES

## ANCHORPOINT



### MALL PROFILE

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 newly-opened 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 Cold Storage, Koufu (food court), Japanese BBQ restaurant Gyu-Kaku as well as reputable retailers such as Charles & Keith and Cotton On, among others. Total shopper traffic to the mall in FY2015 was 3.6 million.

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

### PROPERTY DESCRIPTION

<b>Description</b>	Two retail levels (including one basement level) and an adjacent a two-storey restaurant building
<b>Address</b>	368 and 370 Alexandra Road Singapore 159952/159953
<b>Net Lettable Area</b>	70,989 sq ft <sup>1</sup>
<b>Car Park Lots</b>	128 <sup>2</sup>
<b>Title</b>	Freehold
<b>Year Acquired by FCT</b>	2006
<b>Market Valuation</b>	\$100.0 million as at 30 Sep 2015
<b>Annual Shopper Traffic</b>	3.6 million (Oct 2014 – Sep 2015)
<b>Centre Manager</b>	Mr Raymond Chan Kin
<b>Key Tenants</b>	Cold Storage, Gyu-Kaku, Koufu, Xin Wang Hong Kong Cafe

### MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (\$'000)	FY2015	FY2014	Increase/(Decrease)
Gross Revenue	8,772	8,663	1.3%
Property Expenses	3,973	3,986	(0.3%)
Net Property Income	4,799	4,677	2.6%
Occupancy	96.9%	97.8%	(0.9%-point)
Shopper Traffic (million)	3.6	3.8	(5.3%)

1 As indicated in the valuation report for Anchorpoint, dated 30 September 2015, 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.



# MALL PROFILES

## TOP 10 TENANTS

As at 30 September 2015, Anchorpoint has a total of 60 leases, excluding vacancy. The key tenants include Cold Storage Supermarket, Koufu (operator of food court), Gyu-Kaku Japanese BBQ restaurant, among others. The top 10 tenants contributed collectively, 49.5% (FY2014: 48.5%) of the mall's total gross rental income.

Top 10 Tenants at Anchorpoint (as at 30 September 2015)	% of Mall's Gross Rental Income
Cold Storage (1983) Singapore Pte Ltd <sup>1</sup>	10.8%
Koufu Pte Ltd	6.7%
Royal Culinary Pte Ltd <sup>2</sup>	4.6%
XWS Pte Ltd <sup>3</sup>	4.4%
Cotton On Singapore Pte Ltd	4.3%
Sarika Connoisseur Cafe Pte Ltd <sup>4</sup>	4.1%
Sakuraya Foods Pte Ltd	4.0%
G2000 Apparel (S) Pte Ltd	3.6%
JP Food Service Pte Ltd <sup>5</sup>	3.6%
Watson's Personal Care Stores Pte Ltd	3.4%
<b>Total</b>	<b>49.5%</b>

- 1 Includes leases for Cold Storage supermarket, Guardian Pharmacy and 7-Eleven stores
- 2 Operator of Gyu-Kaku at Anchorpoint
- 3 Operator of Xin Wang Hong Kong Café at Anchorpoint
- 4 Operator of The Coffee Connoisseur at Anchorpoint
- 5 Operator of Jack's Place Restaurant at Anchorpoint

## TRADE SECTOR ANALYSIS

Food & Restaurants contributed 40.0%, (FY2014: 41.1%) of the mall's gross rental income, followed by the Fashion trade at 19.7% (FY2014: 20.5%). The breakdown of the trade sector analysis by net lettable area and gross rental income is presented on the right.

As at 30 September 2015	By Net Lettable Area	By Gross Rental Income <sup>6</sup>
Food & Restaurants	38.7%	40.0%
Fashion	16.4%	19.7%
Beauty, Hair, Cosmetics, Personal Care	8.6%	10.3%
Supermarket	15.2%	9.9%
Services/Education	6.7%	7.0%
Household	6.9%	6.9%
Books, Music, Art & Craft, Hobbies	2.5%	3.7%
Healthcare	1.9%	2.5%
Vacant	3.1%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

- 6 Excludes gross turnover rent

## LEASE EXPIRY PROFILE

As at 30 September 2015

	FY2016	FY2017	FY2018	FY2019	FY2020	TOTAL
Number of Leases Expiring	25	24	9	2	–	<b>60</b>
Net Lettable Area of Expiring Leases (square feet)	23,366	24,841	7,424	13,186	–	<b>68,817</b>
Expiries as % of Mall's Total Leased Area	33.9%	36.1%	10.8%	19.2%	0.0%	<b>100.0%</b>
Gross Rental Income (GRI) Contribution of Expiring Leases as % of Mall's Total GRI	35.1%	41.4%	11.1%	12.4%	0.0%	<b>100.0%</b>

## MALL PROFILES

### HEKTAR REAL ESTATE INVESTMENT TRUST



#### INVESTMENT IN HEKTAR REIT

As at 30 September 2015, FCT holds 31.17% 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 in Selangor; Mahkota Parade in Melaka; Wetex Parade & Classic Hotel in Muar, Johor; Central Square in Sungai Petani and Landmark Central in Kulim, both located in Kedah. The properties in H-REIT portfolio have a total net lettable area of 1.7 million square feet.

#### HEKTAR PROPERTY PROFILE

As at 31 December 2014

	Subang Parade	Mahkota Parade	Wetex Parade	Central Square	Landmark Central
State	Selangor	Melaka	Johor	Kedah	Kedah
Title	Freehold	Leasehold (Expiring in 2101)	Freehold	Freehold	Freehold
Net Lettable Area (Retail)	504,681 sq ft	484,029 sq ft	158,334 sq ft	303,234 sq ft	281,388 sq ft
Tenancies	137	101	75	56	68
Occupancy	99.3%	94.5%	98.3%	80.5%	97.8%
Visitor Traffic FY2014	9.5 million	10.0 million	4.8 million	3.3 million	3.2 million
Purchase Price (RM)	280.0 million	232.0 million	117.5 million	83.0 million	98.0 million
Valuation (RM)	417.7 million	318.0 million	135.0 million	85.5 million	104.5 million

## MALL PROFILES



### HEKTAR REIT'S TOP 10 TENANTS

The top ten tenants in the Hektar's portfolio contributed approximately 28.2% of total monthly rental income.

	Tenant	Trade Sector	NLA (Sq ft)	% of Total NLA	% of Monthly Rental Income <sup>1</sup>
1	Parkson	Department Store / Supermarket	254,009	14.7%	9.5%
2	The Store	Department Store / Supermarket	273,198	15.8%	6.0%
3	Seleria	Food & Beverage	35,773	2.1%	2.4%
4	Giant	Department Store / Supermarket	96,283	5.6%	1.8%
5	McDonald's	Food & Beverage	14,676	0.8%	1.7%
6	KFC	Food & Beverage	17,431	1.0%	1.6%
7	Reject Shop	Fashion & Footwear	29,663	1.7%	1.6%
8	MPH Bookstores	Gifts / Books / Toys / Specialty	22,075	1.3%	1.3%
9	Kenny Rogers Roasters	Food & Beverage	7,096	0.4%	1.2%
10	Celebrity Fitness	Leisure & Entertainment / Sports & Fitness	34,317	2.0%	1.2%
Top 10 Tenants (By Monthly Rental Income)			784,521	45.3%	28.2%
Other Tenants			947,145	54.7%	71.8%
<b>Total</b>			<b>1,731,666</b>	<b>100.0%</b>	<b>100.0%</b>

1 Based on monthly rental income for December 2014



# MALL PROFILES

## INVESTMENT IN HEKTAR REIT

### TENANCY MIX

As at 31 December 2014

The portfolio tenancy mix is dominated by department stores and supermarkets, which is led by Parkson and The Store, constitute approximately 38.2% of total portfolio NLA. In terms of rental income, the largest segment remains fashion and footwear, which contributes approximately 24.6% of monthly rental income.

As at 30 September 2015	By Net Lettable Area	By Gross Rental Income
Fashion & Footwear	13.3%	24.6%
Food & Beverage / Food Court	13.7%	22.1%
Department Store / Supermarket	38.2%	17.3%
Gifts / Books / Toys / Specialty	5.5%	6.7%
Education / Services	5.5%	9.6%
Leisure & Entertainment, Sports & Fitness	12.6%	6.7%
Electronics & IT	7.0%	7.7%
Homewares & Furnishing	0.7%	0.6%
Others	3.5%	4.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### LEASE EXPIRY PROFILE

As at 31 December 2014

For Year Ending 31 December	FY2015	FY2016	FY2017
Number of tenancies expiring	191	129	110
NLA of tenancies expiring (square feet)	899,840	235,486	492,684
NLA of tenancies expiring as % of total NLA	52%	14%	28%
% of Total Monthly Rental Income*	47%	24%	29%

\* Based on monthly rental income for December 2014. Figures may not round to 100% due to miscellaneous items

Source: Hektar Annual Report 2014



## SUSTAINABILITY

**60**  
Sustainability  
Report

# SUSTAINABILITY REPORT

## THE SUSTAINABILITY STEERING COMMITTEE AND WORKING COMMITTEE

Our sustainability report is driven by our Sustainability Steering Committee (SSC), which is chaired by the Group CEO of Frasers Centrepoint Limited (FCL), Mr Lim Ee Seng. The committee members consist of members from our senior management including the CFO, Company Secretary, Chief Human Resource Officer and the CEOs of all the FCL business units, including Dr Chew, the CEO of FCAM, the Manager of FCT. The role of the SSC is to guide on strategic matters and approve action plans to improve the group sustainability practices.

The SSC meets quarterly to review performance of the key material issues. The operational aspect of the sustainability governance work is coordinated by the Sustainability Working Committee (SWC) which reports to the SSC. The SWC comprises staff and executives from the respective business units and it focuses on sustainability implementation, data management and performance review.

## SUSTAINABILITY REPORTING

We are pleased to present our inaugural Sustainability Report. Environmental, social and governance sustainability are important parts of our business and for our stakeholders. We believe it is important for our stakeholders to be informed of the efforts that we undertake in order to realise our vision for a sustainable future. This Sustainability Report will be published annually. We will report on the performance and strategy on the material issues to our stakeholders.

## SCOPE OF THIS REPORT

This report covers the financial year from 1 October 2014 to 30 September 2015. The report is produced based on the guidelines laid out by the Global Reporting Initiative (GRI), an international standard for sustainability reporting. The report meets the GRI's G4 Core requirements and accounts for the Construction and Real Estate Sector Disclosures. The scope of this Report covers all properties owned by Frasers Centrepoint Trust (FCT). [G4-17]. We intend to seek external assurance on our sustainability report in the future.

## OUR APPROACH TO SUSTAINABILITY

Our sustainability programme is aligned with FCT's sponsor, Frasers Centrepoint Limited (FCL)'s strategic sustainability initiatives and it incorporates the interests of FCT's stakeholders. Led by the CEO of Frasers Centrepoint Asset Management Ltd (FCAM), the Manager of FCT, Dr Chew Tuan Chiong, topics covering environmental, people, governance and economic performance were analysed to derive a list of the top ten most important material issues. Guidance was drawn from international standards including the GRI, AA1000, the Global Real Estate Sustainability Benchmark (GRESB) and the GRI G4 Construction and Real Estate Sector Disclosures. [G4-18]

Our sustainability programme is supported by relevant policies and standard operating procedures (SOPs) established by FCAM and FCL. Compliance with these policies and SOPs is effected through regular staff training, periodic reviews by the senior management and the board as well as through internal audits.

Our strategic approach is to prevent pollution at source and mitigation of risks to the environment. This is achieved through the reduction of wastage of energy and water use as well as the reduction of the carbon footprint of our assets and in our operations, in sustainable ways.

We will continue to explore ways to manage and enhance the way our business and properties interact with our environment and its stakeholders to foster a sustainable relationship going forward.

## CONTACT FOR FEEDBACK

We welcome feedback and suggestions to continuously improve our sustainability practices and performance. Feedback on this report can be directed to Mr Chen Fung Leng, Head of Investor Relations & Research, at email: [funleng.chen@fraserscentrepoint.com](mailto:funleng.chen@fraserscentrepoint.com) or telephone at (+65) 6277 2657.



# SUSTAINABILITY REPORT

## THE KEY MATERIAL ISSUES

The SSC undertook a materiality assessment to define the key material issues for FCT. The assessment was based on the international standards for materiality, GRI and AA1000 as well as the application of sector-specific guidance from the Global Real Estate Sustainability Benchmark (GRESB) and the GRI G4 Construction & Real Estate Sector Disclosures. The process was guided by an independent sustainability advisor. [G4-18]

From the materiality assessment, we identified the following ten material issues relevant to FCT and to our stakeholders in the following categories: [G4-19]

Material issues	
<b>Economic Performance</b>	1. Economic and financial contribution to the business and FCT stakeholders
<b>Governance</b>	2. Anti-corruption
	3. Ethical marketing communications
<b>Environment</b>	4. Environmental compliance
	5. Energy use/climate change
	6. Water use/conservation
<b>People</b>	7. Health & Safety
	8. Labour/Management relations
	9. Staff retention & development
	10. Local communities

## ACCOUNTABILITY TO OUR STAKEHOLDERS

Our stakeholders are important to FCT's long-term success and sustainability. We seek to engage stakeholders' concerns through multiple communication platforms. FCT stakeholders comprise the shoppers, tenants, investors and FCT unitholders, employees of the Manager and the property manager, the regulators, the industry associations and the general community. [G4-24; G4-25]

Our key stakeholders	Examples of Issues / Interests	Form of engagement
<b>Shoppers</b>	<ul style="list-style-type: none"> <li>Comfortable shopping environment and family-friendly amenities</li> <li>Considerations for safety and easy accessibility</li> <li>Good connectivity to public transport</li> </ul>	<ul style="list-style-type: none"> <li>Shopper surveys (at least twice a year)</li> <li>Focus group study (every 2 years)</li> <li>Online and mobile platforms (website and phone apps)</li> <li>Social media (Facebook)</li> <li>Events and promotion for shoppers</li> <li>Frasers Rewards</li> </ul>
<b>Tenants</b>	<ul style="list-style-type: none"> <li>High and consistent shopper traffic</li> <li>Competitive rental rates</li> <li>Collaboration in marketing and promotional events</li> </ul>	<ul style="list-style-type: none"> <li>Partnership in promotional events</li> <li>Regular tenant feedback meetings</li> </ul>

# SUSTAINABILITY REPORT

Our key stakeholders	Examples of Issues/Interests	Form of engagement
<p><b>Regulators</b></p> <ul style="list-style-type: none"> <li>• Monetary Authority of Singapore</li> <li>• Singapore Exchange</li> <li>• Inland Revenue Authority of Singapore</li> </ul> <p><b>Industry Associations</b></p> <ul style="list-style-type: none"> <li>• REIT Association of Singapore (REITAS)</li> <li>• Investor Relations Professionals Association (Singapore)(IRPAS)</li> <li>• Orchard Road Business Association (ORBA)</li> <li>• Singapore Retailers Association</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with rules and regulations</li> <li>• Government policies on REITs or Real Estate sector</li> <li>• Issues concerning both short and long-term interests of the retail industry in Singapore</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Letters and emails</li> </ul>
<p><b>Property Manager</b></p>	<ul style="list-style-type: none"> <li>• Key Performance indicators for the property manager</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly meetings</li> <li>• Email exchanges</li> </ul>
<p><b>Investors and FCT unitholders</b></p> <p>Please refer to the chapter on Investor Relations in pages 11-12 of this annual report</p>	<ul style="list-style-type: none"> <li>• Business and operations performance</li> <li>• Business strategy and outlook</li> <li>• Sustainability concerns</li> </ul>	<ul style="list-style-type: none"> <li>• Ad-hoc investor meetings, quarterly post-results luncheon and at least 2 overseas roadshows annually</li> <li>• Mall tours upon requests</li> <li>• Annual General Meetings</li> <li>• Website, annual reports, SGXNET announcements, presentations slides, quarterly financial results briefings and conference calls</li> </ul>
<p><b>Employees</b></p> <p>Please refer to the section on chapter on People in page 65 of this annual report</p>	<ul style="list-style-type: none"> <li>• Compensation and Benefits</li> <li>• Career progression</li> <li>• Continuous education and upgrading</li> <li>• Employee wellness</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Performance appraisals</li> <li>• Communal sports and activities</li> <li>• Training programmes by Group HR</li> <li>• Regular department meetings (once every 2 weeks)</li> </ul>
<p><b>Community</b></p> <p>Please refer to the section on chapter on Local Community in page 67 of this annual report</p>	<ul style="list-style-type: none"> <li>• Helping the needy group in the community</li> <li>• Foster strong community ties and promote family-values</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Charity Drives and Events</li> <li>• Donations and sponsorships to charitable organisations</li> </ul>

[G4-26; G4-27]

# SUSTAINABILITY REPORT

## SUSTAINABILITY ACROSS OUR SUPPLY CHAIN

As the Manager of FCT, we have the responsibility to influence our value chain on sustainability matters. We identify and consider, where practical, any sustainability opportunities or risks that may arise. For instance, we work closely with our property manager and service providers to consider the use of environmentally-friendly equipment and materials, where possible, during the upgrading of the mall and its equipment. In managing our retail mall properties, we engage our staff, contractors and service providers, tenants, shoppers and the community in various aspects of sustainability. We require our property manager to ensure that the service providers who carry out maintenance work and fitting-out works in our properties are in compliance with statutory requirements and the relevant codes of practice.

## ECONOMIC PERFORMANCE

Economic and financial contribution to FCT's business and its stakeholders is a key material issue in FCT's sustainability report. This topic is covered in the Operations and Financial Review (page 24 to 30) and the Financial Statements page 94 to 141 in this Annual Report.

## GOVERNANCE

FCT maintains high standards of integrity, accountability and responsible governance and adheres to the Code of Corporate Governance 2012, Property Fund Guidelines and the Listing Manual prescribed by the authorities. FCT also complies with the internal policies and internal audit processes established by FCL which cover business conduct, insider dealing, risk management and fraud. More details on Corporate Governance can be found in pages 74 to 89 in this Annual Report.

## ANTI-CORRUPTION

We take a zero-tolerance approach towards corruption. All employees of FCAM are expected to comply with the Code of Business Conduct that includes statements on the prohibition of bribery, acceptance or offer of lavish gifts or entertainment. It also provides guidelines on the acceptance of permissible non-cash social amenities, entertainment or courtesies which are appropriate and reasonable for legitimate business purposes under applicable laws and customs. Where applicable and appropriate, the Code of Business Conduct is also made available to our vendors, suppliers, contractors and business affiliates. There was no incident of corruption reported in FY2015.

FCT has in place the Whistle-Blowing Policy that serves to encourage, and provide a channel to, employees and any other persons who are not employees to report, in good faith and in confidence, concerns about possible improprieties in financial reporting and non-compliance with laws or other matters that may adversely affect unitholders' interests and FCT's reputation. The policy

is available on FCT's website at [www.fct.sg](http://www.fct.sg). All reported cases are raised to the Audit Committee which ensures that independent investigations and appropriate follow-up actions are carried out. There was no incident of whistle-blowing reported in FY2015.

FCT adheres to FCL's Policy for Disclosure and Approval of Purchase of Property Projects of FCL which spells out the declaration and approval requirements for any interested persons, directors and employees of the FCL purchasing property projects developed by FCL. This is to ensure that the terms of sales are fair and reasonable and are not prejudicial to the interests of the FCL and its minority shareholders.

There are established internal audit processes within the FCL organisation to improve the effectiveness of risk management, control and governance processes. The senior management of FCAM is briefed on the outcome and recommendations of the audits. The audit reports are made available to external auditors.

## ETHICAL MARKETING COMMUNICATIONS

FCT supports ethical marketing in the course of its business. Our leasing and marketing staff adheres to the Singapore Code of Advertising Practice and the applicable rules. There was no incident of non-compliance with regulations and voluntary codes concerning marketing communications in FY2015.

We seek to ensure that all our employees are briefed on the company policies. Training courses are organized for employees for new policies or updates to existing ones. For example in 2015, all FCAM executives received training on the new Competition Act Compliance Manual.

## ENVIRONMENT

This section covers energy use/climate change, environmental compliance and water use/conservation. FCT aligns its goals in environment sustainability with the goals laid out by FCL, which supports the national plan to reduce greenhouse emissions.

At FCT malls, we strive to improve on our resource efficiency in order to reduce energy and water consumption, carbon emission and waste. We monitor the key performance indicators regularly and incorporate environmental sustainability considerations, where possible, during the maintenance and upgrading of our properties. We believe that environmentally-efficient properties are more attractive to tenants and investors and hence they compete better in the marketplace.

## ENVIRONMENTAL COMPLIANCE

We view protection of the environment seriously. We have not had any fines for non-compliance with environmental regulation at of our properties in FY2015.



# SUSTAINABILITY REPORT

In Singapore, our Green Mark-certified properties have energy efficiency measures built into their designs and they are subject to regular energy audits. The list below shows the properties in FCT portfolio which are Green Mark certified as at 30 September 2015.

- Causeway Point : BCA Green Mark (Platinum)<sup>1</sup>
- Changi City Point : BCA Green Mark (GoldPlus)
- Bedok Point : BCA Green Mark (Gold)

1 Re-certification in progress as at 30 September 2015

## ENERGY USE/CLIMATE CHANGE

Energy wastage in buildings can be minimised through energy-efficient building designs, saving considerable costs over the life-cycle of the building. FCT strives to incorporate green design features into its properties during asset enhancement planning and renovation for its properties.

The air-conditioning of malls accounts for a substantial portion of our total energy consumption. We continuously work with air-conditioning and mechanical ventilation system (ACMV) specialists to improve the energy efficiency in our cooling systems.

For example, at Causeway Point, we retrofitted the chiller plants for more efficient cooling during the asset enhancement works at the mall, resulting in a saving of about 3.4 million kWh a year. We also installed CO and CO<sub>2</sub> sensors to maximise fresh air intake efficiency and this helped cut energy consumption by about 0.5 million kWh a year. Overall, Causeway Point reduced its energy consumption by over 20% through these and other similar efforts.

Other initiatives include varying the operating hours of the escalators and other energy-usage intensive equipment; implementation of motion-sensors for lighting; use of low wattage LED lightings; and the use of low-E window glass panes in the mall to reduce heat gain from the solar insolation.

The total energy consumption for FCT's properties in FY2015 was 32.9 million kWh and the building energy intensity was 207.7 kWh/m<sup>2</sup>, both lower than in FY2014. The total greenhouse gas emissions were 14.2 million tonnes of CO<sub>2</sub> equivalent, 0.2 million tonnes lower compared with 14.4 million tonnes in FY2014. Please refer to the table below:

FCT Portfolio	FY2014	FY2015
Building Energy Consumption (million kWh)	33.2	32.9
Building Energy Intensity <sup>1</sup> (kWh/m <sup>2</sup> )	209.8	207.7
Building Green House Gas Emissions (million tonnes of CO <sub>2</sub> e)	14.4	14.2
Building Green House Gas intensity <sup>2</sup> (tonnes of CO <sub>2</sub> e/m <sup>2</sup> )	93.4	92.5

Notes:

- 1 Energy consumption and greenhouse gas emissions are reported based on landlord area and exclude tenants' area.
- 2 Grid emission factors are from Singapore Energy Statistics 2015 from Energy Market Authority.

## WATER USE/CONSERVATION

We strive to reduce our total water consumption and overall water intensity across our malls. Many of our malls are fitted with water-saving features such as tap flow restrictors, low-flush water system and Public Utilities Board (PUB) Water Efficiency Labelling Scheme (WELS) approved fittings. Three of our malls, namely Bedok Point, Anchorpoint and YewTee Point, have attained the PUB's Water Efficiency Basic certification; the remaining malls being upgraded progressively from FY2016.

Alternative water sources, such as NeWater and AHU condensate, are utilised for non-potable applications such as irrigation, washing, water features and cooling towers. At our largest mall Causeway Point, we use NeWater for over 90% of the mall's water needs and we use recycled water for sanitary flushing, irrigation and for the cooling towers. We will continue to work with our property manager and the public utilities providers to improve the efficiency in of water use at our malls. Our malls also participate in the PUB's "Friends of Water" programme to encourage the aware and the care for water use among our staff, tenants and shoppers.



The Building and Construction Authority of Singapore (BCA) awarded Causeway Point the highest Green Mark award (Platinum) and named it one of the top 10 energy-efficient retail malls in Singapore in 2015.

# SUSTAINABILITY REPORT

The total water consumption of all of FCT's properties in FY2015 was 481.5 million m<sup>3</sup>, which is lower than the 508.0 million m<sup>3</sup> in FY2014. The building water intensity was 3.04 m<sup>3</sup>/m<sup>2</sup>, lower than the 3.21 m<sup>3</sup>/m<sup>2</sup> in FY2014.

FCT Portfolio	FY2014	FY2015
Building water consumption (million m <sup>3</sup> )	508.0	481.5
Building water intensity <sup>1</sup> (m <sup>3</sup> /m <sup>2</sup> )	3.21	3.04

Note:

1 Water consumption is based on landlord area.

## PEOPLE

[G4-26; G4-27]

### HEALTH & SAFETY

FCAM adheres to the Workplace Health and Safety Policy implemented by the Frasers Group, as well as all relevant safety rules and regulations to provide a safe environment at our properties for all our employees, tenants, shoppers and stakeholders.

In FY2015, there were no incident of non-compliance with the health and safety regulations or voluntary codes.

FCAM employees have not had any lost time injury during FY2015. As part of FCT's transparent sustainability approach, we are additionally reporting about workplace incidents at our properties that include employees of our property manager, Frasers Centrepont Property Management Services Pte Ltd. In FY2015, there was one lost-time injury, which resulted in 7 lost days, a lost-time injury rate of 3.08 and a severity rate of 21.6 per million man hours. The property manager has stepped up on its safety measures and safety briefings. The data reported is in line with requirements of Ministry of Manpower, Singapore. Lost-time injury refers to injury that results in medical leave of more than 3 days.

### LABOUR/MANAGEMENT RELATIONS

We are committed to promoting the well-being of our employees. Retention of talents and the nurturing of future leaders are fundamental to the sustainability of our business. FCAM also has a clear commitment to fair employment practices. As part of the FCL Group, we are part of the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP). Each employee receives training and career development, as appropriate.

We engage our employees as part of the daily business through staff meetings and appraisals. Our employees also enjoy social events organised by the Frasers Group which include Family Day, Annual Dinner & Dance as well as sport events such as futsal, bowling and badminton tournaments.

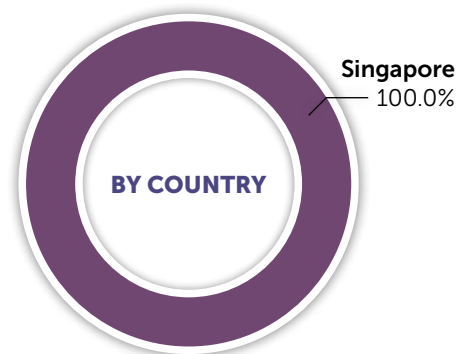
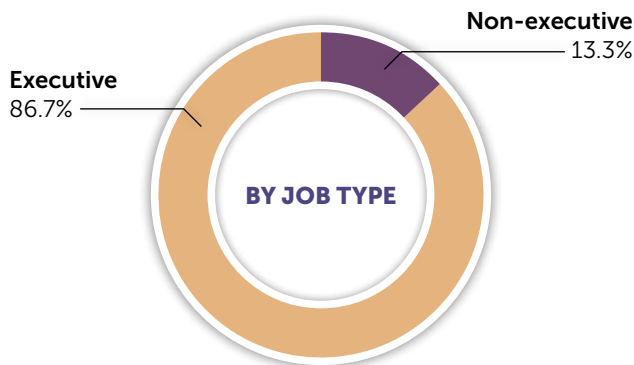
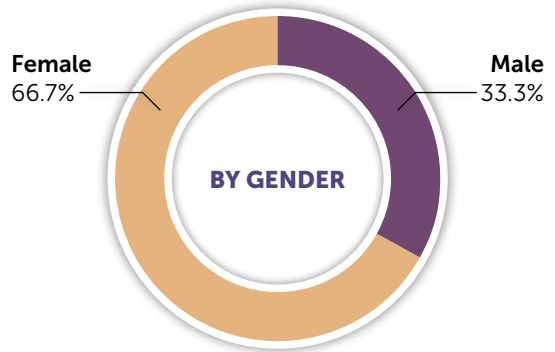
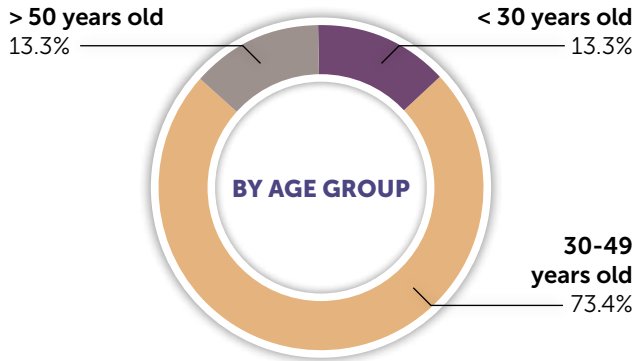
### STAFF RETENTION & DEVELOPMENT

As of 30 September 2015, Frasers Centrepont Asset Management Ltd, the Manager of FCT, has 15 employees, all located in Singapore. There were no new hires or turnovers in FY2015.

Workforce movement	FY2014	FY2015
Number of Employees	15	15
New Hires	0	0
Turnover	0	0

# SUSTAINABILITY REPORT

## FCAM EMPLOYEE PROFILE AS AT 30 SEPTEMBER 2015



FCAM adheres FCL Group's commitment to fair and equal employment opportunity, as laid out in its Code of Business Conduct. As part of the FCL Group, we also adopt the guidance on fair employment practices, including diversity, through its membership in the Singapore National Employer Federation (SNEF). In addition to basic salaries and Central Provident Fund (CPF) contributions, FCAM also provides medical benefits, medical insurance and parental leave for its employees. As part of the FCL group, FCAM relies on FCL's Human Resource (HR) department to ensure its employees' remunerations remain market competitive. All our employees are subject to annual performance appraisals.

FCAM taps on FCL's HR department to provide guidance on training and skills development for its employees. The supervisors are to assess the training needs of their staff regularly and to ensure compliance with the requirements for Continuing Education of Capital Markets Services Representatives. In this regard, FCL's HR department publishes periodic comprehensive learning

directory for all FCL staff and staff may also request to attend training courses not covered by this learning directory. The average duration of training per FCAM employee in FY2015 was 23.25 hours.

Further breakdown of the training data is as follows:

- Average training hours per employee by gender
- Male: 28.85 hours per year
  - Female: 20.45 hours per year

- Average training hours per employee by job type:
- Executive: 25.56 hours per year
  - Non-executive: 8.25 hours per year

FCAM taps on FCL's staff wellness programmes to promote healthy lifestyle and bonding among its employees. The programme comprises activities such as social events (Annual Dinner and Dance, Family Day, Health Screening, etc); Fitness programs (Kick boxing, Yoga etc); and Sports events (Bowling tournaments, Dragon Boating, Walk/Jog sessions, etc).

# SUSTAINABILITY REPORT

## LOCAL COMMUNITY

Our malls actively support community events for charitable and social causes. Our mall and property management teams work regularly with the community, charitable organisations and government agencies to provide the venue and support for events relating to charitable causes, public services and social events. Some of the events which we supported this year include the Pioneer Generation Roadshow at Causeway Point and the Ministry of Education SG50 event at Changi City Point.

### PIONEER GENERATION ROADSHOW AT CAUSEWAY POINT (15 - 21 JUNE 2015)

The Pioneer Generation Roadshow is a series of events held by the Government to promote the awareness of the Pioneer Generation package benefits, which range from additional healthcare subsidies to disability assistance for the Pioneer Generation. Causeway Point was the venue sponsor for the roadshow held between 15 and 21 July 2015. The event at Causeway Point was graced by Minister for National Development Mr Khaw Boon Wan<sup>1</sup> and Senior Parliamentary Secretary for Manpower and Education Mr Hawazi Daipi<sup>2</sup>.



Minister for National Development Mr Khaw Boon Wan together with the participants at the Pioneer Generation Roadshow.



Senior Parliamentary Secretary for Manpower and Education Mr Hawazi Daipi looks on as one of the participants at the pioneer generation roadshow share her thoughts.

### MOE SG50 EVENT, AT CHANGI CITY POINT (6-12 JULY 2015)

The Ministry of Education held one of its MOE SG50 event at Changi City Point (6-12 July 2015) as part of the SG50 events to showcase 50 years of classroom activities. The activities include re-living what it was like in school in the 1960s and make new discoveries about school today through interactive displays, games and artefacts from the past. Changi City Point was the venue sponsor. The event was graced by Minister for Education Mr Heng Swee Kiat<sup>3</sup>.



Minister for Education Mr Heng Swee Kiat giving a speech to the visitors to the MOE SG50 event at Changi City Point.

1 Mr Khaw Boon Wan is Coordinating Minister for Infrastructure & Minister for Transport from 1 October 2015.  
2 Mr Hawazi Daipi has stepped down from political appointment prior to the General Elections on 11 September 2015.  
3 Mr Heng Swee Kiat is Minister for Finance from 1 October 2015.



# GRI CONTENT INDEX (G4 CORE)

GENERAL STANDARD DISCLOSURES			
STANDARD DISCLOSURE TITLE			PAGE REFERENCE
<b>STRATEGY AND ANALYSIS</b>			
G4-1	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability	Letter to Unitholders, p. 7	●
<b>OrganisationAL PROFILE</b>			
G4-3	Name of the organisation	About Frasers Centrepoint Trust, p. 2	●
G4-4	Primary brands, products, and services	About Frasers Centrepoint Trust, p. 2 FCT Portfolio Summary, p. 42-43	●
G4-5	Location of the organisation's headquarters	Corporate information, inside back cover	●
G4-6	Number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report	About Frasers Centrepoint Trust, p. 2	●
G4-7	Nature of ownership and legal form	About Frasers Centrepoint Trust, p. 2 Structure of Frasers Centrepoint Trust, p. 3	●
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	About Frasers Centrepoint Trust, p. 2	●
G4-9	Scale of the organisation	About Frasers Centrepoint Trust, p. 2 Staff Retention & Development, p. 65	●
G4-10	<ul style="list-style-type: none"> <li>a. Total number of employees by employment contract and gender</li> <li>b. Total number of permanent employees by employment type and gender</li> <li>c. Total workforce by employees and supervised workers and by gender</li> <li>d. Total workforce by region and gender</li> <li>e. Report whether a substantial portion of the organisation's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors</li> <li>f. Any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)</li> </ul>	Staff Retention & Development, p. 65  No substantial work is performed by workers who are legally recognized as self-employed. There is no significant variation in employment numbers.	●
G4-11	Employees covered by collective bargaining agreements	There are no collective bargaining agreements in place.	●
G4-12	The organisation's supply chain	Sustainability Across our Supply Chain, p. 63	●

## GRI CONTENT INDEX (G4 CORE)

G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	Not applicable - 1st sustainability report	n/a
G4-14	Whether and how the precautionary approach or principle is addressed by the organisation	Our Approach to Sustainability, p. 60	●
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	Governance, p. 63 Environment, 63-64 People, p. 65	●
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organisations	Accountability to our stakeholders, p. 61-62	●
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>			
G4-17	All entities included or not included in organisation's financial statements	FCT Portfolio Summary, p. 42-43 Scope of this Report, p. 60	●
G4-18	Process for defining Report Content	Our Approach to Sustainability, p. 60 The Key Material Issues, p. 61	●
G4-19	The material Aspects identified in the process for defining report content	The Key Material Issues, p. 61	●
G4-20	For each material Aspect, Aspect Boundary within the organisation	All material issues are relevant internally.	●
G4-21	Aspect Boundary outside the organisation	All material issues are relevant externally except for Staff Retention & Development.	●
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	Not applicable - 1st sustainability report	n/a
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	Not applicable - 1st sustainability report	n/a
<b>STAKEHOLDER ENGAGEMENT</b>			
G4-24	Stakeholder groups engaged by the organisation	Accountability to our stakeholders, p. 61-62	●
G4-25	Basis for identification and selection of stakeholders with whom to engage	Accountability to our stakeholders, p. 61-62	●
G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Accountability to our stakeholders, p. 61-62	●
G4-27	Key topics and concerns raised through stakeholder engagement, and how the organisation has responded	Accountability to our stakeholders, p. 61-62	●
<b>REPORT PROFILE</b>			
G4-28	Reporting period for information provided	Scope of this Report, p. 60	●
G4-29	Date of most recent previous report	Not applicable - 1st sustainability report	n/a
G4-30	Reporting cycle	Sustainability Reporting, p. 60	●
G4-31	Contact point for questions regarding the report or its contents	Contact for Feedback, p. 60	●
G4-32	Report on 'In accordance' option, GRI Content Index, reference to External Assurance	Scope of this Report, p. 60	●
G4-33	Policy and current practice with regard to seeking external assurance for the report	Scope of this Report, p. 60	●

## GRI CONTENT INDEX (G4 CORE)

GOVERNANCE			
G4-34	Governance structure of the organisation	Structure of Frasers Centrepoint Trust, p. 3  Board of Directors, p. 16-19  Trust Management Team, p. 20- 21  Risk Management, p. 33  The Sustainability Steering Committee and Working Committee, p. 60  Governance, p. 63  Corporate Governance, p. 74-89	●
G4-58	Internal and external mechanisms for reporting concerns about ethical and lawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Anti-corruption, p. 63  Corporate Governance, p. 74-89	●
SPECIFIC STANDARD DISCLOSURES			
CATEGORY: ECONOMIC			
ASPECT: ECONOMIC PERFORMANCE			
G4-DMA	Generic Disclosures on Management Approach	Operations and Financial Review, p. 24-30	●
G4-EC1	Direct economic value generated and distributed	Operations and Financial Review, p. 24-30	●
G4-EC3	Coverage of the organisation's defined benefit plan obligations	Staff Retention & Development, p. 65  Employees are covered by Singapore's mandatory social security savings plan, the Central Provident Fund (CPF).	●
CATEGORY: ENVIRONMENTAL			
ASPECT: ENERGY			
G4-DMA	Generic Disclosures on Management Approach	Energy use/Climate change, p. 64	●
G4-EN3	Energy consumption within the organisation	Energy use/Climate change, p. 64	●
G4-EN5	Energy intensity	Energy use/Climate change, p. 64	●
G4-EN6	Reduction of energy consumption	Energy use/Climate change, p. 64	●
G4-CRE1	Building energy intensity	Energy use/Climate change, p. 64	●
ASPECT: WATER			
G4-DMA	Generic Disclosures on Management Approach	Environment, p. 63  Water use/Conservation, p. 64	●
G4-EN8	Total water withdrawal by source	Water use/Conservation, p. 64	●
G4-CRE2	Building water intensity	Water use/Conservation, p. 64	●

## GRI CONTENT INDEX (G4 CORE)

ASPECT: EMISSIONS			
G4-DMA	Generic Disclosures on Management Approach	Environment, p. 63 Energy use/Climate change, p. 64	●
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Energy use/Climate change, p. 64	●
G4-EN18	Greenhouse gas (GHG) emissions intensity	Energy use/Climate change, p. 64	●
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Energy use/Climate change, p. 64	●
G4-CRE3	Greenhouse gas (GHG) emissions intensity from buildings	Energy use/Climate change, p. 64	●
ASPECT: COMPLIANCE			
G4-DMA	Generic Disclosures on Management Approach	Environment, p. 63-64	●
G4-EN29	Non-monetary sanctions for non-compliance with environmental laws and regulations	Environmental Compliance, p. 63	●
CATEGORY: SOCIAL			
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK			
ASPECT: EMPLOYMENT			
G4-DMA	Generic Disclosures on Management Approach	People, p. 65-66	●
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	People, p. 65-66	●
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Not applicable. Temporary or part time employees are not a significant part of FCAM's workforce.	n/a
ASPECT: LABOR/MANAGEMENT RELATIONS			
G4-DMA	Generic Disclosures on Management Approach	People, p. 65-66	●
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements. This is currently not covered in group-wide collective agreements	We ensure staff are given sufficient notice to adjust to any operational changes. The notice period varies.	●
ASPECT: OCCUPATIONAL HEALTH AND SAFETY			
G4-DMA	Generic Disclosures on Management Approach	Health & Safety, p. 65	●
G4-LA5	Workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	There are no health and safety committees.	●
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Health & Safety, p. 65	●
G4-CRE6	Percentage of the organisation operating in verified compliance with an internationally recognized health and safety management system	Health & Safety, p. 65  There is no data tracking about the percentage of employees working in verified compliance with an Internationally Recognised Health & Safety Management System.	●



## GRI CONTENT INDEX (G4 CORE)

ASPECT: TRAINING AND EDUCATION			
G4-DMA	Generic Disclosures on Management Approach	Staff Retention & Development, p. 65	●
G4-LA9	Training per year per employee by gender, and by employee category	Staff Retention & Development, p. 65	●
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Staff Retention & Development, p. 65	●
G4-LA11	Employees receiving regular performance and career development reviews, by gender and by employee category	Staff Retention & Development, p. 65	●
SUB-CATEGORY: SOCIETY			
ASPECT: LOCAL COMMUNITIES			
G4-DMA	Generic Disclosures on Management Approach	Local Community, p. 67	●
G4-SO1	Operations with implemented local community engagement, impact assessments, and development programs	Local Community, p. 67	●
G4-CRE7	Persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project	FCT has only invested in completed properties. It has not been involved in the development phase of these properties.	●
ASPECT: ANTI-CORRUPTION			
G4-DMA	Generic Disclosures on Management Approach	Governance, p. 63 Corporate Governance, p. 74-89	●
G4-SO3	Operations assessed for risks related to corruption and the significant risks identified	Risk Management, p. 33 Anti-corruption, p. 63	●
G4-SO5	Confirmed incidents of corruption and actions taken	Anti-corruption, p. 63	●
SUB-CATEGORY: PRODUCT RESPONSIBILITY			
ASPECT: CUSTOMER HEALTH AND SAFETY			
G4-DMA	Generic Disclosures on Management Approach	Health & Safety, p. 65	●
G4-PR2	Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle	Health & Safety, p. 65	●
ASPECT: MARKETING COMMUNICATIONS			
G4-DMA	Generic Disclosures on Management Approach	Ethical Marketing Communications, p. 63	●
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Ethical Marketing Communications, p. 63	●



## CORPORATE GOVERNANCE

74  
Corporate Governance  
Report

# 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 ("**SGX-ST**"). FCT is managed by Frasers Centrepoint Asset Management Ltd. ("**Manager**"), which is a wholly-owned subsidiary of Frasers Centrepoint Limited ("**FCL**").

The Manager is committed to upholding high standards of corporate governance to preserve and enhance FCT's asset value so as to maximise the returns from investments, and ultimately the distributions and total return to unitholders ("**Unitholders**") of FCT.

The Manager has general powers of management over the assets of FCT. The Manager's main responsibility is to manage FCT's assets and liabilities for the benefit of Unitholders. It ensures that the business of FCT is carried on and conducted in a proper and efficient manner. It also supervises the property manager in its day-to-day management of the malls of FCT, namely, Anchorpoint, Causeway Point, Northpoint, YewTee Point, Bedok Point and Changi City Point, pursuant to property management agreements entered into for each mall.

The primary role of the Manager is to set the strategic direction for FCT. This includes making recommendations to the Trustee on acquisitions, divestments and enhancement of assets.

As required under the licensing regime for REIT managers, the Manager holds a Capital Markets Services Licence ("**CMS Licence**") issued by the Monetary Authority of Singapore ("**MAS**") to carry out REIT management activities.

Listed on the Mainboard of the SGX-ST, FCT adheres closely to the principles and guidelines of the Code of Corporate Governance 2012 (the "**CG Code**") and other applicable laws, rules and regulations, including the SGX-ST Listing Manual, the Code on Collective Investment Schemes (the "**Code on CIS**") and the Securities and Futures Act (the "**SFA**").

This corporate governance report ("**CG Report**") provides an insight on the Manager's corporate governance framework and practices in compliance with the principles and guidelines of the CG Code. As FCT is a listed REIT, not all principles of the CG Code may be applicable to FCT and the Manager. Any deviations from the CG Code are explained.

## BOARD MATTERS

### Principle 1: The Board's Conduct of Affairs

The composition of the Board of Directors of the Manager (the "**Board**") as at 30 September 2015 is as follows:

Mr Philip Eng Heng Nee	Chairman, Non-Executive (Independent)
Dr Chew Tuan Chiong	Chief Executive Officer (Non-independent)
Mr Chia Khong Shoong	Non-Executive (Non-independent)
Mr Bobby Chin Yoke Choong	Non-Executive (Independent)
Mr Lim Ee Seng	Non-Executive (Non-independent)
Mr Soh Kim Soon	Non-Executive (Independent)
Mr Christopher Tang Kok Kai	Non-Executive (Non-independent)

# CORPORATE GOVERNANCE REPORT

The Board oversees the business affairs of FCT and the Manager, providing oversight, strategic direction and entrepreneurial leadership, and sets strategic aims and directions of the Manager. It works closely with Management, and has oversight of and reviews Management's performance. The Board sets the values and standards of corporate governance for the Manager and FCT, with the ultimate aim of safeguarding and enhancing Unitholder value and achieving sustainable growth for FCT. None of the Directors has entered into any service contract directly with FCT.

Management provides the Board with complete, timely and adequate information to keep the Directors updated on the operations and financial performance of FCT.

As part of the Manager's internal controls, the Board has established a Manual of Authority. This sets out the requisite levels of authorisation required for particular types of transactions to be carried out, and specifies whether Board approval needs to be sought. The matters reserved to the Board for approval include approval of annual budgets, financial plans, financial statements, business strategy and material transactions of FCT, namely, major acquisitions, divestments, funding and investment proposals, and appointment of key executives. To assist the Board to effectively discharge its oversight and functions, appropriate delegations of authority to Management have been effected to enhance operational efficiency. To assist the Board in its corporate governance and risk management responsibilities, the Audit Committee was established.

Upon joining the Board, new Directors undergo an induction and/or orientation programme to provide them with information on FCT's business, strategic directions, governance practices, policies and business activities, including major new projects. New Directors who join the Board are issued a formal letter of appointment setting out relevant Directors' duties and obligations, so as to acquaint them with their responsibilities as Directors of the Manager. No new members were appointed to the Board during FY2015.

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. During the year, the Board was briefed and/or updated on MAS' response to feedback received on the consultation paper on enhancements to the regulatory regime governing REITs and REIT managers.

In addition to talks conducted by relevant professionals, members of the Board are encouraged to attend relevant courses and seminars so as to keep themselves updated on developments and changes in FCT's operating environment, and to be members of the Singapore Institute of Directors ("SID") and for them to receive journal updates and training from SID to stay abreast of relevant developments in financial, legal and regulatory requirements, and the business environment and outlook.

The Board meets regularly, at least once every quarter, to review the key activities, performance, business strategies and significant operations and/or management matters pertaining to the Manager and/or FCT. In the event Directors are unable to attend Board meetings physically, the Manager's Articles of Association allow for such meetings to be conducted via telephone, video conference or any other form of electronic or instantaneous communication. At least once a year and if required, time is set aside after scheduled Board meetings for discussions amongst the members of the Board without the presence of Management, in line with the guidelines of the CG Code. In addition to the meetings, the members of the Board have access to Management throughout the financial year, thereby allowing the Board continuous strategic oversight over the activities of FCT.



# CORPORATE GOVERNANCE REPORT

The number of Board and Audit Committee meetings held during the year ended 30 September 2015 and the attendance of Directors at these meetings are disclosed below:

	Board Meetings	Audit Committee Meetings
<b>Meetings held for financial year ended 30 September 2015</b>	4	4
Mr Philip Eng Heng Nee	4/4	4/4
Dr Chew Tuan Chiong	4/4	NA
Mr Chia Khong Shoong	4/4	NA
Mr Bobby Chin Yoke Choong	4/4	4/4
Mr Lim Ee Seng	4/4	NA
Mr Soh Kim Soon	4/4	4/4
Mr Christopher Tang Kok Kai	4/4	NA

## Principle 2: Board Composition and Guidance

For FY2015, the Board comprised seven members, of whom three are independent non-executive Directors. The CEO is the only Executive Director on the Board. The rest of the Board members are non-executive Directors.

The size of the Board is appropriate and adequate, having regard to the scope and nature of the Manager's and FCT's business and operations. The Board is of the view that the current size and composition of the Board is appropriate for the scope and nature of the operations of the Manager and FCT and facilitates effective decision-making. In line with the CG Code, the Board is also of the view that the current size of the Board is not so large as to be unwieldy. In this regard, the Board has taken into account the requirements of the business of the Manager and FCT and the need to avoid undue disruptions from changes to the composition of the Board and the Audit Committee. The Board considers that its present size, composition and balance between Executive, Non-Executive and Independent Directors, is appropriate and allows for a balanced exchange of views, robust deliberations and debates among members and effective oversight over Management.

The current composition gives the Board the ability to consider and make decisions objectively and independently on issues relating to FCT and the Manager. Under the current composition, no one individual or group dominates the Board's decisions or its process. The composition of the Board is reviewed regularly to ensure that the Board has the appropriate size and mix of expertise and experience. There is a strong and independent element on the Board.

Directors exercise their judgment independently and objectively in the interests of FCT and the Manager. The Board reviews and assesses annually the independence of its directors based on the definitions and guidelines of independence set out in the CG Code. In its review for the financial year ended 30 September 2015, the Board determined the following with respect to the independence of directors:

Mr Philip Eng Heng Nee	Independent
Dr Chew Tuan Chiong	Non-independent
Mr Chia Khong Shoong	Non-independent
Mr Bobby Chin Yoke Choong	Independent
Mr Lim Ee Seng	Non-independent
Mr Soh Kim Soon	Independent
Mr Christopher Tang Kok Kai	Non-independent

# CORPORATE GOVERNANCE REPORT

The Board had noted that each Independent Director:

- (i) had declared that there were no relationships or instances, as stated Guideline 2.3 of the CG Code, that would otherwise deem him not to be independent.
- (ii) had served on the Board for more than 9 years.

The Board was of the view that the Independent Directors, despite their length of service, had continued to demonstrate their ability to exercise strong objective judgement and act in the best interests of the Manager and FCT. They remained independent in expressing their views and in participating in the deliberations and decision making of the Board and the Audit Committee.

Having considered the above factors and weighing the need to refresh board membership, the Board (with each Independent Director abstaining with respect to the assessment of his own independence) determined that each Independent Director was independent, notwithstanding that each of them has served on the Board for more than 9 years.

The Board members have core competencies and expertise and experience in various fields ranging from accounting and finance, to business management. Coupled with relevant industry knowledge and strategic planning experience of the Board members, the Board is well-placed to drive FCT's continuous growth and success and deliver sustainable Unitholder value. Management is able to benefit from the diverse and objective perspectives of the Board members on issues that are brought before the Board, with a healthy exchange of ideas and views between the Board and Management, to help shape the strategic process. Directors of the Manager are not subject to periodic retirement by rotation. The Board reviews its composition to ensure the appropriate size and diversity of skills, expertise and experience.

### **Principle 3: Chairman and Chief Executive Officer**

The positions of Chairman and Chief Executive Officer are held by separate persons. This is so that an appropriate balance of power and authority, with clear divisions of responsibilities and accountability, can be attained. Such separation of roles between the Chairman and the Chief Executive Officer promotes robust deliberations by the Board and Management on the business activities of FCT. The Chairman and Chief Executive Officer are not related to each other, nor is there any other business relationship between them.

The Chairman, who is non-executive and independent, leads and ensures the effectiveness of the Board. Through the Chairman's continuing leadership of the Board, constructive discussions among the Board members as well as between the Board and Management, and effective contribution by the Directors, are promoted. High standards of corporate governance are upheld as a result.

The Chief Executive Officer has full executive responsibilities over the business direction and operations of the Manager.

# CORPORATE GOVERNANCE REPORT

## **Principle 4: Board Membership**

The Manager does not consider it necessary for the Board to establish a nominating committee. In respect of the search and nomination process for new directors, the Board identifies the relevant and/or desirable skills and experience, and engages search companies as well as networking contacts to identify and shortlist candidates, to spread its reach for the best person for the role.

The CG Code requires listed companies to fix the maximum number of board representations on other listed companies that their directors may hold and to disclose this in their annual report. Details of such directorships and other principal commitments of our Directors may be found on pages 16 to 19. In determining whether each Director is able to devote sufficient time to discharge his duties, the Board has taken cognizance of the CG Code requirement, but is of the view that its assessment should not be restricted to the number of board representations of each Director and their respective principal commitments per se. Holistically, the contributions by the Directors to and during meetings of the Board and the Audit Committee as well as their attendance at such meetings should also be taken into account.

## **Principle 5: Board Performance**

The Board has implemented a process to assess the performance of the Board and its decision-making processes. Members of the Board are required to assess the Board's performance, which includes areas such as the Board's composition and processes, effectiveness in its management of FCT's performance, and such other areas which the Board is of the view that improvements are required.

The findings of the assessment are reviewed by the Board with a view to improving its overall effectiveness in carrying out its role. Based on such periodic reviews, the Board is of the view that it is operating effectively and each of its members is contributing to its overall effectiveness and commits to maintain such effectiveness.

## **Principle 6: Access to Information**

On an on-going basis, and prior to Board meetings, adequate and timely information is given by Management to Board members, who have separate and independent access to Management and the Company Secretary. Under the direction of the Chairman, the Company Secretary ensures that Board procedures, and applicable rules and regulations are complied with. He attends all Board meetings and acts as a channel of communication for information flow and dissemination to and within the Board, as well as between senior Management and non-executive Directors.

The annual calendar of Board activities is scheduled in advance. Board papers are dispatched to Directors about a week before scheduled meetings so that Directors have sufficient time to review and consider matters being tabled and discussed at the meetings. Senior Executives are requested to attend the Board meetings to provide additional insights into matters being discussed and to respond to any queries from Directors.

The Directors, either individually or as a group, may seek or obtain independent professional advice, where necessary, in the furtherance of their duties.

# CORPORATE GOVERNANCE REPORT

## REMUNERATION MATTERS

### Principle 7: Remuneration Matters

### Principle 8: Level and Mix of Remuneration

### Principle 9: Disclosure on Remuneration

FCT, as a REIT, is managed by the Manager which has experienced and well-qualified management personnel to manage the operational matters of the Manager and FCT. The remuneration of the staff of the Manager and Directors' fees are paid by the Manager from the fees it receives from FCT, and not by FCT.

For the financial year ended 30 September 2015, the Manager adopted the remuneration policies and practices of FCL, which has a Remuneration Committee ("FCL RC") that oversees, *inter alia*, the framework of remuneration, compensation and benefits for key executives of the Manager, including the CEO. The level and mix of remuneration and benefits, policies and practices of the FCL group, which includes the Manager, are reviewed by the FCL RC on an annual basis. In undertaking such reviews, the FCL RC takes into consideration the performance of the Manager as part of the FCL group, and that of individual employees. It also reviews and approves the framework for salary reviews, performance bonuses and incentives for senior managers of the Manager as part of the FCL group-wide review. Remuneration of the Directors and officers of the Manager are not paid out of the trust property of FCT, but are directly paid by the Manager from the fees it receives.

The Manager's compensation framework comprises fixed pay and short term and long-term incentives. Executive remuneration is linked to, *inter alia*, individual performance based on an annual appraisal of each individual employee of the Manager. The remuneration of non-executive Directors takes into account their level and quality of contribution and their respective responsibilities, including attendance and time spent at Board meetings and Board Committee meetings. Save for the CEO, Directors are paid a basic fee and attendance fees for attending Board meetings. The CEO does not receive Directors' fees. Non-Executive Directors who perform services through Board Committees are paid additional basic and attendance fees for such services. No Director decides his own fees. Directors' fees are reviewed periodically to benchmark such fees against the amounts paid by other major listed companies.

The Directors' fees for the financial year ended 30 September 2015 are shown in the table below. The Chief Executive Officer does not receive Directors' fees. In determining the quantum of such fees, factors such as frequency of meetings, time spent and responsibilities of Directors are taken into account.

Board Members	Directors' Fees
Mr Philip Eng Heng Nee (Chairman) (Member, Audit Committee)	\$113,000
Dr Chew Tuan Chiong	-
Mr Chia Khong Shoong <sup>(1)</sup>	\$46,000
Mr Bobby Chin Yoke Choong (Chairman, Audit Committee)	\$78,000
Mr Lim Ee Seng <sup>(1)</sup>	\$46,000
Mr Soh Kim Soon (Member, Audit Committee)	\$67,000
Mr Christopher Tang Kok Kai <sup>(1)</sup>	\$46,000

(1) Director's fees are paid to FCL Management Services Pte Ltd



# CORPORATE GOVERNANCE REPORT

## ACCOUNTABILITY AND AUDIT

### Principle 10: Accountability

The Board, with the support of Management, is responsible for providing a balanced and understandable assessment of FCT's performance, position and prospects, on a quarterly basis. Quarterly and annual financial statements and other material information are disseminated to Unitholders through announcements to the SGX-ST, and, where applicable, press releases. Financial statements of FCT are prepared in accordance with the Singapore Financial Reporting Standards prescribed by the Accounting Standards Council. 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 will be made available to the Directors on request. Quarterly and annual financial reports and other material information are disseminated to Unitholders through announcements released via SGXNET, and where applicable, media releases and analysts' briefings. Such financial reports are reviewed by the Board before dissemination.

### Principle 11: Risk Management and Internal Controls

The Manager has established a sound system of risk management and internal controls comprising procedures and processes to safeguard FCT's assets and Unitholders' interests. The Audit Committee 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 Audit Committee, 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 Audit Committee ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors 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 Audit Committee, reviews the adequacy and effectiveness of the Manager's risk management framework for the Manager and FCT 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 page 33.

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

# CORPORATE GOVERNANCE REPORT

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 Audit Committee. 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 Financial Controller of the Manager that as at 30 September 2015:

- (a) the financial records of FCT have been properly maintained and the financial statements for the year ended 30 September 2015 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 as at 30 September 2015 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 as at 30 September 2015 to address risks which the Manager considers relevant and material to FCT's operations.

## **Opinion of the Board 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 Audit Committee and assurance from the CEO and the Financial Controller of the Manager, the Board, with the concurrence of the Audit Committee, is of the opinion that the internal controls in place for FCT, were adequate and effective as at 30 September 2015 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 assurance from the CEO and the Financial Controller of the Manager, the Board is of the view that the risk management system in place for FCT was adequate and effective as at 30 September 2015 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.

# CORPORATE GOVERNANCE REPORT

## Principle 12: Audit Committee

The Audit Committee is governed by written terms of reference, with explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of Management, and full discretion to invite any Director or executive officer to attend its meetings. It has reasonable resources to enable it to discharge its functions effectively.

The Audit Committee's responsibilities include:

- reviewing the effectiveness of the Manager's internal control processes for the Manager and FCT including financial, compliance and risk management controls/framework, reviewing the results of audit findings, and directing prompt remedial action by Management;
- reviewing the financial statements and the audit report for recommendation to the Board for approval;
- monitoring Management's compliance with applicable rules and legislation, such as the listing rules of the SGX-ST, the Code on CIS and the SFA;
- reviewing with the external auditors, the audit plans, audit reports and their evaluation of the system of internal controls;
- reviewing the appointment and re-appointment of the external auditors and their fees and recommending the same to the Board for approval, as well as reviewing the adequacy and effectiveness of external audits in respect of cost, scope and performance;
- reviewing the independence and objectivity of the external auditors, taking into consideration the non-audit services provided by the external auditors. For FY2015, audit fees of \$95,000 was paid/payable to FCT's external auditors. No non-audit services were provided by the external auditors during FY2015;
- reviewing the adequacy and effectiveness of the internal audit function, including its resources, audit plans and the scope and effectiveness of the internal audit procedures; and
- reviewing Interested Person/Party Transactions to ascertain compliance with internal procedures and provisions of applicable laws and regulations.

In performing its functions, the Audit Committee meets with the internal and external auditors and reviews the internal and external audit plans and reports for FCT and the Manager, and the assistance given by Management to the auditors. All audit findings and recommendations are presented to the Audit Committee for discussion. In addition, updates on changes in accounting standards and treatment are prepared by external auditors and circulated to members of the Audit Committee periodically.

For FY2015, the Audit Committee comprised three non-executive Directors, all of whom including the Chairman, are independent:

<b>Name</b>	<b>Role</b>
Mr Bobby Chin Yoke Choong	Chairman
Mr Philip Eng Heng Nee	Member
Mr Soh Kim Soon	Member

# CORPORATE GOVERNANCE REPORT

The separation of the roles of the Chairman of the Board and the Chairman of the Audit Committee ensures greater independence of the Audit Committee in the discharge of its duties. This is also with a view to increasing its effectiveness in assisting the Board in the discharge of its statutory and other responsibilities in the areas of internal controls, financial and accounting matters, compliance and risk management.

Members of the Audit Committee collectively possess the accounting and related financial management, expertise and experience required for the Audit Committee to discharge its responsibilities and assist the Board in its oversight over Management in the design, implementation and monitoring of risk management and internal control systems.

## External Auditors

Ernst and Young LLP (“**EY**”) was re-appointed pursuant to the approval of the Unitholders on 23 January 2015 as external auditors of FCT. The Manager confirms that FCT complies with Rules 712 and 715 of the Listing Manual in relation to the re-appointment of EY as the external auditors of FCT. EY has attended the Audit Committee meeting held every quarter for the financial year ended 30 September 2015, and where appropriate, has met with the Audit Committee without the presence of Management to discuss their findings, if any.

It is proposed that at the forthcoming FCT Annual General Meeting, KPMG LLP (“**KPMG**”) be appointed as the external auditors of FCT in place of EY and that the Manager be authorised to fix their remuneration. Accordingly, EY will not be seeking re-appointment at the forthcoming Annual General Meeting.

The Audit Committee has reviewed and deliberated on the proposed change of external auditors commencing from the financial year ending 30 September 2016 and is of the view that the proposed change is in line with the proposed change of external auditors to KPMG by FCL, FCT’s sponsor and indirect controlling unitholder. The appointment of the same external auditors by FCT would be more efficient from a reporting perspective.

Taking into consideration (i) the resources and experience of KPMG, (ii) the terms of KPMG’s engagement, (iii) the size and complexity of FCT and its subsidiaries and (iv) the number and the experience of KPMG’s supervisory and professional staff assigned to the audit of FCT, the Audit Committee is of the view that KPMG will be able to meet the audit requirements and statutory obligations of FCT.

The Audit Committee has therefore recommended the appointment of KPMG as new auditors for the financial year ending 30 September 2016.

## WHISTLE-BLOWING POLICY

A Whistle-Blowing Policy is in place to provide an avenue through which employees and any other persons may report or communicate, in good faith and in confidence, any concerns relating to financial and other matters, so that independent investigation of such matters can be conducted and appropriate follow-up action taken.

### Principle 13: Internal Audit

With effect from 1 October 2014, i.e. at the beginning of the current financial year, the Manager’s internal audit function is supported by the Internal Audit Department of FCL (“**FCL IA**”). Prior to that, the function was supported by the internal audit department of Fraser and Neave, Limited (“**F&N**”), FCL’s parent company prior to its listing, as part of a transitional arrangement between FCL and F&N for shared corporate services. Following the cessation of the transitional arrangement, on 1 October 2014, FCL IA was formally established.



# CORPORATE GOVERNANCE REPORT

The FCL IA is independent of the activities that it audits. The Head of IA, who is a Certified Fraud Examiner and a Fellow of The Institute of Singapore Certified Accountants (ISCA), CPA Australia and ACCA, reports directly to the Chairman of the Audit Committee. The Head of IA and the IA staff are members of the Institute of Internal Auditors, Singapore and FCL IA has adopted and complied with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors, Inc. To ensure that the internal audits are effectively performed, it recruits and employs suitably qualified staff with the requisite skills and experience. Such staff are also given relevant training and development opportunities to update their technical knowledge and auditing skills. All IA staff received relevant technical training and attended seminars organised by the Institute of Internal Auditors, Singapore or other professional bodies.

The IA operates within the framework stated in the Terms of Reference as contained in the Internal Audit Charter approved by the AC. It adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned to key risks of FCT. Based on risk assessments performed, greater focus and appropriate review intervals are set for higher risk activities and material internal controls. The audit scope also included review of compliance with the policies, procedures and regulatory responsibilities of FCT and the Manager.

During the year, IA conducted its audit reviews based on the approved internal audit plans. All audit reports detailing audit findings and recommendations are provided to Management who would respond on the actions to be taken. Each quarter, IA would submit to the Audit Committee a report on the status of the audit plan and on audit findings and actions taken by Management on such findings. Key findings are highlighted at the Audit Committee meetings for discussion and follow-up action. The Audit Committee monitors the timely and proper implementation of appropriate follow-up measures to be undertaken by Management.

The Audit Committee is satisfied that for the financial year ended 30 September 2015, the internal audit function is adequately resourced and has appropriate standing within FCT and the Manager to perform its functions effectively.

## UNITHOLDER RIGHTS AND RESPONSIBILITIES

### Principle 14: Unitholder Rights

The Manager believes in treating all Unitholders fairly and equitably. It aspires to keep all Unitholders and other stakeholders and analysts in Singapore and beyond informed of FCT's activities, including changes (if any) in FCT's business which are likely to materially affect the price or value of its Units, in a timely and consistent manner.

Unitholders are also given the opportunity to participate effectively and vote at general meetings of FCT, where relevant rules and procedures governing such meetings (for instance, how to vote) are clearly communicated.

### Principle 15: Communication with Unitholders

The Manager strives to uphold high standards of disclosure and corporate transparency. It aims to provide timely, effective and fair information relating to the FCT's performance and its developments to its Unitholders and the investment community through announcements to the SGX-ST and on FCT's website, to enable them to make informed investment decisions. The Manager has a dedicated investor relations manager ("**IR manager**") to facilitate communication between FCT, its Unitholders and the investment community.

The Manager meets and communicates regularly with Unitholders and the investment community to keep them apprised of FCT's corporate developments and financial performance. During the year, the senior Management and the IR manager, met or spoke with 275 investors at investment conferences, non-deal road shows as well as one-on-one and group meetings. The Manager also conducts post-result briefings for analysts and the media, following the release of its half year and full year results. For its first quarter and third quarter results, this is done by conference calls. The Manager makes available all its briefing materials, its financial information, its annual reports and all announcements to the SGX-ST on its website at [www.fct.sg](http://www.fct.sg), with contact details for investors to channel their comments and queries.

# CORPORATE GOVERNANCE REPORT

## Principle 16: Conduct of Unitholder Meetings

A copy of the FCT Annual Report is sent to all Unitholders. In compliance with the Code on CIS, an Annual General Meeting (“**AGM**”) is held after the close of each financial year allowing the Manager to interact with investors. The Board supports and encourages active Unitholder participation at AGMs. It believes that AGMs serve as an opportune forum for Unitholders to meet the Board and senior Management, and to interact with them. A Unitholder is allowed to appoint one or two proxies to attend and vote at the general meetings on his/her behalf. Board members and appropriate senior Management are present at each Unitholders’ meeting to respond to any questions from Unitholders. The external auditors are also present to address queries about the conduct of audit and the preparation and content of the auditors’ report.

For greater transparency, the Manager has implemented electronic poll voting at its AGMs, whereby Unitholders are invited to vote on relevant resolutions by way of poll (instead of by show of hands), using hand held electronic devices. This allows all Unitholders present or represented at the meeting to vote on a one vote per Unit basis. The voting results of all votes cast for, or against, of each resolution are displayed at the meeting and announced to the SGX-ST after the meeting. The Manager will continue to use the electronic poll voting system at the forthcoming AGM.

## DEALINGS IN UNITS

The Manager has adopted a dealing policy (“**Dealing Policy**”) on securities trading which provides guidance with regard to dealings in FCT units by its Directors, officers and employees. Directors, officers and employees are prohibited from dealing in FCT units:

- in line with the Listing Rule 1207(19)(c) on Dealings in Securities, two weeks before the date of announcement of quarterly financial statements and one month before the date of announcement of full-year results (“**Prohibition Period**”); and
- at any time while in possession of unpublished material or price sensitive information.

Directors, officers and employees are also directed to refrain from dealing in FCT units on short-term considerations.

Prior to the commencement of the Prohibition Period, Directors, officers and employees will be reminded not to trade during this period or whenever they are in possession of unpublished price sensitive information. Outside of the Prohibition Period, any trades must be reported to the Board within 48 hours. Every quarter, each Director, officer or employee is required to complete and submit a declaration form to the Compliance Officer to report any trades he/she made in FCT units in the previous quarter and confirm that no trades were made during the Prohibition Period. A quarterly report will be provided to the Audit Committee. Any non-compliance with the Dealing Policy will be reported to Audit Committee 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 FCT units. The Manager has undertaken that it will not deal in FCT units:

- a) during the period commencing one month before the public announcement of FCT ’s full-year results and (where applicable) property valuations and two weeks before the public announcement of FCT ’s quarterly results; or
- b) whenever it is in possession of unpublished material price sensitive information.

The Manager has also given an undertaking to the MAS that it will announce to the SGX-ST the particulars of its holdings in FCT units and any changes thereto within two business days after the date on which it acquires or disposes of any FCT units, as the case may be.

# CORPORATE GOVERNANCE REPORT

## CONFLICTS OF INTEREST

The Manager has put in place procedures to address potential conflicts of interest (including in relation to Directors, officers and employees) which may arise in managing FCT. These include the following:

- The Manager is to be dedicated to managing FCT and will not directly or indirectly manage other REITs;
- All executive officers of the Manager will be employed by the Manager;
- 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;
- At least one-third of the Board shall comprise Independent Directors;
- On matters where FCL and/or its subsidiaries have an interest (directly or indirectly), Directors nominated by them shall abstain from voting. In such matters, the quorum must comprise a majority of independent Directors and must exclude nominee Directors of FCL and/or its subsidiaries; and
- 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.

## INTERESTED PERSON TRANSACTIONS

The Manager has established internal control procedures to ensure that all interested person transactions (“**IPTs**”) are undertaken on normal commercial terms, and will not be 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 Guidelines).

All IPTs are entered in a register maintained by the Manager, including any quotations from unrelated parties and independent valuations supporting the bases on which such transactions are entered into. The Manager incorporates into its internal audit plan a review of the IPTs recorded in the register to ascertain that internal procedures and requirements of the Listing Manual and Property Funds Guidelines have been complied with. The Audit Committee reviews the internal audit reports twice a year to ascertain that the guidelines and procedures established to monitor IPTs have been complied with. In addition, the Trustee also has the right to review any such relevant internal audit reports to ascertain that the Property Fund Guidelines have been complied with.

In respect of transactions entered into or to be entered into by the Trustee for and on behalf of FCT with an interested person, the Trustee is required to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of FCT and the Unitholders, and in accordance with all applicable requirements of the Property Funds Guidelines and/or the Listing Manual. The Trustee has the ultimate discretion under the Trust Deed entered into between the Trustee and the Manager constituting FCT to decide whether or not to enter into such a transaction involving an interested person.

## ROLE OF THE AUDIT COMMITTEE FOR INTERESTED PERSON TRANSACTIONS

The Audit Committee reviews IPTs periodically to ensure compliance with the internal control procedures and the relevant provisions of the Listing Manual and Property Funds Guidelines. Any member who has an interest in a transaction shall abstain from participating in the review and approval processes in relation to that transaction.

# CORPORATE GOVERNANCE REPORT

## GUIDELINES FOR DISCLOSURE

Guideline	Questions	How has the Company complied
General	<p>(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.</p> <p>(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?</p>	<p>Please refer to the disclosures and references in this table for the specific deviations from the Code.</p> <p>The Manager has adopted alternative corporate governance practices which reflect the fact that the Manager itself is not a listed entity but that the entity which it manages, Frasers Centrepoint Trust ("FCT"), is listed and managed externally by the Manager.</p>
<b>Board Responsibility</b>		
Guideline 1.5	What are the types of material transactions which require approval from the Board?	Please refer to page 75 of this Annual Report.
<b>Members of the Board</b>		
Guideline 2.6	<p>(a) What is the Board's policy with regard to diversity in identifying director nominees?</p> <p>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</p> <p>(c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?</p>	<p>Please refer to pages 76 to 77 of this Annual Report.</p> <p>Please refer to pages 76 to 77 of this Annual Report.</p> <p>Please refer to pages 76 to 77 of this Annual Report.</p>
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors	<p>No new directors were appointed or re-elected in the financial period.</p> <p>Directors of the Manager are not subject to periodic retirement by rotation.</p>
Guideline 1.6	<p>(a) Are new directors given formal training? If not, please explain why.</p> <p>(b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?</p>	<p>Yes. Please refer to page 75 of this Annual Report.</p> <p>Please refer to page 75 of this Annual Report.</p>
Guideline 4.4	<p>(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?</p> <p>(b) If a maximum number has not been determined, what are the reasons?</p> <p>(c) What are the specific considerations in deciding on the capacity of directors?</p>	<p>No maximum number has been prescribed.</p> <p>Please refer to page 78 of this Annual Report.</p> <p>Please refer to page 78 of this Annual Report.</p>



# CORPORATE GOVERNANCE REPORT

## Board Evaluation

Guideline 5.1	(a)	What was the process upon which the Board reached the conclusion on its performance for the financial year?	Please refer to page 78 of this Annual Report.
	(b)	Has the Board met its performance objectives?	Yes. Please refer to page 78 of this Annual Report.

## Independence of Directors

Guideline 2.1		Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company	Yes. Please refer to page 76 of this Annual Report.
Guideline 2.3	(a)	Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.	None.
	(b)	What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
Guideline 2.4	(a)	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	Yes. Mr Philip Eng Heng Nee, Mr Bobby Chin Yoke Choong and Mr Soh Kim Soon have served on the Board for more than nine years from the respective dates of their first appointment. Please refer to pages 76 to 77 of this Annual Report for the Board's reasons for considering them independent.

## Disclosure on Remuneration

Guideline 9.2		Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance related income/bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	This is not applicable to FCT as all fees and remuneration payable to the Directors, the CEO and employees of the Manager are paid by the Manager and not by FCT. Nonetheless, the Manager has voluntarily disclosed the Directors' fees paid to each Director (save for Dr Chew Tuan Chiong who does not receive Directors' fees). Please refer to page 79 of this Annual Report.
Guideline 9.3	(a)	Has the Company disclosed each key management personnel's remuneration, in bands of S\$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Not applicable. Please see the response to Guideline 9.2 above.
	(b)	Please disclose the aggregate remuneration paid to the top key management personnel (who are not directors or the CEO).	Not applicable. Please see the response to Guideline 9.2 above.
Guideline 9.4		Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	No.

# CORPORATE GOVERNANCE REPORT

Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	Not applicable. Please see the response to Guideline 9.2 above and page 79 of this Annual Report.
	(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	Not applicable. Please see the response to Guideline 9.2 above and page 79 of this Annual Report.
	(c) Were all of these performance conditions met? If not, what were the reasons?	Not applicable. Please see the response to Guideline 9.2 above.

---

## Risk Management and Internal Controls

Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	Please refer to pages 80 to 81 of this Annual Report.
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why	Yes. Please refer to pages 83 to 84 of this Annual Report.
Guideline 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	Please refer to page 81 of this Annual Report.
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Please refer to page 81 of this Annual Report.
Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	Please refer to page 82 of this Annual Report.
	(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors	No non-audit services were supplied by the external auditors during the financial year.

---

## Communication with Shareholders

Guideline 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	Yes. Please refer to page 84 of this Annual Report.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Yes. Please refer to page 84 of this Annual Report.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not applicable. Please refer to the "Distribution Statements" on page 96 of this Annual Report.



## FINANCIALS

**91**  
Report of the Trustee

**92**  
Statement by the Manager

**93**  
Independent Auditor's Report  
to the Unitholders of Frasers  
Centrepoint Trust

**94**  
Balance Sheets

**95**  
Statements of Total Return

**96**  
Distribution Statements

**97**  
Statements of Movements  
in Unitholders' Funds  
and Translation Reserve

**98**  
Portfolio Statements

**101**  
Cash Flow Statement

**103**  
Notes to the Financial  
Statements

## OTHERS

**142**  
Statistics of Unitholders

**145**  
Additional Information

**146**  
Notice of Annual General Meeting

Proxy Form

## 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 subsidiary (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 and a second supplemental deed dated 22 January 2010) (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 94 to 141 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**



**Esther Fong**  
*Senior Vice President, Trustee Services*

**Singapore**

12 November 2015



## STATEMENT BY THE MANAGER

In the opinion of the directors of Frasers Centrepoint Asset Management Ltd., the accompanying financial statements set out on pages 94 to 141, comprising the Balance Sheets and Portfolio Statements as at 30 September 2015, the Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes are drawn up so as to present fairly, in all material respects, the financial positions of the Group and the Trust as at 30 September 2015, the total return, distributable income, movements in Unitholders' funds of the Group and of the Trust and cash flow of the Group for the year ended on that date 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.**



**Mr Philip Eng Heng Nee**  
*Director*



**Dr Chew Tuan Chiong**  
*Director and Chief Executive Officer*

**Singapore**

12 November 2015

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE UNITHOLDERS OF FRASERS CENTREPOINT TRUST**  
(CONSTITUTED IN THE REPUBLIC OF SINGAPORE PURSUANT TO A TRUST DEED DATED 5 JUNE 2006  
(AS AMENDED AND RESTATED))

We have audited the accompanying financial statements of Frasers Centrepoint Trust (the "Trust") and its subsidiary (collectively, the "Group"), which comprise the Balance Sheets and Portfolio Statements of the Group and the Trust as at 30 September 2015, the Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds of the Group and the Trust and Cash Flow Statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 94 to 141.

**MANAGER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Manager of the Trust is responsible for the preparation and fair presentation of these financial statements 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 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.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of financial statements 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 Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion, the financial statements present fairly, in all material respects, the financial positions of the Group and the Trust as at 30 September 2015, the total return, distributable income and movements in Unitholders' funds of the Group and the Trust and cash flows of the Group 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.

**ERNST & YOUNG LLP**  
Public Accountants and  
Chartered Accountants  
Singapore

12 November 2015

# BALANCE SHEETS

AS AT 30 SEPTEMBER 2015

	Note	Group		Trust	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>					
Investment properties	3	2,464,000	2,400,000	2,464,000	2,400,000
Fixed assets	4	105	113	105	113
Intangible assets	5	66	84	66	84
Investment in subsidiary	6	–	–	*	*
Investment in associate	7	62,823	74,512	63,843	63,843
Investment in joint venture	8	154	–	1	–
		2,527,148	2,474,709	2,528,015	2,464,040
<b>Current assets</b>					
Trade and other receivables	9	5,401	5,336	5,401	5,336
Cash and cash equivalents	10	16,197	41,741	16,197	41,741
		21,598	47,077	21,598	47,077
<b>Total assets</b>		2,548,746	2,521,786	2,549,613	2,511,117
<b>Current liabilities</b>					
Trade and other payables	11	31,813	39,895	31,831	39,909
Current portion of security deposits		17,124	17,534	17,124	17,534
Deferred income	12	732	778	732	778
Interest-bearing borrowings	13	278,000	95,000	278,000	95,000
		327,669	153,207	327,687	153,221
<b>Non-current liabilities</b>					
Interest-bearing borrowings	13	440,000	644,000	440,000	644,000
Non-current portion of security deposits		25,957	25,277	25,957	25,277
Deferred income	12	576	625	576	625
		466,533	669,902	466,533	669,902
<b>Total liabilities</b>		794,202	823,109	794,220	823,123
<b>Net assets</b>		1,754,544	1,698,677	1,755,393	1,687,994
Represented by:-					
Unitholders' funds		1,774,711	1,706,126	1,755,393	1,687,994
Translation reserve	14	(20,167)	(7,449)	–	–
<b>Unitholders' funds and reserve</b>		1,754,544	1,698,677	1,755,393	1,687,994
<b>Units in issue ('000)</b>	15	916,840	915,415	916,840	915,415
		\$	\$	\$	\$
<b>Net asset value per Unit</b>	16	1.91	1.85	1.91	1.84

\* 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 2015

	Note	Group		Trust	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Gross revenue	17	189,242	168,754	189,242	168,754
Property expenses	18	(58,199)	(50,658)	(58,199)	(50,658)
Net property income		131,043	118,096	131,043	118,096
Interest income		180	82	180	82
Borrowing costs	19	(19,336)	(18,487)	(19,336)	(18,487)
Asset management fees	20	(14,097)	(12,869)	(14,097)	(12,869)
Valuation fees		(125)	(128)	(125)	(128)
Trustee's fees		(397)	(363)	(397)	(363)
Audit fees		(108)	(107)	(108)	(107)
Other professional fees		(310)	(283)	(310)	(283)
Other charges		(645)	(802)	(648)	(806)
Net income		96,205	85,139	96,202	85,135
Distributions from associate		–	–	4,243	4,576
Distributions from joint venture		–	–	352	–
Share of results of associate					
– operations		4,550	5,028	–	–
– revaluation surplus		722	1,520	–	–
Share of results of joint venture					
– operations		506	–	–	–
Surplus on revaluation of investment properties	3	64,039	69,497	64,039	69,497
Unrealised gain from fair valuation of derivatives		5,442	3,879	5,442	3,879
Total return before tax		171,464	165,063	170,278	163,087
Taxation	21	–	–	–	–
<b>Total return for the year</b>		<b>171,464</b>	<b>165,063</b>	<b>170,278</b>	<b>163,087</b>
<b>Earnings per Unit (cents)</b>	22				
Basic		18.71	19.30	18.58	19.07
Diluted		18.71	19.30	18.58	19.07

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



## DISTRIBUTION STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

	Group		Trust	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Income available for distribution to Unitholders at beginning of year	25,612	24,651	25,609	24,648
Net income	96,205	85,139	96,202	85,135
Net tax adjustments (Note A)	5,612	5,727	5,615	5,731
Distributions from associate	4,243	4,576	4,243	4,576
Income from joint venture	352	–	352	–
	106,412	95,442	106,412	95,442
Income available for distribution to Unitholders	132,024	120,093	132,021	120,090
Distributions to Unitholders:				
Distribution of 2.98 cents per Unit for period from 1/7/2013 to 30/9/2013	–	24,576	–	24,576
Distribution of 2.50 cents per Unit for period from 1/10/2013 to 31/12/2013	–	20,626	–	20,626
Distribution of 2.88 cents per Unit for period from 1/1/2014 to 31/3/2014	–	23,772	–	23,772
Distribution of 2.396 cents per Unit for period from 1/4/2014 to 9/6/2014	–	19,776	–	19,776
Distribution of 0.626 cents per Unit for period from 10/6/2014 to 30/6/2014	–	5,731	–	5,731
Distribution of 2.785 cents per Unit for period from 1/7/2014 to 30/9/2014	25,505	–	25,505	–
Distribution of 2.75 cents per Unit for period from 1/10/2014 to 31/12/2014	25,194	–	25,194	–
Distribution of 2.963 cents per Unit for period from 1/1/2015 to 31/3/2015	27,156	–	27,156	–
Distribution of 3.036 cents per Unit for period from 1/4/2015 to 30/6/2015	27,835	–	27,835	–
	105,690	94,481	105,690	94,481
Income available for distribution to Unitholders at end of year	26,334	25,612	26,331	25,609
Note A – Net tax adjustments relate to the following items:				
– Asset management fees paid/payable in Units	2,819	2,574	2,819	2,574
– Trustee's fees	397	363	397	363
– Amortisation of loan arrangement fees	889	753	889	753
– Amortisation of lease incentives	480	1,538	480	1,538
– Deferred income and amortisation of rental deposits	4	7	4	7
– Other items	1,023	492	1,026	496
Net tax adjustments	5,612	5,727	5,615	5,731

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

# STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS AND TRANSLATION RESERVE

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

	Group		Trust	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Net assets at beginning of year	1,698,677	1,462,355	1,687,994	1,454,462
<b>Operations</b>				
Total return for the year	171,464	165,063	170,278	163,087
<b>Unitholders' transactions</b>				
Creation of Units				
– proceeds from placement	–	161,480	–	161,480
– issued as satisfaction of acquisition fee	–	3,050	–	3,050
– issued as satisfaction of asset management fees	2,811	2,474	2,811	2,474
Issue expenses	–	(2,078)	–	(2,078)
Distributions to Unitholders	(105,690)	(94,481)	(105,690)	(94,481)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(102,879)	70,445	(102,879)	70,445
Movement in translation reserve (Note 14)	(12,718)	814	–	–
<b>Net assets at end of year</b>	<b>1,754,544</b>	<b>1,698,677</b>	<b>1,755,393</b>	<b>1,687,994</b>

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

# PORTFOLIO STATEMENTS

AS AT 30 SEPTEMBER 2015

## GROUP

Description of Property	Term of Lease	Location	Existing Use	Occupancy Rate as at 30 September	At Valuation		Percentage of Total Assets	
				2015 %	2015 \$'000	2014 \$'000	2015 %	2014 %
<i>Investment properties in Singapore</i>								
Causeway Point	99-year leasehold from 30 October 1995	1 Woodlands Square	Commercial	99.5	1,110,000	1,058,000	43.6	41.9
Northpoint	99-year leasehold from 1 April 1990	930 Yishun Avenue 2	Commercial	98.2	665,000	655,000	26.1	26.0
Anchorpoint	Freehold	368 & 370 Alexandra Road	Commercial	96.9	100,000	93,000	3.9	3.7
YewTee Point	99-year leasehold from 3 January 2006	21 Choa Chu Kang North 6	Commercial	94.8	170,000	168,000	6.7	6.7
Bedok Point	99-year leasehold from 15 March 1978	799 New Upper Changi Road	Commercial	84.2	108,000	120,000	4.2	4.8
Changi City Point	60-year leasehold from 30 April 2009	5 Changi Business Park Central 1	Commercial	91.1	311,000	306,000	12.2	12.1
Investment properties, at valuation					2,464,000	2,400,000	96.7	95.2
Investment in associate (Note 7)					62,823	74,512	2.5	2.9
Other assets					21,923	47,274	0.8	1.9
Total assets attributable to Unitholders					2,548,746	2,521,786	100.0	100.0

# PORTFOLIO STATEMENTS

AS AT 30 SEPTEMBER 2015

## TRUST

Description of Property	Term of Lease	Location	Existing Use	Occupancy Rate as at 30 September	At Valuation		Percentage of Total Assets	
				2015 %	2015 \$'000	2014 \$'000	2015 %	2014 %
<i>Investment properties in Singapore</i>								
Causeway Point	99-year leasehold from 30 October 1995	1 Woodlands Square	Commercial	99.5	1,110,000	1,058,000	43.5	42.1
Northpoint	99-year leasehold from 1 April 1990	930 Yishun Avenue 2	Commercial	98.2	665,000	655,000	26.1	26.1
Anchorpoint	Freehold	368 & 370 Alexandra Road	Commercial	96.9	100,000	93,000	3.9	3.7
YewTee Point	99-year leasehold from 3 January 2006	21 Choa Chu Kang North 6	Commercial	94.8	170,000	168,000	6.7	6.7
Bedok Point	99-year leasehold from 15 March 1978	799 New Upper Changi Road	Commercial	84.2	108,000	120,000	4.2	4.8
Changi City Point	60-year leasehold from 30 April 2009	5 Changi Business Park Central 1	Commercial	91.1	311,000	306,000	12.2	12.2
Investment properties, at valuation					2,464,000	2,400,000	96.6	95.6
Investment in associate (Note 7)					63,843	63,843	2.5	2.5
Other assets					2,527,843	2,463,843	99.1	98.1
					21,770	47,274	0.9	1.9
Total assets attributable to Unitholders					2,549,613	2,511,117	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 2015

On 30 September 2015, independent valuations of the investment properties were undertaken by Knight Frank Pte Ltd ("Knight Frank"), Jones Lang LaSalle Property Consultants Pte Ltd ("JLL"), Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers"), CBRE Pte. Ltd. ("CBRE") and DTZ Debenham Tie Leung (SE Asia) Pte Ltd ("DTZ"). 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	
			2015 \$'000	2014 \$'000
Causeway Point	DTZ (2014: Knight Frank)	Capitalisation approach and discounted cash flow analysis (2014: Capitalisation approach and discounted cash flow analysis)	1,110,000	1,058,000
Northpoint	JLL (2014: JLL)	Capitalisation approach and discounted cash flow analysis (2014: Capitalisation approach and discounted cash flow analysis)	665,000	655,000
Anchorpoint	Colliers (2014: Colliers)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2014: Capitalisation approach, discounted cash flow analysis and direct comparison method)	100,000	93,000
YewTee Point	Colliers (2014: Colliers)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2014: Capitalisation approach, discounted cash flow analysis and direct comparison method)	170,000	168,000
Bedok Point	CBRE (2014: JLL)	Capitalisation approach and discounted cash flow analysis (2014: Capitalisation approach and discounted cash flow analysis)	108,000	120,000
Changi City Point	Knight Frank (2014: Knight Frank)	Capitalisation approach and discounted cash flow analysis (2014: Capitalisation approach and discounted cash flow analysis)	311,000	306,000

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 amounted to \$9,288,000 (2014: \$8,290,000).

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

**CASH FLOW STATEMENT**  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

	Group	
	2015	2014
	\$'000	\$'000
<b>Operating activities</b>		
Total return before tax	171,464	165,063
Adjustments for:		
Allowance for doubtful receivables	8	41
Write back of allowance for doubtful receivables	(7)	(57)
Borrowing costs	19,336	18,487
Interest income	(180)	(82)
Asset management fees paid/payable in Units	2,819	2,574
Depreciation of fixed assets	46	41
Amortisation of intangible assets	18	6
Share of associate's results (including revaluation surplus)	(5,272)	(6,548)
Share of joint venture's results	(506)	–
Surplus on revaluation of investment properties	(64,039)	(69,497)
Unrealised gain from fair valuation of derivatives	(5,442)	(3,879)
Amortisation of lease incentives	480	1,538
Deferred income recognised	(975)	(1,026)
Operating income before working capital changes	117,750	106,661
Changes in working capital:		
Trade and other receivables	(827)	(1,598)
Trade and other payables	3,081	(4,793)
<b>Cash flows from operating activities</b>	<b>120,004</b>	<b>100,270</b>
<b>Investing activities</b>		
Distributions received from associate	4,243	4,576
Distributions received from joint venture	352	–
Interest received	180	82
Capital expenditure on investment properties	(5,356)	(1,473)
Investment in joint venture	(1)	–
Acquisition of fixed assets	(38)	(33)
Acquisition of intangible assets	–	(90)
Net cash outflow on purchase of investment properties (including acquisition fees and expenses) (Note B)	–	(298,682)
<b>Cash flows used in investing activities</b>	<b>(620)</b>	<b>(295,620)</b>

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

## CASH FLOW STATEMENT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

	Group	
	2015	2014
	\$'000	\$'000
<b>Financing activities</b>		
Proceeds from borrowings	98,000	220,000
Proceeds from issue of new units	–	161,480
Repayment of borrowings	(119,000)	(70,000)
Borrowing costs paid	(18,110)	(16,517)
Distributions to Unitholders	(105,690)	(94,481)
Payment of issue and finance costs	(128)	(3,097)
<b>Cash flows (used in)/generated from financing activities</b>	<b>(144,928)</b>	<b>197,385</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(25,544)</b>	<b>2,035</b>
Cash and cash equivalents at beginning of year	41,741	39,706
<b>Cash and cash equivalents at end of year (Note 10)</b>	<b>16,197</b>	<b>41,741</b>

### Note B Net cash outflow on purchase of investment properties (including acquisition fees and expenses)

Net cash outflow on purchase of investment properties (including acquisition fees and expenses) is set out below:

	Group	
	2015	2014
	\$'000	\$'000
Investment properties	–	305,000
Security deposits	–	(6,703)
Net identifiable assets acquired	–	298,297
Acquisition fees and expenses	–	3,435
Less:		
Units issued for acquisition fee paid to the Manager	–	(3,050)
<b>Net cash outflow</b>	<b>–</b>	<b>298,682</b>

### Significant Non-Cash Transactions

During the financial years, there were the following significant non-cash transactions:

- (i) 1,432,104 (2014: 1,412,672) Units were issued and issuable in satisfaction of asset management fees payable in Units, amounting to a value of \$2,819,438 (2014: \$2,573,856) in respect of the financial year ended 30 September 2015; and
- (ii) 1,662,125 Units were issued in June 2014 in satisfaction of acquisition fees of \$3,050,000 in connection with the acquisition of Changi City Point completed on 16 June 2014.

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

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

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 subsidiary (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 subsidiary is set out in Note 6.

The financial statements were authorised for issue by the Manager and the Trustee on 12 November 2015.

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:

### (a) *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.

### (b) *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.

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 2015, the Manager has opted to receive an average of 20% (2014: 20%) of the asset management fees in the form of Units with the balance in cash. The portion of the asset management fees in the form of Units is payable on a quarterly basis in arrears, and the portion in cash is payable on a monthly 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 1. GENERAL (CONT'D)

### (c) *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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) *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 Singapore Financial Reporting Standards ("FRS").

The financial statements, which are presented in Singapore dollars and rounded to the nearest thousand, unless otherwise stated, have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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. The estimates and associated assumptions are based on historical experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Financial impact arising from revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- (i) Note 3 – Valuation of investment properties
- (ii) Note 7 – Accounting for investment in associate
- (iii) Note 11 – Valuation of interest rate swaps



# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (b) Adoption of new and revised standards

The Group and the Trust have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year and are consistent with those used in the previous financial year, except as disclosed below.

In the current year, the Group has adopted the following standards that are relevant and effective for financial years beginning on or after 1 October 2014.

Revised FRS 27	<i>Separate Financial Statements</i>
Revised FRS 28	<i>Investments in Associates and Joint Ventures</i>
Amendments to FRS 36	<i>Recoverable Amount Disclosures for Non-Financial Assets</i>
FRS 110	<i>Consolidated Financial Statements</i>
FRS 111	<i>Joint Arrangements</i>
FRS 112	<i>Disclosure of Interests in Other Entities</i>
Amendments to FRS 32	<i>Offsetting Financial Assets and Financial Liabilities</i>
Amendments to FRS 110, FRS 111 and FRS 112	<i>Transition Guidance</i>
Amendments to FRS 110, FRS 112 and FRS 27	<i>Investment Entities</i>
<u>Improvements to FRSs (January 2014)</u>	
– Amendment to FRS 103	<i>Business Combinations</i>
– Amendment to FRS 108	<i>Operating Segments</i>
– Amendment to FRS 16	<i>Property, Plant and Equipment</i>
– Amendment to FRS 24	<i>Related Party Disclosures</i>
– Amendment to FRS 38	<i>Intangible Assets</i>
<u>Improvements to FRSs (February 2014)</u>	
– Amendment to FRS 103	<i>Business Combinations</i>
– Amendment to FRS 113	<i>Fair Value Measurement</i>
– Amendment to FRS 40	<i>Investment Property</i>

The adoption of the above standards did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements, except for the FRS 112 Disclosure of Interests in Other Entities which sets out the disclosures required to be made in respect of all forms of an entity's interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The adoption of this standard would result in more extensive disclosures being made in the Group's financial statements in respect of its interests in other entities.

As a result of FRS 112, the Group has expanded its disclosures about its interests in associates (Note 7) and joint ventures (Note 8) from 1 October 2014.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) FRS and INTERPRETATIONS OF FRS ("INT FRS") not yet effective

There are a number of standards, interpretations, and amendments of standards that have been issued but not effective as yet and the Group has not early adopted any of these standards.

	<b>Effective date (Annual period beginning on or after)</b>
FRS 114 Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 27 Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 and FRS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 111 Accounting for Acquisition of Interests in Joint Operations	1 January 2016
Amendments to FRS 110 and FRS 28 Sale for Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
<u>Improvements to FRSs (November 2014)</u>	
Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
Amendments to FRS 107 Financial Instruments: Disclosures	1 January 2016
Amendments to FRS 19 Employee Benefits	1 January 2016
Amendments to FRS 34 Interim Financial Reporting	1 January 2016
Amendments to FRS 1 Disclosure Initiative	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 Investment Entity: Applying the Consolidation Exception	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018

With the exception of FRS 115 and FRS 109, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below.

#### FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer (i.e., when performance obligations are satisfied).

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

#### FRS 109 Financial Instruments

FRS 109 is effective for financial periods beginning on or after 1 January 2018. FRS 109 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in FRS 39. The approach in FRS 109 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets, and enables companies to reflect their risk management activities better in their financial statements, and, in turn, help investors to understand the effect of those activities on future cash flows. FRS 109 is principle-based, and will more closely align hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (d) *Foreign currency*

Transactions in foreign currencies are measured and recorded on initial recognition in Singapore dollars, the functional currency of the Trust and subsidiary, 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 equity 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 equity 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.

### (e) *Investment properties*

Investment properties are stated at initial cost on acquisition, including transaction costs, and at valuation 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 once 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.

Subsequent expenditure relating to investment properties that have already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group and the Trust. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Statements of Total Return in the year of retirement or disposal.

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 Income Tax Act.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (f) *Basis of consolidation and investment in subsidiary*

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

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

The consolidated financial statements incorporate the financial statements of the Trust and its subsidiary 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.

A subsidiary is consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, if deemed to be an asset or liability within the scope of FRS 39, will be recognised either in the Statements of Total Return or as change to a separate component of equity. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in the Statements of Total Return.

The Group elects for each individual business combination whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in the Statements of Total Return on the acquisition date.

### (g) *Investment in associate and joint venture*

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

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

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (g) *Investment in associate and joint venture (cont'd)*

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.

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet 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 venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture 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.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in the Statements of Total Return.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company. 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 impairment losses.

A list of the associates and joint ventures is shown in Note 7 and 8 respectively.

### (h) *Fixed assets*

Fixed assets are stated at cost less accumulated depreciation and any impairment. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of a fixed asset is recognised as an asset if, and only if, it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repair are charged to the Statements of Total Return. When assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal, their cost and accumulated depreciation are removed from the financial statements and any gain or loss on derecognition of the assets is included in the Statements of Total Return.

Fixed assets are depreciated on the straight line method so as to write off the cost of the fixed assets over their estimated useful lives. The principal annual rates of depreciation for equipment, furniture and fittings range from 10% to 20%.

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.



# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (i) *Intangible assets*

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

Software is amortised over the estimated useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in the Statements of Total Return in the expense category consistent with the function of the intangible asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statements of Total Return when the asset is derecognised.

### (j) *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An impairment loss is recognised in the Statements of Total Return whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. 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.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. If such indication exists, the recoverable amount is estimated. An impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its 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, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the Statements of Total Return. After such a reversal, the depreciation charge, if any, is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (k) *Financial assets*

The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

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

Financial assets at fair value through profit or loss include 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 include 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, are also classified as held for trading unless they are 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.

Financial assets are recognised on the Balance Sheets when, and only when, the Group becomes a party to the contractual provisions of the instruments. Financial assets are derecognised when the contractual rights to receive cash flows from the assets have expired. On derecognition, the difference between the carrying amount and the consideration received is 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.

### (l) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and bank deposits.

### (m) *Impairment of financial assets*

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.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (m) *Impairment of financial assets (cont'd)*

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.

### (n) *Financial liabilities*

Financial liabilities are recognised on the Balance Sheets when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities are initially recognised at the fair value of consideration received, and in the case of financial liabilities other than those designated at fair value through profit or loss, less directly attributable transaction costs.

Financial liabilities that are designated at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments such as interest rate swaps entered into by the Group to hedge its risks associated with interest rate fluctuations.

Subsequent to initial recognition, financial liabilities 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 liabilities are recognised in the Statements of Total Return.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Statements of Total Return when the liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### (o) *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

### (p) *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 a financial liability is set out in Note 2(n).

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.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (q) *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 2(r)(i).

### (r) *Revenue recognition*

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates, and sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) *Rental income*

Rental income receivable under operating leases is recognised in the Statements of Total Return on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis. Contingent rent, which comprises gross turnover rental, is recognised as income in the period in which it is earned.

#### (ii) *Interest income*

Interest income is recognised in the Statements of Total Return using the effective interest method.

### (s) *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(a).

#### (ii) *Asset management fees*

Asset management fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1(b).

#### (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(c).

### (t) *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.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (t) Taxation (cont'd)

#### (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, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Are associated with investments in subsidiaries and associates, 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

#### (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, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax; and
- Where the beneficial owners are foreign non-individual investors or where the Units are held by nominee Unitholders who can demonstrate that the Units are held for beneficial owners who are foreign non-individual investors, the Trustee and the Manager will deduct/withhold tax at a reduced rate of 10% from the distributions.

A Qualifying Unitholder is a Unitholder who is:

- (i) A tax resident Singapore-incorporated company;
- (ii) A non-corporate Singapore constituted or registered entity (e.g. town council, statutory board, charitable organisation, management corporation, club and trade and industry association constituted, incorporated, registered or organised in Singapore);
- (iii) A Singapore branch of a foreign company which has been presented a letter of approval from the Comptroller of Income Tax granting waiver from tax deducted at source in respect of distributions from the Trust;
- (iv) An agent bank or a Supplementary Retirement Scheme ("SRS") operator acting as nominee for individuals who have purchased Units in the Trust within the CPFIS or the SRS respectively; or
- (v) A nominee who can demonstrate that the Units are held for beneficial owners who are individuals or who fall within the classes of Unitholders listed in (i) to (iii) above.



# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (t) *Taxation (cont'd)*

#### (iii) *Tax transparency (cont'd)*

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.

### (u) *Borrowing costs*

Borrowing costs are expensed in the period they occur, and consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

### (v) *Segment reporting*

For management purposes, the Group is organised into operating segments based on individual investment property within the Group's portfolio. The Manager regularly reviews the segment results in order to allocate resources to the segments and to assess the segments' performance. Additional disclosures on each of these segments are shown in Note 26, including the factors used to identify the reportable segments and the measurement basis of segment information.

### (w) *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.

### (x) *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.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 3. INVESTMENT PROPERTIES

	Group and Trust	
	2015	2014
	\$'000	\$'000
At beginning	2,400,000	2,019,500
Purchase of an investment property	–	308,435
Capital expenditure	441	4,106
	<u>2,400,441</u>	<u>2,332,041</u>
Surplus on revaluation taken to Statements of Total Return	63,559	67,959
At end	<u>2,464,000</u>	<u>2,400,000</u>

The investment properties owned by the Group and the Trust are set out in the Portfolio Statements on pages 98 to 100.

Northpoint has been mortgaged as security for a \$264 million secured five-year term loan from DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited and Standard Chartered Bank (Note 13).

Bedok Point has been mortgaged as security for a \$70 million secured five-year term loan from DBS Bank Ltd (Note 13).

During the last financial year, the Trust completed the acquisition of Changi City Point for a total consideration of \$308,434,956 (including transaction costs of \$384,956 directly attributable to the acquisition and acquisition fees paid to the Manager in units of \$3,050,000, representing 1% of the purchase consideration paid of \$305,000,000).

### 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, terminal yields and discount rates. 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 2015.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 3. 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
<b>At 30 September 2015</b>				
<i>Non-financial assets</i>				
Investment properties	–	–	2,464,000	2,464,000
<b>At 30 September 2014</b>				
<i>Non-financial assets</i>				
Investment properties	–	–	2,400,000	2,400,000

### *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 2015 \$'000	Valuation techniques	Key unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties	2,464,000	Capitalisation approach	Capitalisation rate	5.25% – 5.70%	The higher the rate, the lower the fair value.
		Discounted cash flow analysis	Discount rate	7.50% – 8.00%	The higher the rate, the lower the fair value.
		Direct comparison method	Transacted prices	–	The higher the comparable value, the higher the fair value.

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.

The key unobservable inputs correspond to:

- Discount rate, based on the risk-free rate for 10-year bonds issued by the government in Singapore, adjusted for a risk premium to reflect the increased risk of investing in the asset class; and
- Capitalisation rate which corresponds to a rate of return on investment properties based on the expected income that the property will generate.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 3. INVESTMENT PROPERTIES (CONT'D)

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	
	2015	2014
	\$'000	\$'000
Surplus on revaluation	63,559	67,959
Amortisation of lease incentives	480	1,538
Surplus on revaluation recognised in Statements of Total Return	64,039	69,497

Direct operating expenses (including repairs and maintenance) arising from rental generating properties are disclosed on Note 18 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 other than as disclosed in Note 27.

## 4. FIXED ASSETS

	Equipment, furniture and fittings	
	Group and Trust	
	2015	2014
	\$'000	\$'000
<b>Cost</b>		
At beginning	324	308
Additions	38	33
Disposals	(2)	(17)
At end	360	324
<b>Accumulated depreciation</b>		
At beginning	211	187
Charge for the year	46	41
Disposals	(2)	(17)
At end	255	211
<b>Carrying amount</b>		
At beginning	113	121
At end	105	113

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 5. INTANGIBLE ASSETS

	Software Group and Trust	
	2015	2014
	\$'000	\$'000
<b>Cost</b>		
At beginning	90	–
Additions	–	90
At end	90	90
<b>Accumulated amortisation</b>		
At beginning	6	–
Charge for the year	18	6
At end	24	6
<b>Carrying amount</b>		
At beginning	84	–
At end	66	84

## 6. INVESTMENT IN SUBSIDIARY

	Trust	
	2015	2014
	\$'000	\$'000
Unquoted equity investment, at cost	*	*

\* Denotes amount less than \$500.

Details of the subsidiary are as follows:

Name of subsidiary	Place of incorporation / business	Effective equity interest held by the Trust	
		2015	2014
		%	%
FCT MTN Pte. Ltd. <sup>(1)</sup>	Singapore	100	100

(1) Audited by Ernst & Young 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.



# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 7. INVESTMENT IN ASSOCIATE

	Group		Trust	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Quoted units, at cost	67,806	67,806	67,806	67,806
Share of post-acquisition reserves				
– operations	3,844	3,537	–	–
– revaluation surplus	18,099	17,377	–	–
Translation difference	(20,167)	(7,449)	–	–
	69,582	81,271	67,806	67,806
Allowance for impairment	(6,759)	(6,759)	(3,963)	(3,963)
	62,823	74,512	63,843	63,843
Fair value of investment based on published price quotation	60,914	73,361	60,914	73,361

Details of the associate are as follows:

Name of associate	Place of incorporation / business	Effective equity interest held by the Group and Trust	
		2015 %	2014 %
Hektar Real Estate Investment Trust <sup>(1)</sup>	Malaysia	31.17	31.17

(1) Audited by SJ Grant Thornton, Malaysia

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 2015, the Group has estimated the results of H-REIT for the quarter ended 30 September 2015 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 result for H-REIT was equity accounted for at the Group level, net of 10% (2014: 10%) withholding tax in Malaysia.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 7. INVESTMENT IN ASSOCIATE (CONT'D)

The following summarised financial information relating to the associate has not been adjusted for the percentage of ownership interest held by the Group:

	2015 <sup>(2)</sup>	2014 <sup>(3)</sup>
	\$'000	\$'000
<b>Assets and liabilities</b>		
Non-current assets	395,216	414,567
Current assets	10,628	10,965
Total assets	<u>405,844</u>	<u>425,532</u>
Current liabilities	11,815	8,233
Non-current liabilities	172,096	178,427
Total liabilities	<u>183,911</u>	<u>186,660</u>
<b>Results</b>		
Revenue	44,308	47,331
Expenses	(28,188)	(29,360)
Revaluation surplus	2,181	4,914
Total return for year	<u>18,301</u>	<u>22,885</u>

(2) The financial information is based on the latest available unaudited management accounts as at 30 June 2015 and for the six months ended 30 June 2015 and the pro-rated six month results from the audited financial statements for the period ended 31 December 2014.

(3) The financial information is based on the unaudited management accounts as at 30 June 2014 and for the six months ended 30 June 2014 and the pro-rated six month results from the audited financial statements for the period ended 31 December 2013.

As at 30 September 2015 and 2014, the associate's property portfolio comprises Subang Parade in Selangor, Mahkota Parade in Melaka, Wetex Parade in Muar, Johor, Central Square and Landmark Central in Kedah.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 8. INVESTMENT IN JOINT VENTURE

	Group		Trust	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Unquoted equity investment, at cost	1	–	1	–
Share of post-acquisition reserves – operations	153	–	–	–
	<u>154</u>	<u>–</u>	<u>1</u>	<u>–</u>

Details of the joint venture are as follows:

Name of joint venture	Place of incorporation / business	Effective equity interest held by the Group and Trust	
		2015 %	2014 %
Changi City Carpark Operations LLP	Singapore	<u>43.68</u>	<u>–</u>

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. The Group jointly controls the venture with other partner under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 9. TRADE AND OTHER RECEIVABLES

	Group and Trust	
	2015	2014
	\$'000	\$'000
Trade receivables	2,020	1,964
Allowance for doubtful receivables	(61)	(69)
Net trade receivables	1,959	1,895
Deposits	70	63
Prepayments	532	273
Other receivables	–	17
Amount due from joint venture	87	–
Amount due from related party (trade)	–	932
Loan arrangement fees	1,396	2,156
Fair value of interest rate swaps	1,357	–
	5,401	5,336

Trade receivables are recognised at their original invoiced amounts which represent their fair values on initial recognition.

(i) *Trade receivables that are past due but not impaired*

The Group and the Trust have trade receivables amounting to \$1,959,000 (2014: \$1,895,000) 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	
	2015	2014
	\$'000	\$'000
<b>Trade receivables past due but not impaired:</b>		
Less than 30 days	1,624	1,685
30 to 60 days	169	128
61 to 90 days	76	39
91 to 120 days	41	5
More than 120 days	49	38
	1,959	1,895

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 9. TRADE AND OTHER RECEIVABLES (CONT'D)

(ii) *Trade receivables that are impaired*

The Group's and the Trust's trade receivables 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	
	2015	2014
	\$'000	\$'000
Trade receivables	61	69
Allowance for impairment	(61)	(69)
	<u>–</u>	<u>–</u>
Movement in allowance account:		
At beginning	69	86
Impairment loss recognised	8	41
Written back	(7)	(57)
Allowance utilised	(9)	(1)
At end	<u>61</u>	<u>69</u>

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.

## 10. 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 and Trust	
	2015	2014
	\$'000	\$'000
Cash at bank and on hand	16,197	18,741
Fixed deposits	–	23,000
	<u>16,197</u>	<u>41,741</u>

The weighted average effective interest rate for fixed deposits is 1.03% (2014: 0.69%) per annum.



# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 11. TRADE AND OTHER PAYABLES

	Group		Trust	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade payables and accrued operating expenses	16,694	21,011	16,712	21,025
Amounts due to related parties (trade)	6,486	6,055	6,486	6,055
Deposits and advances	4,365	4,625	4,365	4,625
Interest payable	3,196	3,838	3,196	3,838
Other payables	29	28	29	28
Withholding tax	981	191	981	191
Fair value of interest rate swaps	62	4,147	62	4,147
	<u>31,813</u>	<u>39,895</u>	<u>31,831</u>	<u>39,909</u>

Included in trade payables and accrued operating expenses is an amount due to the Trustee of \$66,441 (2014: \$65,578).

Included in amounts due to related parties are amounts due to the Manager of \$3,759,333 (2014: \$3,716,792) and the Property Manager of \$2,568,740 (2014: \$2,337,699) respectively. The amounts due to related parties are unsecured, interest free and payable within the next 3 months.

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 balance sheet date, the Trust has interest rate swaps for:

- (i) notional contract amount of \$159 million that matures in July 2016;
- (ii) notional contract amount of \$70 million that matures in December 2016; and
- (ii) notional contract amount of \$90 million that matures in June 2017.

The fair value of the interest rate swaps is determined using valuation technique as disclosed in Note 24(b). The Group does not apply hedge accounting.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 12. DEFERRED INCOME

	Group and Trust	
	2015	2014
	\$'000	\$'000
<b>Cost</b>		
At beginning	3,147	2,913
Additions	880	1,175
Fully amortised	(1,139)	(941)
At end	2,888	3,147
<b>Accumulated amortisation</b>		
At beginning	1,744	1,659
Charge for the year	975	1,026
Fully amortised	(1,139)	(941)
At end	1,580	1,744
<b>Net deferred income</b>	1,308	1,403
This comprises:		
Current portion	732	778
Non-current portion	576	625
	1,308	1,403

## 13. INTEREST-BEARING BORROWINGS

	Group		Trust	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Non-current liabilities</b>				
Term loan (secured)	70,000	334,000	70,000	334,000
Term loan (unsecured)	150,000	150,000	150,000	150,000
Loan from subsidiary (unsecured)	–	–	220,000	160,000
Medium Term Notes (unsecured)	220,000	160,000	–	–
	440,000	644,000	440,000	644,000
<b>Current liabilities</b>				
Loan from subsidiary (unsecured)	–	–	–	95,000
Medium Term Notes (unsecured)	–	95,000	–	–
Term loan (secured)	264,000	–	264,000	–
Revolving loan (unsecured)	14,000	–	14,000	–
	278,000	95,000	278,000	95,000

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 13. INTEREST-BEARING BORROWINGS (CONT'D)

### (a) *Term loans (secured)*

- (i) The Trust obtained a \$264 million 5-year secured term loan under a facility agreement dated 29 November 2010 between (i) the Trustee, as borrower and (ii) DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited and Standard Chartered Bank, as lenders (the "\$264 million Secured Term Loan"). The secured term loan bears interest at the swap-offer rate plus a margin. The expected maturity date of the loan falls in July 2016.

The \$264 million Secured Term Loan is principally secured by the following:

- a mortgage over Northpoint;
- an assignment of the rights, benefits, title and interest of the Trust in, under and arising out of the insurances effected in respect of Northpoint;
- 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 Northpoint; and
- a first fixed and floating charge over all present and future assets of the Trust in connection with Northpoint.

- (ii) In December 2011, 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;
- 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; and
- a first fixed and floating charge over all present and future assets of the Trust in connection with Bedok Point.

### (b) *Term loan (unsecured)*

On 9 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. The unsecured term loan, which has 2 repayment dates in June 2017 and June 2019, bears interest at swap-offer rate plus respective margins.

### (c) *Medium Term Notes (unsecured)*

On 7 May 2009, the Group through its subsidiary, 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 13. INTEREST-BEARING BORROWINGS (CONT'D)

As at 30 September 2015, the aggregate balance of the Notes issued by the Group under the FCT MTN Programme amounted to \$220 million (2014: \$255 million), consisting of:

- (i) \$30 million (2014: \$30 million) Fixed Rate Notes which mature on 12 June 2017 and bear a fixed interest rate of 2.850% per annum payable semi-annually in arrear;
- (ii) \$70 million (2014: \$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;
- (iii) \$60 million (2014: \$60 million) Fixed Rate Notes which mature on 12 December 2017 and bear a fixed interest rate of 2.535% per annum payable semi-annually in arrear; and
- (iv) \$60 million (2014: \$Nil) Fixed Rate Notes which mature on 10 April 2019 and bear a fixed interest rate of 2.900% per annum payable semi-annually in arrear.

\$25 million Fixed Rate Notes and \$70 million Fixed Rate Notes which bear a fixed interest rate of 3.500% and 2.300% per annum were repaid in February 2015 and June 2015 respectively.

### (d) *Unsecured revolving credit facilities*

The Trust has obtained unsecured revolving credit facilities amounting to \$50 million (2014: \$30 million). As at 30 September 2015, total borrowings drawn down by the Trust on these facilities amounted to \$14 million (2014: \$Nil).

## 14. 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	
	2015	2014
	\$'000	\$'000
At beginning	7,449	8,263
Net effect of exchange loss/(gain) arising from translation of financial statements of foreign operations	12,718	(814)
At end	20,167	7,449

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 15. UNITS IN ISSUE

	Group and Trust	
	2015	2014
	No. of Units '000	No. of Units '000
<b>Units in issue</b>		
At beginning	915,415	824,383
<b>Issue of Units</b>		
– private placement	–	88,000
– issued as satisfaction of acquisition fee	–	1,662
– issued as satisfaction of asset management fees	1,425	1,370
At end	916,840	915,415
<b>Units to be issued</b>		
– as asset management fees payable in Units	371	364
Total issued and issuable Units at end	917,211	915,779

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.

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.

## 16. NET ASSET VALUE PER UNIT

	Group		Trust	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Net asset value per Unit is based on:				
Net assets	1,754,544	1,698,677	1,755,393	1,687,994
	'000	'000	'000	'000
Total issued and issuable Units (Note 15)	917,211	915,779	917,211	915,779



# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 17. GROSS REVENUE

	Group and Trust	
	2015	2014
	\$'000	\$'000
Gross rental income	167,914	149,453
Turnover rental income	9,288	8,290
Carpark income	4,738	4,729
Others	7,302	6,282
	<u>189,242</u>	<u>168,754</u>

## 18. PROPERTY EXPENSES

	Group and Trust	
	2015	2014
	\$'000	\$'000
Property tax	15,700	15,312
Utilities	5,779	5,347
Maintenance	16,020	13,601
Property management fees	7,242	6,490
Marketing expenses	6,865	4,394
Allowance for doubtful receivables	8	41
Write back of allowance for doubtful receivables	(7)	(57)
Depreciation of fixed assets	46	41
Amortisation of intangible assets	18	6
Staff costs <sup>(1)</sup>	3,886	3,132
Carpark expenses	1,973	1,561
Others	669	790
	<u>58,199</u>	<u>50,658</u>

(1) Relates to reimbursement of staff costs paid/payable to the Property Manager.

The Group does not have any employees.

## 19. BORROWING COSTS

	Group and Trust	
	2015	2014
	\$'000	\$'000
Interest expense	18,447	17,734
Amortisation of loan arrangement fees	889	753
	<u>19,336</u>	<u>18,487</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 20. ASSET MANAGEMENT FEES

Asset management fees comprise \$7,545,053 (2014: \$6,964,460) of base fee and \$6,552,138 (2014: \$5,904,820) of performance fee computed in accordance with the fee structure as disclosed in Note 1(b) to the financial statements.

An aggregate of 1,432,104 (2014: 1,412,672) Units were issued or are issuable to the Manager as satisfaction of the asset management fees payable for the financial year ended 30 September 2015.

## 21. TAXATION

	Group		Trust	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Reconciliation of effective tax</b>				
Net income	96,205	85,139	96,202	85,135
Income tax using Singapore tax rate of 17% (2014: 17%)	16,355	14,474	16,354	14,473
Non-tax deductible items	954	974	955	974
Income not subject to tax	721	778	721	778
Income exempt from tax	(18,030)	(16,226)	(18,030)	(16,225)
	-	-	-	-

## 22. 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	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Total return for year after tax	171,464	165,063	170,278	163,087
Weighted average number of Units in issue	916,318	855,116	916,318	855,116

Diluted earnings per Unit is the same as basic earnings per Unit as there is no dilutive instrument in issue during the year.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 23. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group considers the Managers as the key management officers of the corporate office in accordance with FRS 24 Related Party Disclosures.

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	
	2015 \$'000	2014 \$'000
Property management fees and reimbursement of expenses paid/payable to the Property Manager <sup>(1)</sup>	17,634	14,598
Acquisition fees paid in units to the Manager in relation to the acquisition of an investment property <sup>(1)</sup>	–	3,050
Reimbursement of expenses paid/payable to the Manager	41	92
Reimbursement of expenses paid/payable to a subsidiary of a Unitholder	8	10
Recovery of expenses paid on behalf of a subsidiary of a Unitholder	(27)	(8)
Recovery of net income receivable from related companies of the Manager	(27)	(904)
Income from related company of the Manager	(23)	–
Acquisition of an investment property from related company of the Manager	–	305,000
Car park expenses paid/payable to the Joint Venture	28	–

(1) In accordance with service agreements in relation to management of the Trust and its property operations.

## 24. 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
<b>At 30 September 2015</b>				
<u>Financial assets</u>				
Interest rate swaps	–	1,357	–	1,357
<b>At 30 September 2014</b>				
<u>Financial assets</u>				
Interest rate swaps	–	–	–	–

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 24. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) *Assets and liabilities measured at fair value (cont'd)*

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>At 30 September 2015</b>				
<u>Financial liabilities</u>				
Interest rate swaps	–	62	–	62
<b>At 30 September 2014</b>				
<u>Financial liabilities</u>				
Interest rate swaps	–	4,147	–	4,147

During the financial years ended 30 September 2015 and 2014, 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.

(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:

	As at 30.9.2015 \$'000		As at 30.9.2014 \$'000	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Group and Trust</b>				
<b>Financial liabilities:</b>				
Interest-bearing borrowings (non-current)	440,000	439,080	644,000	645,728
Security deposits (non-current)	25,957	25,377	25,277	25,016
	465,957	464,457	669,277	670,744

(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, and trade and other payables) 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 25. 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 35.0% of the fund's depository property. The Aggregate Leverage of a property fund may exceed 35.0% of its depository property (up to a maximum of 60.0%) only if a credit rating from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public.

As at 30 September 2015, the Group's Aggregate Leverage stood at 28.2% (2014: 29.3%) 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 Standard and Poor's and "Baa1" from Moody's.

### (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 customers and monitors their balances on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with customers. Credit risk is also mitigated by the rental deposits held for each of the customers. In addition, receivables are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

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 6.5% (2014: 4.8%) of the Group's trade receivables were due from 5 tenants who are reputable companies located in Singapore.

Trade and other receivables that are neither past due nor impaired represent creditworthy debtors with good payment record with the Group. Cash and fixed deposits are placed with a local bank regulated by the MAS.

Information regarding financial assets that are either past due or impaired is disclosed in Note 9.

#### (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.



# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 25. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Financial risk management objectives and policies (cont'd)*

(ii) *Interest rate risk (cont'd)*

*Sensitivity analysis for interest rate risk*

It is estimated that a hundred basis points increase or decrease in interest rate at the balance sheet date, with all other variables held constant, would decrease or increase the Group's total return for the year and Unitholders' funds by approximately \$3,014,000 (2014: \$3,295,000), 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 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 \$448,000 (2014: \$458,000) 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 \$448,000 (2014: \$380,000), 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.

(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.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 25. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Financial risk management objectives and policies (cont'd)*

(iii) *Liquidity risk (cont'd)*

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
<b>As at 30 September 2015</b>				
<b>Group</b>				
Trade and other payables	31,751	–	–	31,751
Derivative financial instruments	62	–	–	62
Security deposits	17,955	26,456	10	44,421
Interest-bearing borrowings	293,095	459,375	–	752,470
	<u>342,863</u>	<u>485,831</u>	<u>10</u>	<u>828,704</u>
<b>Trust</b>				
Trade and other payables	31,769	–	–	31,769
Derivative financial instruments	62	–	–	62
Security deposits	17,955	26,456	10	44,421
Interest-bearing borrowings	293,095	459,375	–	752,470
	<u>342,881</u>	<u>485,831</u>	<u>10</u>	<u>828,722</u>
<b>As at 30 September 2014</b>				
<b>Group</b>				
Trade and other payables	35,748	–	–	35,748
Derivative financial instruments	4,147	–	–	4,147
Security deposits	18,520	25,720	10	44,250
Interest-bearing borrowings	109,756	663,919	644	774,319
	<u>168,171</u>	<u>689,639</u>	<u>654</u>	<u>858,464</u>
<b>Trust</b>				
Trade and other payables	35,762	–	–	35,762
Derivative financial instruments	4,147	–	–	4,147
Security deposits	18,520	25,720	10	44,250
Interest-bearing borrowings	109,756	663,919	644	774,319
	<u>168,185</u>	<u>689,639</u>	<u>654</u>	<u>858,478</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 26. 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, Anchorpoint, YewTee Point, Bedok Point and Changi City Point. All these properties are located in Singapore.

Management 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, for which operations are in Malaysia.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 26. SEGMENT REPORTING (CONT'D)

(a) *Business segments*

	Causeway Point \$'000	North- point \$'000	Anchor- point \$'000	YewTee Point \$'000	Bedok Point \$'000	Changi City Point \$'000	Group \$'000
<b>2015</b>							
<i>Revenue and expenses</i>							
Gross rental income	71,175	45,131	7,926	12,251	8,393	23,039	167,914
Others	9,785	5,204	846	1,798	993	2,701	21,328
Gross revenue	80,960	50,335	8,772	14,049	9,386	25,740	189,242
Segment net property income	59,100	36,156	4,799	9,720	4,945	16,323	131,043
Interest income							180
Unallocated expenses*							(35,018)
Net income							96,205
Unrealised gain from fair valuation of derivatives							5,442
Share of results of associate							5,272
Share of results of joint venture							506
Surplus on revaluation of investment properties	52,535	10,036	2,033	6,982	(11,945)	4,398	64,039
Total return for the year							171,464
	Causeway Point \$'000	North- point \$'000	Anchor- point \$'000	YewTee Point \$'000	Bedok Point \$'000	Changi City Point \$'000	Group \$'000
<b>2014</b>							
<i>Revenue and expenses</i>							
Gross rental income	68,530	44,469	7,724	12,024	9,597	7,109	149,453
Others	9,703	5,022	939	1,714	1,208	715	19,301
Gross revenue	78,233	49,491	8,663	13,738	10,805	7,824	168,754
Segment net property income	56,481	35,979	4,677	9,564	6,232	5,163	118,096
Interest income							82
Unallocated expenses*							(33,039)
Net income							85,139
Unrealised gain from fair valuation of derivatives							3,879
Share of results of associate							6,548
Surplus on revaluation of investment properties	50,079	17,179	6,865	6,996	(8,994)	(2,628)	69,497
Total return for the year							165,063

\* Unallocated expenses include borrowing costs and asset management fees as disclosed in the Statements of Total Return.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 26. SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

	Causeway Point \$'000	North- point \$'000	Anchor- point \$'000	YewTee Point \$'000	Bedok Point \$'000	Changi City Point \$'000	Group \$'000
<b>As at 30 September 2015</b>							
<i>Assets and liabilities</i>							
Segment assets	1,114,619	669,104	102,044	171,000	110,159	314,976	2,481,902
Investment in associate							62,823
Investment in joint venture							154
Unallocated assets							3,867
Total assets							<u>2,548,746</u>
Segment liabilities	28,132	16,572	3,351	5,296	4,444	9,802	67,597
Unallocated liabilities							
– Trade and other payables							8,605
– Interest-bearing borrowings							718,000
Total liabilities							<u>794,202</u>
<i>Other segmental information</i>							
Allowance for doubtful receivables	–	1	–	3	–	4	8
Write back of allowance for doubtful receivables	–	–	–	(5)	(1)	(1)	(7)
Amortisation of lease incentives	817	36	22	34	97	(526)	480
Depreciation of fixed assets	14	6	4	7	9	6	46
Amortisation of intangible assets	3	3	3	3	3	3	18
Capital expenditure							
– Investment properties	283	–	40	–	42	76	441
– Fixed assets	6	7	20	5	–	–	38
	Causeway Point \$'000	North- point \$'000	Anchor- point \$'000	YewTee Point \$'000	Bedok Point \$'000	Changi City Point \$'000	Group \$'000
<b>As at 30 September 2014</b>							
<i>Assets and liabilities</i>							
Segment assets	1,063,291	658,580	94,646	169,113	123,511	310,256	2,419,397
Investment in associate							74,512
Unallocated assets							27,877
Total assets							<u>2,521,786</u>
Segment liabilities	33,591	16,196	3,343	5,207	4,537	8,849	71,723
Unallocated liabilities							
– Trade and other payables							12,386
– Interest-bearing borrowings							739,000
Total liabilities							<u>823,109</u>
<i>Other segmental information</i>							
Allowance for doubtful receivables	34	1	–	5	–	1	41
Write back of allowance for doubtful receivables	(35)	(3)	–	(13)	(6)	–	(57)
Amortisation of lease incentives	1,545	480	(26)	(4)	(264)	(193)	1,538
Depreciation of fixed assets	15	6	2	8	9	1	41
Amortisation of intangible assets	1	1	1	1	1	1	6
Capital expenditure							
– Investment properties	3,466	301	109	–	230	308,435	312,541
– Fixed assets	7	4	–	–	–	22	33
– Intangible assets	15	15	15	15	15	15	90



# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 27. COMMITMENTS

	Group and Trust	
	2015	2014
	\$'000	\$'000
Capital expenditure contracted but not provided for	1,209	2,406

The Group leases out its investment properties. Non-cancellable operating lease rentals receivable are as follows:

	Group and Trust	
	2015	2014
	\$'000	\$'000
Receivable:		
Within 1 year	145,715	137,143
After 1 year but within 5 years	143,916	126,877
After 5 years	44	85
	<u>289,675</u>	<u>264,105</u>

## 28. 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.

## 29. SUBSEQUENT EVENTS

On 22 October 2015, the Manager declared a distribution of \$26,223,000 to Unitholders in respect of the period from 1 July 2015 to 30 September 2015.

On 26 October 2015, the Trust issued 371,296 new Units at a price of \$1.8925 per Unit in payment of 20% of its management fees for the period from 1 July 2015 to 30 September 2015.

# NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2015

## 30. FINANCIAL RATIOS

The following financial ratios are presented as required by RAP 7:

	Group	
	2015	2014
	%	%
Expenses to weighted average net assets <sup>(1)</sup> :		
– including performance component of asset management fees	0.92	0.96
– excluding performance component of asset management fees	0.54	0.57
Portfolio turnover rate <sup>(2)</sup>	–	–

(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 income tax expense.

(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.

# STATISTICS OF UNITHOLDERS

AS AT 30 NOVEMBER 2015

## ISSUED AND FULLY PAID-UP UNITS

There were 917,211,336 Units (voting rights: one vote per Unit) outstanding as at 30 November 2015.

There is only one class of Units.

The market capitalisation was \$1,696,841 based on closing unit price of \$1.85 on 30 November 2015.

## TOP TWENTY UNITHOLDERS AS AT 30 NOVEMBER 2015

As shown in the Register of Unitholders

S/No	Unitholders	Number of Units	% of Total units in Issue
1.	FCL TRUST HOLDINGS PTE. LTD.	349,671,000	38.12
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	136,498,976	14.88
3.	HSBC (SINGAPORE) NOMINEES PTE LTD	121,182,093	13.21
4.	DBS NOMINEES (PRIVATE) LIMITED	71,469,980	7.79
5.	RAFFLES NOMINEES (PTE) LIMITED	35,149,928	3.83
6.	FRASERS CENTREPOINT ASSET MANAGEMENT LTD	29,581,336	3.23
7.	DBSN SERVICES PTE. LTD.	25,203,955	2.75
8.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	11,422,600	1.25
9.	BANK OF SINGAPORE NOMINEES PTE. LTD.	8,670,400	0.95
10.	NTUC FAIRPRICE CO-OPERATIVE LTD	7,695,000	0.84
11.	CIMB SECURITIES (SINGAPORE) PTE. LTD.	7,006,848	0.76
12.	DB NOMINEES (SINGAPORE) PTE LTD	5,958,704	0.65
13.	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	5,372,196	0.59
14.	OCBC SECURITIES PRIVATE LIMITED	3,536,800	0.39
15.	UOB KAY HIAN PRIVATE LIMITED	2,900,200	0.32
16.	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,169,662	0.24
17.	KGI FRASER SECURITIES PTE. LTD.	1,594,700	0.17
18.	YAP CHONG HIN GABRIEL	1,500,000	0.16
19.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,433,000	0.16
20.	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	1,404,300	0.15
	<b>Total</b>	<b>829,421,678</b>	<b>90.44</b>

## UNITHOLDINGS OF DIRECTORS OF THE MANAGER AS AT 21 OCTOBER 2015

Name of Director	Number of FCT Units held	
	Direct Interest	Deemed Interest
Mr Bobby Chin Yoke Choong	–	100,000
Mr Lim Ee Seng	200,000	–
Mr Soh Kim Soon	100,000	–
Mr Christopher Tang Kok Kai	50,000	620,000

# STATISTICS OF UNITHOLDERS

AS AT 30 NOVEMBER 2015

## SUBSTANTIAL UNITHOLDERS AS AT 30 NOVEMBER 2015

Substantial Unitholders	Direct Interest		Deemed Interest		Total Number of Units Held	
	Number of Units	%	Number of Units	%		%
FCL Trust Holdings Pte. Ltd.	349,671,000	38.12%	–	–	349,671,000	38.12%
Frasers Centrepoint Limited <sup>(1)</sup>	–	–	379,252,336	41.35%	379,252,336	41.35%
Thai Beverage Public Company Limited <sup>(2)</sup>	–	–	379,252,336	41.35%	379,252,336	41.35%
International Beverage Holdings Limited <sup>(3)</sup>	–	–	379,252,336	41.35%	379,252,336	41.35%
InterBev Investment Limited <sup>(4)</sup>	–	–	379,252,336	41.35%	379,252,336	41.35%
TCC Assets Limited <sup>(5)</sup>	–	–	379,252,336	41.35%	379,252,336	41.35%
Charoen Sirivadhanabhakdi <sup>(6)</sup>	–	–	379,252,336	41.35%	379,252,336	41.35%
Khunying Wanna Sirivadhanabhakdi <sup>(7)</sup>	–	–	379,252,336	41.35%	379,252,336	41.35%
Schroder Investment Management Group <sup>(8)</sup>	–	–	51,596,600	5.63%	51,596,600	5.63%

### Notes:

- (1) Frasers Centrepoint Limited ("FCL") holds a 100% direct interest in each of Frasers Centrepoint Asset Management Ltd ("FCAM") and FCL Trust Holdings Pte. Ltd. ("FCLT"); and FCAM and FCLT hold units in FCT. FCL therefore has a deemed interest in the units in FCT in which each of FCAM and FCLT has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (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 FCL;
  - FCL holds a 100% direct interest in each of FCAM and FCLT; and
  - FCAM and FCLT hold units in FCT.
 ThaiBev therefore has a deemed interest in the units in FCT in which FCL has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (3) IBHL holds a 100% direct interest in InterBev Investment Limited;
  - IBIL holds a greater than 20% interest in FCL;
  - FCL holds a 100% direct interest in each of FCAM and FCLT; and
  - FCAM and FCLT hold units in FCT.
 IBHL therefore has a deemed interest in the units in FCT in which FCL has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (4) IBIL holds a greater than 20% interest in FCL;
  - FCL holds a 100% direct interest in each of FCAM and FCLT; and
  - FCAM and FCLT hold units in FCT.
 IBIL therefore has a deemed interest in the units in FCT in which FCL has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (5) TCC Assets Limited ("TCCA") holds a majority interest in FCL;
  - FCL holds a 100% direct interest in each of FCAM and FCLT; and
  - FCAM and FCLT hold units in FCT.
 TCCA therefore has a deemed interest in the units in FCT in which FCL has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (6) 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 FCL;
  - FCL holds a 100% direct interest in each of FCAM and FCLT; and
  - FCAM and FCLT hold units in FCT.
 Charoen Sirivadhanabhakdi therefore has a deemed interest in the units in FCT in which FCL has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (7) 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 FCL;
  - FCL holds a 100% direct interest in each of FCAM and FCLT; and
  - FCAM and FCLT hold units in FCT.
 Khunying Wanna Sirivadhanabhakdi therefore has a deemed interest in the units in FCT in which FCL has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (8) Based on information provided by Schroder Investment Management (Singapore) Ltd. on 1 December 2015.

# STATISTICS OF UNITHOLDERS

AS AT 30 NOVEMBER 2015

## DISTRIBUTION OF HOLDINGS

Size of Holdings	Number of Unitholders	Percentage of Unitholders	Number of Units	Percentage of Units in Issue
1 to 99	14	0.24%	360	0.00%
100 to 1,000	617	10.57%	566,394	0.06%
1,001 to 10,000	3,863	66.18%	19,285,297	2.10%
10,001 to 1,000,000	1,321	22.63%	65,535,107	7.15%
1,000,001 and above	22	0.38%	831,824,178	90.69%
Total	5,837	100.00%	917,211,336	100.00%

## LOCATION OF UNITHOLDERS

Country	Number of Unitholders	Percentage of Unitholders	Number of Units	Percentage of Units in Issue
Singapore	5,561	95.27%	912,382,334	99.47%
Malaysia	192	3.29%	3,767,600	0.41%
Others	84	1.44%	1,061,402	0.12%
Total	5,837	100.00%	917,211,336	100.00%

## FREE FLOAT

Based on information made available to the Manager as at 30 November 2015, approximately 58.65% 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

The transactions entered into with interested persons during the financial year, 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
<b>Frasers Centrepoint Limited and its subsidiaries or associate</b>		
– Asset management fees	14,097	–
– Property management fees	5,136	–
– Reimbursement of expenses	3,424	–
<b>HSBC Institutional Trust Services (Singapore) Limited</b>		
– Trustee's fees	397	–

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 23 in 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

As at 30 September 2015, an aggregate of 916,840,040 Units were in issue. On 26 October 2015, the Trust issued 371,296 Units to the Manager as asset management fees for the period from 1 July 2015 to 30 September 2015.

### NON-DEAL ROADSHOW EXPENSES

Non-deal roadshow expenses of \$35,595 (2014: \$42,409) were incurred during the year ended 30 September 2015.

# NOTICE OF ANNUAL GENERAL MEETING



(a real estate investment trust constituted on 5 June 2006 under the laws of the Republic of Singapore)

**NOTICE IS HEREBY GIVEN** that the 7th Annual General Meeting of FRASERS CENTREPOINT TRUST ("**FCT**") will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Thursday, 21 January 2016 at 10.00 a.m. for the following purposes:

## ROUTINE BUSINESS

### Resolution (1)

1. To receive and adopt the Report of the Trustee issued by HSBC Institutional Trust Services (Singapore) Limited, as trustee of FCT (the "**Trustee**"), the Statement by the Manager issued by Frasers Centrepoint Asset Management Ltd., as manager of FCT (the "**Manager**") and the Audited Financial Statements of FCT for the financial year ended 30 September 2015.

### Resolution (2)

2. To appoint KPMG LLP ("**KPMG**") as Auditors of FCT to hold office until the conclusion of the next Annual General Meeting in place of the retiring Auditors, Ernst & Young LLP ("**EY**"), and to authorise the Manager, to fix their remuneration.

## SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, 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),

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 of FCT ("**Unitholders**") does 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);

## NOTICE OF ANNUAL GENERAL MEETING

- (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 deed of trust constituting FCT (as amended) (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 the 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 may 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

Piya Treruagrachada  
Company Secretary

Singapore, 29 December 2015

# NOTICE OF ANNUAL GENERAL MEETING

## Notes:

- (1) A Unitholder who is not a relevant intermediary entitled to attend the meeting and vote 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 the meeting and vote 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 (a form is enclosed) must be deposited with the company secretary of the Manager at the registered office of the Manager at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, not less than 72 hours before the time appointed for holding the meeting.

## Explanatory Note:

### *Resolution 2*

The Ordinary Resolution 2 above is to approve the appointment of KPMG as Auditors of FCT in place of the retiring Auditors, EY, and to authorise the Manager to fix their remuneration.

EY, the retiring Auditors, have served as external Auditors of FCT since the constitution of FCT. FCT's proposed change in Auditor is in line with the proposed change of auditors to KPMG by Frasers Centrepoint Limited, FCT's Sponsor and indirect controlling Unitholder. The appointment by FCT of the same external Auditor would also be more efficient for FCT from a reporting perspective. The Manager is therefore of the view that it would be timely to effect a change of external Auditor from the financial year ending 30 September 2016.

The Audit Committee has reviewed and deliberated on the proposed change of Auditors and has recommended that KPMG be appointed in place of the retiring Auditors, after taking into consideration the suitability of KPMG and the requirements of Rule 712(1), Rule 712(2) and Rule 715 of the Listing Manual of the SGX-ST.

The Directors have taken into account the Audit Committee's recommendation, and considered factors such as the adequacy of the resources and experience of KPMG and the persons to be assigned to the audit, KPMG's audit engagements, the size and complexity of FCT and its subsidiaries, and the number and experience of KPMG's supervisory and professional staff to be assigned to the audit, and is satisfied that KPMG will be able to meet the audit requirements of FCT. Accordingly, the Directors recommend the appointment of KPMG as the Auditors of FCT in place of the retiring Auditors, EY.

## NOTICE OF ANNUAL GENERAL MEETING

In accordance with the requirements of Rule 1203(5) of the Listing Manual of the SGX-ST:

- i. the outgoing Auditors, EY, have confirmed that they are not aware of any professional reasons why the new Auditors, KPMG, should not accept appointment as Auditors of FCT;
- ii. the Trustee and the Manager confirm that there were no disagreements with the outgoing Auditors, EY, on accounting treatments within the last 12 months;
- iii. the Trustee and the Manager confirm that, other than as set out above, it is not aware of any circumstances connected with the proposed change of Auditors that should be brought to the attention of Unitholders; and
- iv. the Manager confirms that Rule 712 and Rule 715 of the Listing Manual of the SGX-ST are complied with in relation to the appointment of KPMG.

### *Resolution 3*

The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this Annual General Meeting until the date of the next Annual 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), of which up to 20% may be issued other than on a *pro rata* basis to Unitholders.

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time the 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.**



## FRASERS CENTREPOINT TRUST

(CONSTITUTED IN THE REPUBLIC OF SINGAPORE  
PURSUANT TO A TRUST DEED DATED 5 JUNE 2006  
(AS AMENDED AND RESTATED))

## PROXY FORM ANNUAL GENERAL MEETING

### 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 29 December 2015.

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 both of whom failing, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Annual General Meeting of FCT to be held at 10.00 a.m. on Thursday, 21 January 2016 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*
	<b>ROUTINE BUSINESS</b>		
1.	To receive and adopt the Trustee's Report, the Statement by the Manager and the Audited Financial Statements of FCT for the financial year ended 30 September 2015		
2.	To appoint KPMG LLP as Auditors of FCT to hold office until the conclusion of the next Annual General Meeting in place of the retiring Auditors, Ernst & Young LLP, and to authorise the Manager to fix their remuneration		
	<b>SPECIAL BUSINESS</b>		
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 \_\_\_\_\_ 2016

Total number of Units held (Note 4)

\_\_\_\_\_  
Signature(s) of Unitholder(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES TO THE PROXY FORM**



fold and seal here

**IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW**

**Notes To Proxy Form**

1. A Unitholder who is not a relevant intermediary entitled to attend the meeting and vote 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 the meeting and vote 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 (a form is enclosed) must be deposited with the company secretary of the Manager at the registered office of the Manager at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, not less than 72 hours before the time appointed for holding the meeting.
4. Completion and return of this instrument appointing a proxy or proxies 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 instrument of proxy, 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, he should insert that number of Units. If the Unitholder has Units entered against his 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 form of proxy will be deemed to relate to all the Units held by the Unitholder.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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.
7. Where an instrument appointing a proxy or proxies 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 instrument of proxy, 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

Affix  
Postage  
Stamp

The Company Secretary  
Fraser's Centrepont Asset Management Ltd.  
(as manager of Fraser's Centrepont Trust)  
438 Alexandra Road  
#21-00 Alexandra Point  
Singapore 119958

# CORPORATE INFORMATION

## FRASERS CENTREPOINT TRUST

### REGISTERED ADDRESS

HSBC Institutional Trust Services  
(Singapore) Limited  
21 Collyer Quay,  
HSBC Building, #13-02  
Singapore 049320

### WEBSITE ADDRESS

[www.fct.sg](http://www.fct.sg)

### TRUSTEE

HSBC Institutional Trust Services  
(Singapore) Limited  
21 Collyer Quay,  
HSBC Building, #13-02  
Singapore 049320  
Phone: (65) 6658-6906  
Fax: (65) 6534-5526

### AUDITOR

Ernst & Young LLP  
Partner-in-charge: Mr Nagaraj Sivaram  
(since financial year 2012)  
One Raffles Quay  
Level 18 North Tower  
Singapore 048583  
Phone: (65) 6535-7777  
Fax: (65) 6532-7662

### BANKERS

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,  
Singapore Land Tower, #32-01  
Singapore 048623  
Phone: (65) 6536-5355  
Fax: (65) 6536-1360

## THE MANAGER

### REGISTERED ADDRESS

Frasers Centrepoint Asset  
Management Ltd  
438 Alexandra Road,  
Alexandra Point, #21-00  
Singapore 119958  
Phone: (65) 6276-4882  
Fax: (65) 6272-8776

## DIRECTORS OF THE MANAGER

### MR PHILIP ENG HENG NEE

Independent Non-Executive Chairman

### DR CHEW TUAN CHIONG

CEO and Executive Director

### MR CHIA KHONG SHOONG

Non-Executive Director

### MR BOBBY CHIN YOKE CHOONG

Independent Non-Executive Director

### MR LIM EE SENG

Non-Executive Director

### MR SOH KIM SOON

Independent Non-Executive Director

### MR CHRISTOPHER TANG KOK KAI

Non-Executive Director

## AUDIT COMMITTEE

Mr Bobby Chin Yoke Choong (Chairman)  
Mr Philip Eng Heng Nee  
Mr Soh Kim Soon

## COMPANY SECRETARY

Mr Piya Treruanchachada



**FRASERS CENTREPOINT ASSET MANAGEMENT LTD.**

As Manager of Frasers Centrepoint Trust  
Company Registration Number: 200601347G

438 Alexandra Road  
#21-00 Alexandra Point  
Singapore 119958

Phone: +65 6276 4882  
Fax: +65 6272 8776  
Email: [ir@fraserscentrepointtrust.com](mailto:ir@fraserscentrepointtrust.com)

**[www.fct.sg](http://www.fct.sg)**