



ANNUAL REPORT 2017

STRENGTH TO STRENGTH





Top: Causeway Point

Above left: YewTee Point

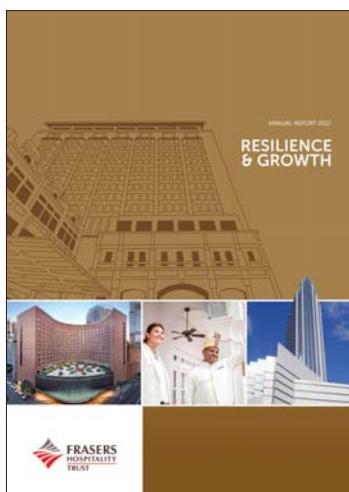
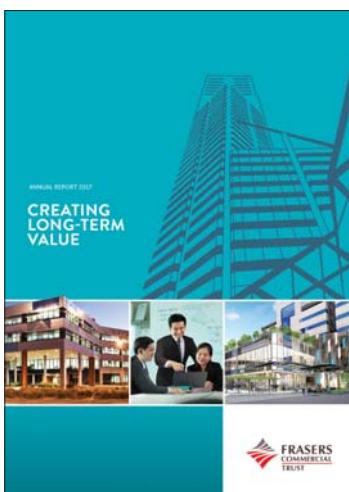
Above right: Northpoint City North Wing

STRENGTH TO STRENGTH

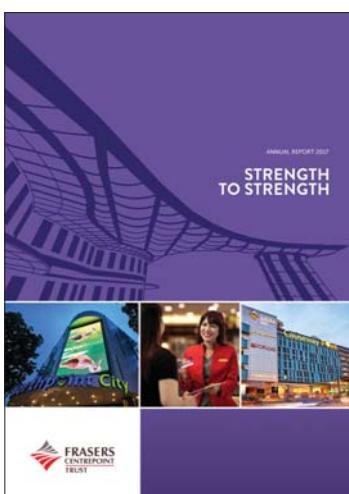


Beyond providing physical space, a building represents the successful combination of thoughtful design, curated experiences, and respectful stewardship. Like a blueprint, these form the foundation of a building. For this year's annual report design, the Frasers Centrepoint group of companies chose to feature line drawings of our key properties – a symbolic representation of our role as designer, curator and steward, not only of our properties, but also of our group. It represents our continuous efforts to build on solid foundations to transform our blueprints of growth for the group into reality for our stakeholders.

Frasers Centrepoint Trust (FCT) continues to build on the momentum from last year's milestone decade of growth, paving the way forward with a solid track record of DPU growth since our IPO – a distinctive achievement for SREITs. This is attributed to our resilient growth strategies and steady portfolio of high-quality retail malls.



As we grow from strength to strength, FCT will remain focused on optimising the performance and returns of our assets to ensure that they remain relevant to shoppers and tenants. We will also build on our strong financial position to pursue organic growth opportunities, with the aim of delivering greater returns to all unitholders.



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ABOUT FRASERS CENTREPOINT TRUST

Frasers Centrepoint Trust ("FCT") is a Singapore-domiciled retail real estate investment trust ("REIT"). FCT was listed on the mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST) on 5 July 2006. FCT has a market capitalisation of approximately S\$1.95 billion as at 29 September 2017.

FCT's principal activity is to invest in income-producing properties used primarily for retail purposes, in Singapore and overseas. Its primary objectives are to deliver regular and stable distributions to unitholders and to achieve long-term capital growth. The objectives are achieved through a combination of its organic, enhancement and acquisition growth strategies. FCT also owns a 31.15% equity stake in an associate of FCT, Hektar Real Estate Investment Trust, which is listed on the Main Market of Bursa Malaysia Securities Berhad.

FCT's portfolio comprises six quality suburban malls in Singapore with a total appraised value of \$2.67 billion as at 30 September

2017. These malls are Causeway Point, Northpoint City North Wing (including Yishun 10 retail podium), Changi City Point, Bedok Point, YewTee Point and Anchorpoint. FCT's suburban malls are located in residential areas with good shopper catchment and connectivity to public transport, and they offer the shoppers a wide range of products and services that cater to their convenience, necessity shopping needs and dining options. The malls enjoy high occupancy and steady shopper traffic which underpin the stability of FCT's net property income.

FCT has achieved steady portfolio growth and delivered stable distribution returns to unitholders through prudent capital management and successful execution of its growth strategies. Its total assets grew from S\$938 million at its initial public listing to S\$2.75 billion as at 30 September 2017. The distribution per unit to unitholders also grew steadily to 11.90 cents in FY2017 at a compounded annual growth rate of 6.4% over the eleven years since its listing.

FCT is managed by the Manager of FCT, Frasers Centrepoint Asset Management Ltd., a real estate management company and a subsidiary of Frasers Centrepoint Limited.

OUR UNIFYING IDEA

Experience matters.

We believe our customers' experience matters.

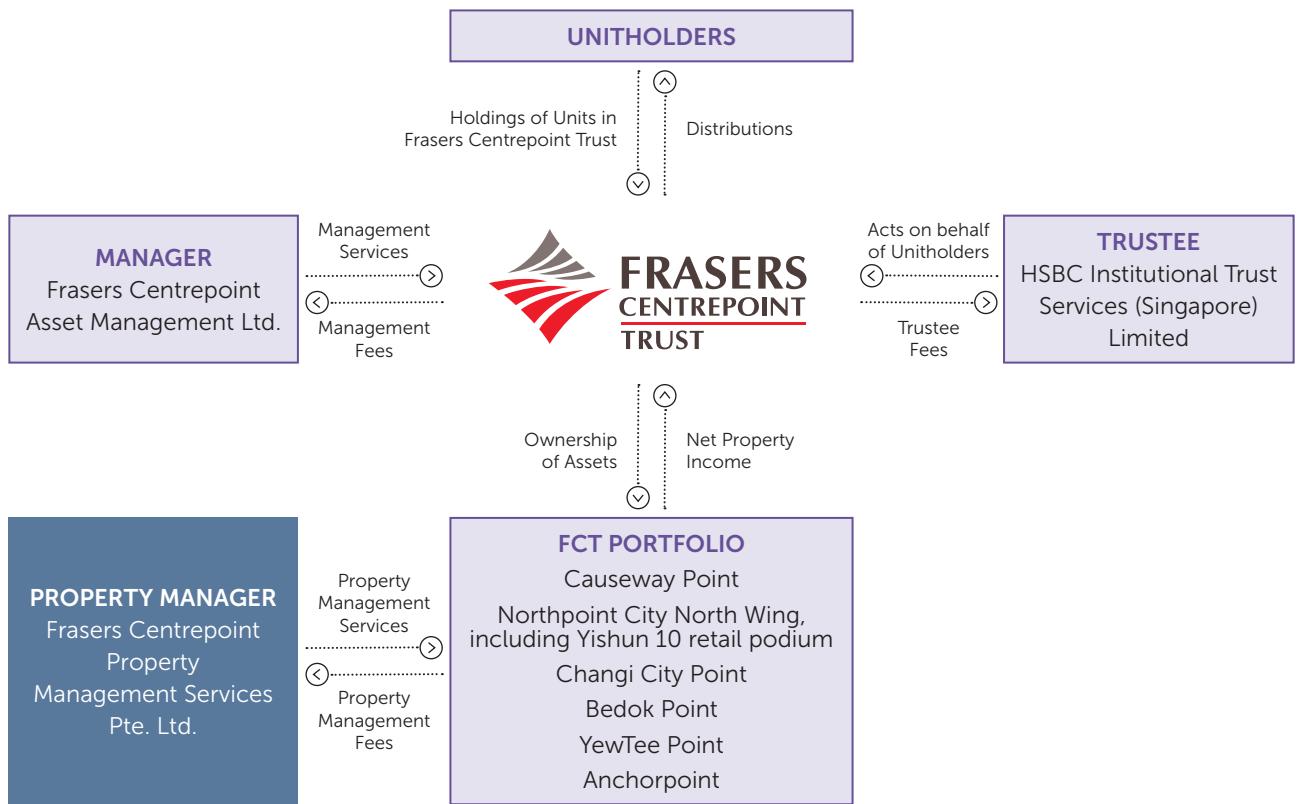
When we focus on our customers' needs we gain valuable insights which guide our products and services. We create memorable and enriching experiences for our customers.

We believe our experience matters.

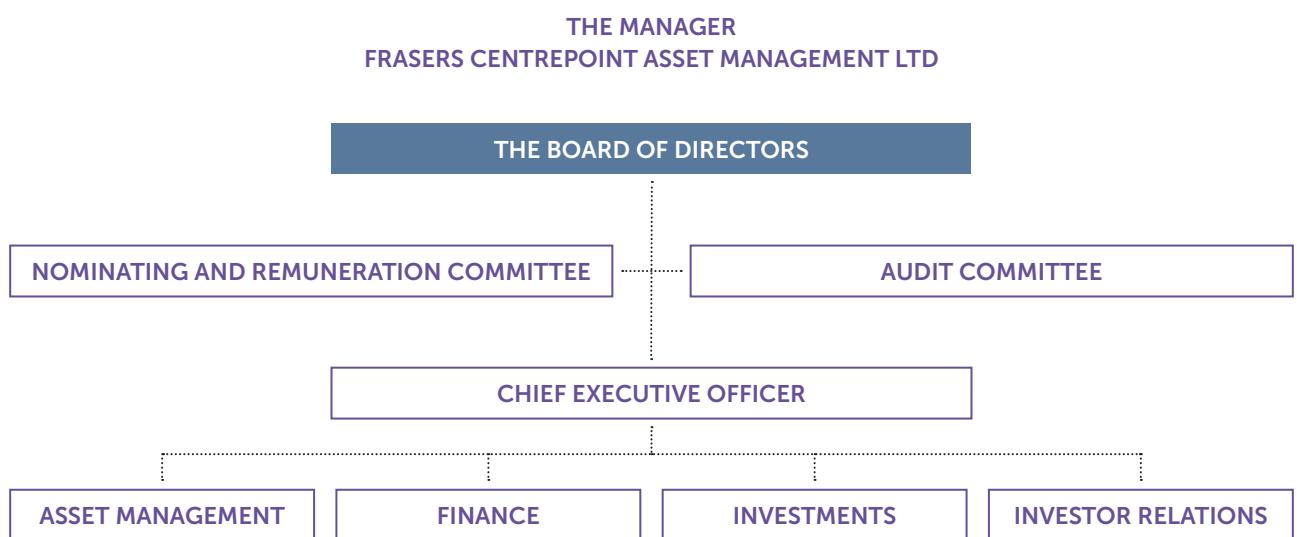
Our sponsor's legacy is valuable and inspires our approach. We bring the right expertise to create value for our customers. We celebrate the diversity of our staff and the expertise they bring, and we commit ourselves to enabling their professional and personal development.



STRUCTURE OF FRASERS CENTREPOINT TRUST



ORGANISATION STRUCTURE OF THE MANAGER



FCT BUSINESS STRATEGY

FCT's investment objectives are to own and to invest in income-producing properties or properties that could be developed or redeveloped into income-producing properties, used primarily for retail purposes, in Singapore and overseas. Frasers Centrepoint Asset Management Ltd. (FCAM), the Manager of FCT, is responsible for FCT's investment and financing strategies, asset acquisition and disposition and for the overall management of FCT's portfolio of investment properties.

FCAM's key objectives are to deliver regular and stable distributions to Unitholders and to achieve long-term growth in the net asset value per Unit so as to provide Unitholders with a competitive rate of return for their investments.

FCAM's strategies to achieve growth for FCT are as follows:



ACQUISITION GROWTH STRATEGY

Identifying and pursuing growth opportunities via acquiring additional income-producing properties and properties that could be developed or redeveloped into income-producing properties. The acquisitions should meet FCT's investment objectives to enhance yields and returns for Unitholders while improving portfolio diversification. The acquisition opportunities includes Sponsor's pipeline assets and 3rd party assets, in Singapore and overseas.



ENHANCEMENT GROWTH STRATEGY

This includes change of configuration and layout of the properties to achieve better asset yield and sustainable income growth; and to achieve value creation through Asset Enhancement Initiative (AEI) to improve the income producing capability of the properties.



ORGANIC GROWTH STRATEGY

Active lease management to achieve positive rental reversions, maintaining healthy portfolio occupancy to provide steady rental growth.

FCAM adopts prudent capital and risk management strategies in its course of business:



CAPITAL MANAGEMENT

FCAM 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, costs of capital, interest rates exposure and overall liquidity position.



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 framework. Recognising and managing risks are central to the business and to protecting Unitholders' interests.

FY2017 HIGHLIGHTS



STRONG FINANCIAL PERFORMANCE

- FY2017 Distribution per unit (DPU) up 1.2% to historical high of 11.9 cents, achieving 11th consecutive year of steady DPU growth.
- Net asset value up 4.7% to historical high of S\$2.02 per Unit.
- Net property income held steady at \$129.6 million.
- Total appraised value of portfolio at \$2,668.1 million, up from \$2,509.0 million a year ago, driven mainly by increase in valuations of Causeway Point and Northpoint City North Wing.



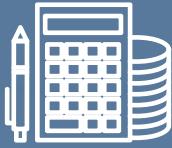
MAINTAINING ROBUST FINANCIAL POSITION

- Maintains low gearing level at 29.0%.
- Maintains low average cost of borrowing at 2.3%.
- Strengthened capital structure with issuance of 2 new tranches of bonds of totalling S\$120 million in FY2017.
- Healthy debt maturity at 2.3 years.
- Healthy interest cover of 6.85 times.
- Maintains investment grade credit ratings at BBB+ (S&P) and Baa1 (Moody's) with stable outlook.



IMPROVED OPERATIONAL PERFORMANCE

- Improved portfolio occupancy at 92.0%, up from 89.4% a year ago.
- Healthy weighted average lease expiry (by net lettable area) of 1.82 years.
- Positive portfolio average rental reversion of 5.1% for FY2017.
- Renewed 27.7% of the leases (by net lettable area) in FY2017, well-spread out lease maturity profile from FY2018 – FY2022.



ACQUISITION AND ASSET ENHANCEMENT INITIATIVE (AEI)

- Completed the acquisition of 10 strata-titled retail units at Yishun 10 retail podium for \$37.75 million on 16 November 2016.
- Completed the \$60 million AEI project for Northpoint City North Wing on time and within budget.



STRENGTHENING OUR CORPORATE GOVERNANCE

- New Board Members – Mr Simon Ho and Mr Ho Chai Seng joined the Board as non-executive and independent directors. Mr Bobby Chin stepped down as non-executive and independent director after 11 years of service on the Board.
- As at 30 September 2017, at least 50% of the Board of Directors of the Manager are Independent Directors.



PUSHING ON WITH OUR SUSTAINABILITY EFFORTS

- Achieved 7.2% and 2.0% year-on-year improvement in average building energy and water intensity, respectively, for the properties in our portfolio.
- Maintains zero incidents of non-compliance with relevant codes, laws and regulations.
- Maintains zero incidents of safety-related non-compliance.
- Achieved Water Efficient Building certifications awarded by PUB for all our properties.
- Employees of the Manager received an average of 66.6 hours of training per employee in FY2017, exceeding target of 40 hours per year.

KEY EVENTS



JANUARY 2017

FCT held its 8th Annual General Meeting on 20 Jan 2017 and all resolutions proposed were duly passed.

FCT announced its results for 1Q17, with 1Q17 DPU up 0.7% to 2.89 cents.

FEBRUARY 2017

Announcement of the appointment of Mr Simon Ho Chee Hwee as Non-Executive and Independent Director.

Establishment of S\$3 Billion Multicurrency Debt Issuance Programme.

APRIL 2017

Issued S\$90 million 2.365% Notes Due 2020 under the S\$1Billion Multicurrency MTN Programme.

Announcement of 2Q17 financial results, with 2Q17 DPU held steady at 3.04 cents.

JUNE 2017

Issued S\$30 Million 2.645% Notes due 2022 under the S\$1 Billion Multicurrency MTN Programme.

Announcement of the appointment of Mr Ho Chai Seng as Non-Executive and Independent Director and the changes in the composition of Board Committees.

JULY 2017

Announcement of 3Q17 financial results, with 3Q17 DPU at 3.0 cents.

Announcement of cessation of Mr Bobby Chin as non-executive and independent director, and changes to the composition of Board Committees. Mr Simon Ho Chee Hwee appointed as Chairman of Audit Committee, succeeding Mr Bobby Chin.

AUGUST 2017

FCT subscribed for its full allocation in the rights issue of its associate company Hektar REIT.

FCT won the Gold Award for the Best Retail REIT (Singapore) at the Asia Pacific Best of the Breeds REITs Awards 2017.

OCTOBER 2017

FCT announced its FY2017 financial results, with full year DPU up 1.2% to 11.9 cents.



OCTOBER 2016

FCT announced its FY2016 financial results, with full year DPU up 1.3% to 11.764 cents.

NOVEMBER 2016

FCT announced on 4 November the acquisition of Yishun 10 retail podium for S\$37.75 million. The acquisition was completed on 16 November.

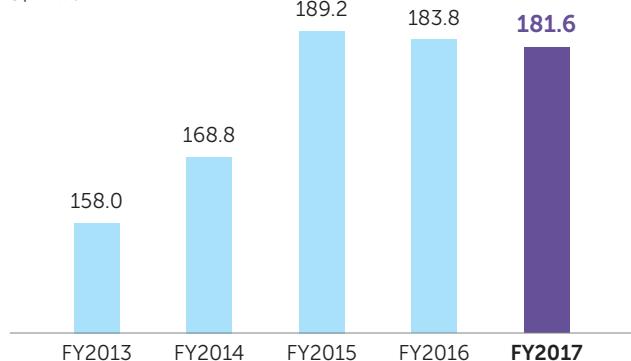
FCT won the Best Sustainable Growth REIT in Asia at the Fortune Times REITs Pinnacle Awards 2016.



5-YEAR PERFORMANCE AT A GLANCE

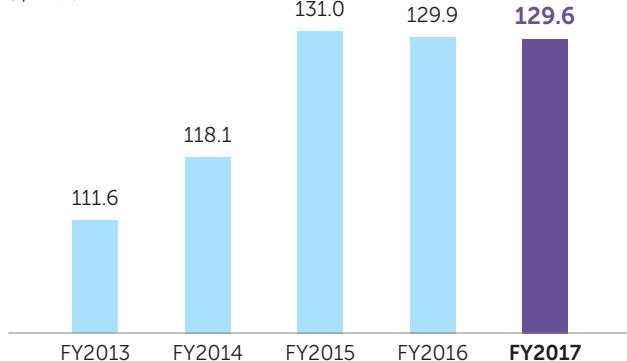
REVENUE

\$\\$ million



NET PROPERTY INCOME

\$\\$ million



DISTRIBUTION PER UNIT

S cents



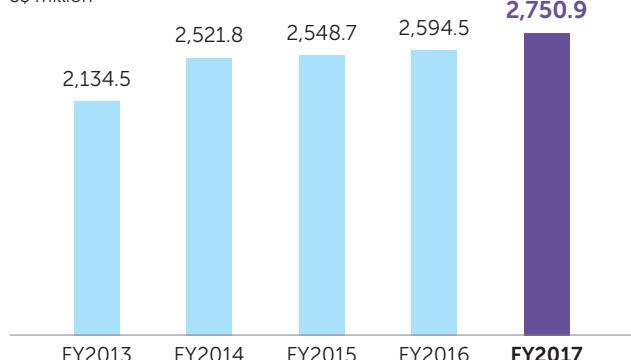
NET ASSET VALUE PER UNIT

\$\\$



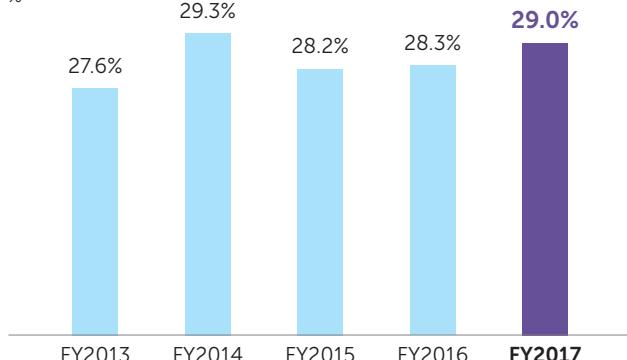
TOTAL ASSET

\$\\$ million



GEARING

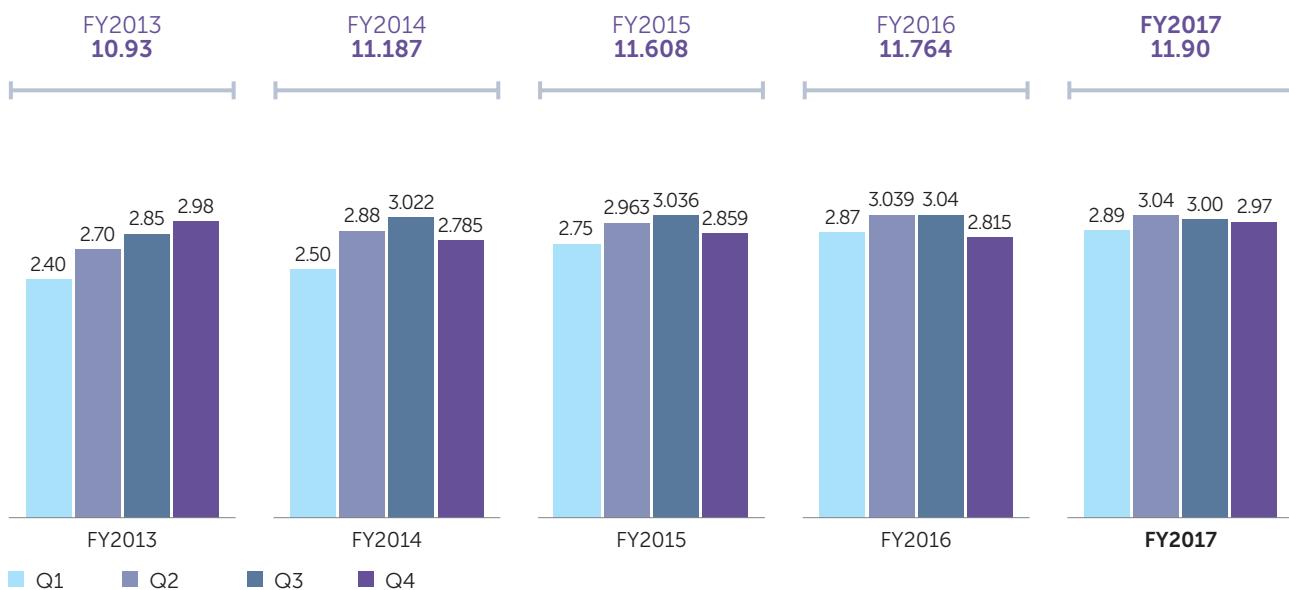
%



5-YEAR FINANCIAL HIGHLIGHTS

DISTRIBUTION PER UNIT BY QUARTERS

S cents



Group	For the Financial Year ending 30 September	FY2013	FY2014	FY2015	FY2016	FY2017
Selected Income Statement and Distribution Data (\$'000)						
Gross Revenue	157,959	168,754	189,242	183,816	181,595	
Net Property Income	111,590	118,096	131,043	129,852	129,558	
Distributable Income	90,131	95,442	106,412	108,101	110,615	
Selected Balance Sheet Data (\$ million)						
Total Assets	2,134.5	2,521.8	2,548.7	2,594.5	2,750.9	
Total Borrowings	589.0	739.0	718.0	734.0	798.0	
Net Assets	1,462.4	1,698.7	1,754.5	1,775.6	1,872.2	
Value of Investment Properties ¹	2,019.5	2,400.0	2,464.0	2,509.0	2,668.1	
Other Financial Indicators						
Distribution per Unit (cents)	10.93	11.187	11.608	11.764	11.90	
Net Asset Value per Unit (\$) ²	1.77	1.85	1.91	1.93	2.02	
Ratio of Total Borrowings to Total Assets (Gearing)	27.6%	29.3%	28.2%	28.3%	29.0%	
Interest Coverage (Times)	6.15	6.20	6.61	7.33	6.85	
Market Capitalisation (\$ million)	1,521.0	1,725.6	1,746.6	2,021.2	1,946.4	

1 The investment properties are: Causeway Point, Northpoint City North Wing (including Yishun 10 retail podium), Anchorpoint, YewTee Point, Bedok Point and Changi City Point.

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

UNIT PRICE PERFORMANCE

FCT UNIT PRICE PERFORMANCE

FCT unit price closed at \$2.11 on 29 September 2017 (being the last trading day of the month), this is about 4% lower than the closing price of \$2.20 a year ago.

Comparatively, the FTSE Straits Times Index and the FTSE REIT Index increased 12.21% and 4.36%, respectively during the same period.

COMPARATIVE 1 YEAR PRICE TRENDS

Base = 100



Source: Bloomberg

— FCT Unit Price

— FTSE REIT Index

— FTSE Straits Times Index (FSSTI)

TOTAL RETURNS COMPARISON

FCT's 1 year total return for the period 1 October 2016 to 30 September 2017 was 1.47%, as compared to total return of the FTSE Straits Times Index at 15.98% and the FTSE REIT Index at 10.88%. Over a longer time horizon,

FCT delivered total return of 32.89% and 55.19% over 3-year and 5-year periods, respectively, outperforming both the FTSE Straits Times Index and the FTSE REIT index.

	1 Year		3 years		5 years	
	1 Oct 2016 to 30 Sep 2017	Price Change %	1 Oct 2014 to 30 Sep 2017	Price Change %	1 Oct 2012 to 30 Sep 2017	Price Change %
	Total Return %		Total Return %		Total Return %	
FCT	-4.09%	1.47%	11.94%	32.89%	16.57%	55.19%
FTSE REIT Index	4.36%	10.88%	7.29%	29.61%	7.57%	46.13%
FTSE Straits Times Index	12.21%	15.98%	-1.73%	9.21%	5.21%	24.08%

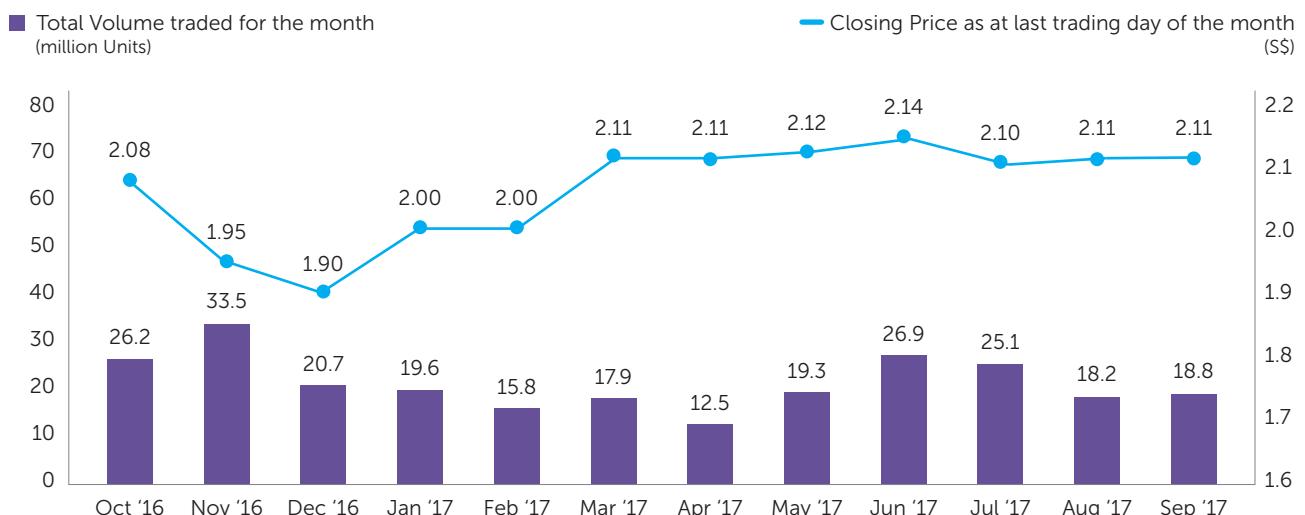
Source: Bloomberg

FCT MONTHLY TRADING PERFORMANCE IN FY2017

FCT's trading volume and the unit closing price for each month in FY2017 is shown in the chart "Trading Performance in FY2017" on page 13. The unit price increased from \$1.90 in December 2016 to about \$2.11 in March 2017, and remained relatively stable at between

\$2.11 and \$2.14 during the March to September 2017 period. The average daily trading volume in FY2017 was about 1 million units, which is about 5% higher than the same period in the previous year.

TRADING PERFORMANCE IN FY2017



Source: Bloomberg

The table below shows the historical trading information of FCT units in the past five financial years.

	FY2013	FY2014	FY2015	FY2016	FY2017
Opening price (\$\$)	1.815	1.845	1.885	1.905	2.200
Closing price (\$\$)	1.845	1.885	1.905	2.200	2.110
Highest closing price (\$\$)	2.320	2.000	2.150	2.210	2.190
Lowest closing price (\$\$)	1.765	1.660	1.850	1.800	1.870
Total volume traded (million Units)	280.3	306.4	312.5	239.4	254.5
Average daily trading volume (million units)	1.120	1.211	1.265	0.950	1.014
Market capitalisation ¹ (\$\$ billion)	1.521	1.726	1.747	2.021	1.946

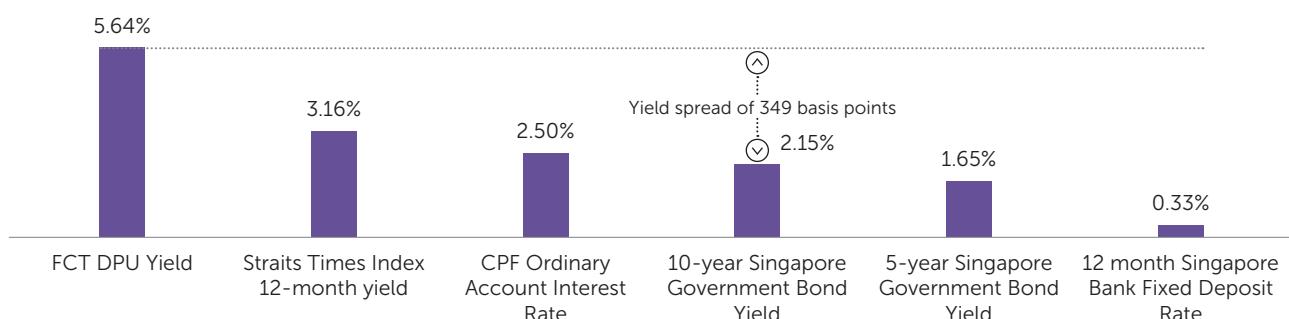
Source: Bloomberg

1 Based on the closing price and issued Units as at 30 September.

COMPARATIVE YIELDS - FCT OFFERS ATTRACTIVE YIELD RETURN COMPARED TO OTHER INVESTMENTS

FCT's distribution per unit (DPU) yield stood at 5.64%² as at 30 September 2017, this is higher compared to the yields of the FTSE Straits Times Index, CPF Ordinary Account interest rate, the 12-month fixed deposit rate

and the 5 & 10 year Singapore Government Bond yields. FCT's DPU yield spread over the 10-year Government bond yield is 349 basis points.



Sources: Bloomberg, Central Provident Fund (CPF) website

2 Based on the distribution per unit (DPU) of 11.9 cents for the period 1 October 2016 to 30 September 2017 and the closing unit price of S\$2.11 on 29 September 2017.

LETTER TO UNITHOLDERS



FCT has delivered another excellent set of results for FY2017, with achievement of historical highs for the distribution per Unit (DPU) and net asset value (NAV) per Unit.

 **FY2017 DPU OF
11.90 cents**
up 1.2%

Dear Unitholders,

We are pleased to present Frasers Centrepoint Trust (FCT)'s Annual Report and Sustainability Report for the financial year ended 30 September 2017 (FY2017).

EXCELLENT SET OF FY2017 RESULTS

FCT has delivered another excellent set of results for FY2017, with achievement of historical highs for the distribution per Unit (DPU) and net asset value (NAV) per Unit. DPU for FY2017 grew 1.2% year-on-year to 11.90 cents, it is FCT's eleventh consecutive year of DPU growth since its listing in 2006. NAV per Unit increased 4.7% year-on-year to \$2.02 per Unit on the back of gains from revaluation of portfolio properties. Over the last 3- and 5-year period, FCT registered total returns of 32.9% and 55.2%, respectively, and outperformed both the FTSE Straits Times Index and the FTSE REIT Index. This gratifying outcome is a result of our clear focus to deliver stable returns and long term growth to unitholders.

Revenue for FY2017 was \$181.6 million, 1.2% year-on-year lower due mainly to the planned vacancies in conjunction with the asset enhancement initiative (AEI) works at Northpoint City North Wing (Northpoint NW). Lower property expenses helped to keep the net property income (NPI) relatively unchanged at \$129.6 million. Causeway Point, our largest property, did most of the heavy lifting in NPI contribution. Causeway Point's NPI grew 5.7% and accounted for 50.6% of the total portfolio NPI. Changi City Point also saw a good 3.7% increase in its NPI on improved rental rates from lease renewals and higher average occupancy. NPI from Northpoint NW was 14.8%¹ down year-on-year due to the AEI which started in March 2016. With the completion of the AEI, Northpoint NW's performance will continue to pick up progressively, as occupancy improves and rental income recovers.

STRONG FINANCIAL POSITION

FCT's financial position remains strong with gearing level at 29.0% as at 30 September 2017, one of the lowest among its S-REIT peers listed on the SGX-ST. The all-in average cost of borrowings was 2.3% and the weighted average debt maturity was 2.3 years. We have currently about 55% of the borrowings on fixed or hedged-to-fixed interest rates. We will continue to remain prudent in our capital management and monitor the interest rate environment with vigilance.

HIGHER VALUATIONS LIFTED NAV TO \$2.02 PER UNIT

Total appraised value of FCT's portfolio of properties as at 30 September 2017 stood at \$2,668.1 million, some \$159 million higher than the \$2,509.0 million recorded a year ago. The increase was due to the higher appraised values of several of FCT properties, particularly Causeway Point and Northpoint NW, as well as the addition of Yishun 10 retail podium acquired in November 2016. The higher appraised

portfolio value lifted the NAV of FCT to \$2.02 per unit, from \$1.93 per unit a year ago.

IMPROVED PORTFOLIO OCCUPANCY, POSITIVE RENTAL REVERSIONS

The portfolio occupancy as at 30 September 2017 was 92.0%, higher than the 89.4% a year ago. The increase came mainly from Northpoint NW, which improved its occupancy to 81.2%² from 70.9% as the AEI moved towards completion; and from Changi City Point, which saw its occupancy increased to 88.5% from 81.1% with new tenants commencing their leases during the year.

During the year, a total of 186 leases accounting for nearly 300,000 square feet or 27.7% of FCT's total net lettable area ("NLA") were renewed at an average rental reversion of +5.1%, a commendable performance given the current slow retail environment. Causeway Point, which accounted about 53% of the total NLA renewed, achieved a healthy positive rental reversion of 7.7%. Other malls including Northpoint NW, Changi City Point and YewTee Point registered positive rental reversions, while Anchorpoint and Bedok Point registered negative rental reversions of 0.9% and 21.3%, respectively.

SHOPPER TRAFFIC AND OCCUPANCY COST

The portfolio shopper traffic in FY2017 was 98.4 million, this is about 3.6 million or 3.5% lower year-on-year. The lower traffic was traced mainly to the 3.9 million or 8.6% drop in shopper traffic at Northpoint NW due to the AEI works. Excluding Northpoint NW, the aggregate shopper traffic at the other properties would have been 0.5% higher year-on-year.

Overall portfolio tenants' sales in FY2017 were 5.7% lower year-on-year. All malls saw a decline in sales volume. Northpoint

Gearing level at **29.0%** is one of the lowest among its S-REIT peers.

1 Excludes contribution from Yishun 10 retail podium as property was acquired in November 2016.

2 Excluding Yishun 10 retail podium.

LETTER TO UNITHOLDERS



Northpoint City North-Wing

NW in particular, registered 15.2% lower tenants' sales year-on-year caused mainly by the AEI works. Excluding Northpoint NW, the average decline in tenants' sales for the other five malls was about 3.4%. The portfolio occupancy cost, which is the ratio of gross rent to the tenants' sales, was 16.6% in FY2017. This is higher compared with 15.7% in FY2016 and 15.3% in FY2015. We monitor the occupancy cost of each mall carefully and will adjust our leasing and tenant mix strategies to maintain sustainable growth for our portfolio and to keep our malls competitive.

REJUVENATED NORTHPONT CITY NORTH WING

Eighteen months since the start in March 2016, the AEI at Northpoint NW is successfully completed, on schedule and within budget. As usual, this was accomplished through the dedication and diligence of all the Frasers team and partners involved in the AEI. AEIs form part of our overall strategy to periodically upgrade

our malls to provide sustainable income growth for FCT. This most recent endeavour, budgeted at \$60 million, comprised upgrading of the amenities, re-configuration of mall layout as well as to integrate with the Northpoint City South Wing³ to provide shoppers with seamless connectivity between the two retail wings, the Yishun MRT station and the bus interchange. Concurrently we have also introduced many exciting new food and beverage (F&B) brands, restaurants and retailers.

We project the average rental per square foot of NLA of Northpoint NW to improve by about 9% after stabilisation post-AEI. Although the increase in rental income for the property will be partially offset by a reduction of NLA of about 7.5%, the AEI is expected to deliver positive return on investment and more importantly, to bring about long-term benefits for FCT and its unitholders.

FOCUS ON CONTINUOUS IMPROVEMENT TO DRIVE FURTHER GROWTH

The Singapore Government has forecast Singapore's economy to grow by 3.0 to 3.5% in 2017, and 1.5 to 3.5% in 2018. This bodes well for the retail sector even as the sector transforms itself to respond to manpower shortage and omni-channel-shopping.

As we commence the new financial year 2018 on a strong footing, we remain focused on continuous improvement in the financial performance of FCT, on acquisition and AEI strategies to drive further growth and on optimising the performance of our portfolio to underpin organic growth. Prospects for acquisition include existing and future retail properties in the sponsor's portfolio, as well as other opportunities arising within Singapore and overseas.

³ Northpoint City South Wing is 100%-owned by FCT's sponsor, Frasers Centrepoint Limited.

SUSTAINABILITY REPORTING

Sustainability is an important aspect of FCT's long-term business strategy. Our Sustainability Report, which forms part of this Annual Report, is a testament of our commitment to sustainability in our business activities, our sector and the local communities. Our approach and strategy are aligned with the Frasers Centrepoint Group and we are committed to supporting the sustainability efforts and initiatives spearheaded by the Group.

ACCOLADES

FCT received two awards in FY2017, namely the Best Sustainable Growth REIT in Asia at the Fortune Times REITs Pinnacle Awards and the Gold Award for the Best Retail REIT (Singapore) at the Asia Pacific Best of the Breeds REITs Awards. These awards are in recognition of FCT's excellence in its operational performance, capital management, risk management and corporate governance, and fulfilling investor expectations.

EXPANDING OUTREACH TO INVESTORS

We devote appreciable amount of management time and resources to engage the investment community globally. During the year, our management met with 235 institutional investors (FY2016: 289). This is achieved through one-on-one meetings, non-deal road shows (NDRs), post-results luncheon and participation in investor conferences, both locally and overseas. The investors generally view FCT favourably because of its established track record in DPU, steady growth prospects, attractive total return, good corporate governance and transparent management. We will expand our outreach to new institutional investors and work towards growing and diversifying our unitholder base.

We continue to enjoy a strong base of research coverage. There are currently 17 equity research houses covering FCT, of which 12 of them hold positive views on the stock.

ACKNOWLEDGEMENTS

Mr Bobby Chin stepped down from the Board on 31 July 2017 as non-executive and independent director as part of the board renewal process. He has also relinquished his roles as Chairman of the Audit Committee and a member of the Nominating and Remuneration Committee. To Mr Chin who has served since the inception of FCT in 2006, the Board expresses its deep appreciation for his invaluable contributions.

We welcome Mr Simon Ho Chee Hwee and Mr Ho Chai Seng who joined the board this year as non-executive and independent directors. Both have been appointed as members of the Nominating and Remuneration Committee. Mr Simon Ho is also appointed the Chairman of the Audit Committee on 31 Jul 2017, succeeding Mr Bobby Chin.

In closing, we thank our fellow board members for their stewardship in guiding FCT forward. We would also like to thank the management and staff for their dedication and relentless hard work. Finally, we express our gratitude to our unitholders, business partners, tenants and shoppers for their continued support.



MR PHILIP ENG
Chairman



DR CHEW TUAN CHIONG
Chief Executive Officer

22 December 2017

BOARD OF DIRECTORS



MR PHILIP ENG HENG NEE, 71
Chairman, Non-Executive and Non-Independent Director



DR CHEW TUAN CHIONG, 59
Executive and Non-Independent Director

Date of appointment as a Director : 3 April 2006
Length of service as Director : 11 years 6 months
(as at 30 September 2017)

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
- Chartered Accountant (Singapore)

**Present directorships in other companies
(as at 30 September 2017)**

Listed companies

- Ezra Holdings Limited
- Frasers Centrepoint Limited (Chairman of Remuneration Committee and Member of Audit Committee)
- 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
- 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 2014 to 30 September 2017)

- NTUC Income Insurance Cooperative Limited
- mDR Limited

Past major appointment

- Group Managing Director, Jardine Cycle & Carriage Group

Others

Nil

Date of appointment as a Director : 14 July 2010
Length of service as Director : 7 years 2 months
(as at 30 September 2017)

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 in other companies
(as at 30 September 2017)**

Listed companies

Nil

Listed REITs/Trusts

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

Others

Nil

Major appointment (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 2014 to 30 September 2017)

Nil

Past major appointment

- Chief Executive of the Science Centre Singapore

Others

- 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



DR CHEONG CHOONG KONG, 76
Non-Executive and Lead Independent Director

Date of appointment as a Director : 18 May 2016
Length of service as Director : 1 year 4 months
(as at 30 September 2017)

Board committee served on

- Audit Committee (Member)
- Nominating and Remuneration Committee (Member)

Academic & Professional Qualifications

- Bachelor of Science (First Class Honours), Adelaide University
- Master of Science, Australian National University
- Doctor of Philosophy, Australian National University
- Doctor of Science (Honorary), Australian National University
- Degree of Doctor of the University (Honorary), Adelaide University

**Present directorships in other companies
(as at 30 September 2017)**

Listed companies

Nil

Listed REITs/Trusts

Nil

Others

Nil

Major appointments (other than Directorships)
Nil

**Past Directorships in listed companies
held over the preceding 3 years
(from 1 October 2014 to 30 September 2017)**

- Great Eastern Holdings Limited
- Overseas-Chinese Banking Corporation Limited
- The Overseas Assurance Corporation Limited
- OCBC Wing Hang Bank Ltd
- OCBC Management Services Private Limited

Past Major appointments

- Chairman, Oversea-Chinese Banking Corporation
- CEO of Singapore Airlines Ltd

Others

Nil



MR HO CHAI SENG, 57
Non-Executive and Independent Director

Date of appointment as a Director : 30 June 2017
Length of service as Director : 3 months
(as at 30 September 2017)

Board committee served on

- Audit Committee (Member)¹
- Nominating and Remuneration Committee (Member)¹

Academic & Professional Qualifications

- Bachelor of Commerce, University of Windsor, Canada
- Member, Singapore Institute of Directors
- Member, International Bankers Association of Japan

**Present directorships in other companies
(as at 30 September 2017)**

Listed companies

Nil

Listed REITs/Trusts

Nil

Others

Nil

Major appointments (other than Directorships)

- Executive Director and Country Manager, United Overseas Bank Ltd, Tokyo Branch

Past Directorships in listed companies

**held over the preceding 3 years
(from 1 October 2014 to 30 September 2017)**

- Frasers Property (UK) Limited

Past major appointments

- Vice President, BHF-Bank, New York
- Assistant General Manager, BHF-Bank, Singapore
- General Manager, DBS Bank, London
- General Manager, United Overseas Bank Ltd. London
- Executive Director, United Overseas Bank Ltd. Singapore

Others

Nil

¹ Appointed as a member of the Audit Committee and the Nominating and Remuneration Committee on 30 June 2017.

BOARD OF DIRECTORS



MR SIMON HO CHEE HWEE, 56
Non-Executive and Independent Director



MR SOH KIM SOON, 71
Non-Executive and Independent Director

Date of appointment as a Director : 9 February 2017
Length of service as Director : 7 months
(as at 30 September 2017)

Board committees served on

- Audit Committee (Chairman)²
- Nominating and Remuneration Committee (Member)²

Academic & Professional Qualifications

- Bachelor of Science (Estate Management) (Honours), National University of Singapore
- Master of Real Estate, National University of Singapore

Present directorships in other companies
(as at 30 September 2017)

Listed companies
Nil

Listed REITs/Trusts
Nil

Others
Allgreen Properties Limited

Major appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding 3 years
(from 1 October 2014 to 30 September 2017)

Nil

Past Major appointments

- Deputy CEO of CapitaMalls Asia Limited (now known as CapitaLand Mall Asia Limited)
- CEO of the Manager of CapitaMall Trust (now known as CapitaLand Mall Trust)

Others

- Previously on the Board of directors of the managers of CapitaLand Mall Trust (which is listed on the Singapore Exchange Securities Trading Limited) and CapitaLand Malaysia Mall Trust (which is listed on Bursa Malaysia)

² Appointed as a member of the Audit Committee and the Nominating and Remuneration Committee on 30 June 2017. Mr Ho was appointed as the Chairman of the Audit Committee on 31 July 2017.

Date of appointment as a Director : 23 March 2006
Length of service as Director : 11 years 6 months
(as at 30 September 2017)

Board committees served on

- Nominating and Remuneration Committee (Chairman)
- Audit Committee (Member)

Academic & Professional Qualifications

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

Present directorships in other companies
(as at 30 September 2017)

Listed companies

- CapitaLand Retail China Trust Management Limited (Chairman), Manager of CapitaLand Retail China Trust

Others
• ORIX Leasing Singapore Limited (Chairman)

Major appointments (other than Directorships)
• ORIX Investment & Management Private Limited (Chairman)

Past Directorships in listed companies held over the preceding 3 years
(from 1 October 2014 to 30 September 2017)

- EnGro Corporation Limited

Past major appointment

- Senior Managing Director of DBS Bank

Others

Nil



MR CHRISTOPHER TANG KOK KAI, 56
Non-Executive and Non-Independent Director

Date of appointment as a Director : 27 January 2006
Length of service as Director : 11 years 8 months
(as at 30 September 2017)

Board committee served on

- Nominating and Remuneration Committee (Member)

Academic & Professional Qualifications

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

Present directorships in other companies

(as at 30 September 2017)

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)

Major appointments (other than Directorships)

- Chief Executive Officer, Singapore, Frasers Centrepoint Limited

Past Directorships in listed companies

held over the preceding 3 years

(from 1 October 2014 to 30 September 2017)

Nil

Past major appointments

- Chief Executive Officer, Frasers Centrepoint Commercial, Frasers Centrepoint Limited
- Chief Executive Officer, China, Frasers Centrepoint Limited
- Chief Executive Officer of Frasers Centrepoint Asset Management Ltd, the Manager of Frasers Centrepoint Trust

Others

- Previously worked with DBS Bank, DBS Land and British Petroleum

TRUST MANAGEMENT TEAM



From left to right:
Mr Alex Chia, Ms Lim Poh Tin, 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 30 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 and Guocoland. She started her career as an external auditor with 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

MS STEPHANIE HO

General Manager, Retail Properties

Stephanie oversees the operational management of nine Frasers Centrepoint Malls, including six malls in the portfolio of Frasers Centrepoint Trust. Stephanie has more than 25 years of experience in retail mall management and consultancy. Prior to joining Frasers Centrepoint Limited in November 2016, she was with AsiaMalls Management Pte Ltd for over 12 years and has held various positions including Senior Manager for group leasing, General Manager, Deputy CEO and Executive Director. Stephanie started her career with Jones Lang Wootton and had worked for the retail brand Puma, and at DTZ Debenham Tie Leung in the field of retail consultancy and marketing. Stephanie holds a degree in Bachelor of Arts from the National University of Singapore, majoring in Political Science and Economics.

MS JILL NG

Head, Marketing & Communications, Frasers Centrepoint Singapore

Jill leads the marketing and communications team at Frasers Centrepoint Singapore, driving experiential marketing, loyalty and digital initiatives for the retail division while advocating the continued refinement of customer journeys. Across the Singapore strategic business unit, which comprises the residential, retail and commercial divisions, she champions corporate branding, internal communications, public affairs, CRM and the ongoing push towards a seamless brand experience. Recent team accolades include the Gold Award for Emerging Technology at the 2017 ICSC Asia Pacific Awards and a Silver Award from Community Chest for continued community investment.

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 25 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. She is also a Member of Singapore Institute of Surveyors and Valuers.

INVESTOR RELATIONS

WE ARE COMMITTED TO 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, media and the investors. 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 communication platforms between the board of directors, the management of FCAM and the unitholders of FCT. FCT convened its 8th AGM on 20 January 2017. 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.

PROACTIVE OUTREACH TO INVESTORS THROUGH MANY CHANNELS

FCAM proactively engages investors and the research analysts through many channels to extend its outreach and to raise the profile of FCT among investors. This is achieved through active participation in conferences, non-deal roadshows and various investor engagement events organized by the securities firms, banks, the Singapore Exchange (SGX) and various institutions including REIT Association of Singapore (REITAS) and ShareInvestor. We also engage retail investors through participation in seminars, forums and large scale symposium such as the ShareInvestor REIT Symposium, where retail investors could interact with our head of investor relations.

FCT was featured in MediaCorp's Channel 8 (Singapore's national television) Chinese current affairs program "Money Week" (财经追击) in July and August 2017, which the episodes focused on Singapore suburban retail malls. In the program, FCAM's Chief Executive Officer, Dr Chew provided insights on the business environment and the various challenges relating to Singapore's suburban retail

sector. The program has strong viewership, particularly with the Chinese speaking population and it was an opportunity for us to reach out to this group of potential investors.

ENGAGED 235 INSTITUTIONAL INVESTORS IN FY2017

The senior management of FCAM meets regularly with FCT's investors and analysts at investors' conferences, non-deal roadshows (both overseas and local), one-on-one meetings and post-results luncheons to apprise them of FCT's corporate developments and financial performance. We also conduct property tours at our malls for analysts, investors and journalists for them to better understand the operation and dynamics of our business and the progress of asset enhancement initiative works (AEI) at our properties.

In FY2017, FCAM management held meetings with 235 institutional investors (FY2016: 289). 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.

EXPANDING INVESTOR BASE THROUGH ADDING NEW NON-DEAL ROADSHOW (NDR) VENUES

Since 2014, FCAM has worked with various securities firms to explore opportunities to meet new investors in locations new to FCT. In 2014, we conducted FCT's first NDR to Bangkok and in the following year 2015, we conducted our first NDR to Seoul. These NDRs gave us the opportunity to introduce Singapore and SREITs to some institutional investors who were not familiar with Singapore and FCT and it created momentum in investors' interests. We were encouraged to see some of

Summary of investor relations activities	Singapore	Overseas	Total
Non-deal roadshows:	0	4	4
Investors' Conferences:	6	2	8
Post-results events	8	0	8
Symposiums and Seminars	5	1	6
AGM	1	0	1
Total	20	7	27

these investors becoming unitholders in FCT following our NDRs. We added Taipei to our list of NDRs in FY2017 for the first time and we will continue to work towards growing and diversifying our unitholder base. During FY2017, we hosted or participated in the following investor relations activities:

Time Frame	Event	Date	Venue
1QFY17 1 October – 31 December 2016	Release of 4QFY16 and full year FY2016 results and Post Results Analysts' Briefing	21 October 2016	Singapore
	Post-FY2016 Results Investors' Lunch hosted by Citi	21 October 2016	Singapore
	SGX-SMAM SREITs Promotion Event	27 October 2016	Tokyo
	Non-Deal Roadshow hosted by Daiwa	28 October 2016	Tokyo
	DBS-REITAS REITs Investors' Luncheon for Private Bankers and High Networth Individuals	9 November 2016	Singapore
	Morgan Stanley 15th Annual Asia Pacific Summit	16 November 2016	Singapore
2QFY17 1 January – 31 March 2017	DBS Pulse of Asia Conference	4 January 2017	Singapore
	8th Annual General Meeting	20 January 2017	Singapore
	Release of 1QFY17 Results and Post Results Analysts' Conference Call	20 January 2017	Singapore
	Post-1QFY17 Results Investors' Lunch hosted by Religare	23 January 2017	Singapore
	SGX- Healthcare & REITS Corporate Day	21 February 2017	Taipei
	SGX-SREITs Corporate Day	13 March 2017	Seoul
3QFY17 1 April – 30 June 2017	Daiwa ASEAN REIT Day	24 March 2017	Singapore
	Release of 2QFY17 Results and Post Results Analysts' Briefing	25 April 2017	Singapore
	Post-2QFY17 Results Investors' Lunch hosted by Credit Suisse	25 April 2017	Singapore
	Presentation at SGX-REITAS Quarterly REITs Education Series	15 May 2017	Singapore
	8th Annual dbAccess Asia Conference 2017	15 May 2017	Singapore
	Bank of Singapore Forum 2017 – A Brave New Asia	17 May 2017	Singapore
4QFY17 1 July – 30 September 2017	Frasers Day (Hosted by DBS Bank)	19 May 2017	Bangkok
	Citi ASEAN Investor Conference 2017	25 May 2017	Singapore
	ShareInvestor REIT Symposium 2017	27 May 2017	Singapore
	Citi Asia Pacific Property Conference 2017	22-23 June 2017	Hong Kong
	Tokyo Non-Deal Roadshow hosted by UBS	3-4 July 2017	Tokyo
	Release of 3QFY17 Results and Post Results Analysts' Conference Call	24 July 2017	Singapore
	Post-3QFY17 Results Investors' Lunch hosted by Bank of America Merrill Lynch	25 July 2017	Singapore
	The Asia Pacific Best Of The Breeds REITs Conference and Awards	6 August 2017	Singapore
	SGX-REITAS-Citi C-Suite Singapore REITs and Sponsors Corporate Day 2017	24 August 2017	Singapore

INVESTOR RELATIONS

2
Awards
in FY2017



BEST SUSTAINABLE GROWTH REIT IN ASIA
Fortune Times REITs Pinnacle Awards



GOLD AWARD FOR THE BEST RETAIL REIT (SINGAPORE)
Asia Pacific Best of the Breeds REITs Awards



ACCOLADES

FCT has received two awards in FY2017, namely the Best Sustainable Growth REIT in Asia at the Fortune Times REITs Pinnacle Awards and the Gold Award for the Best Retail REIT (Singapore) at the Asia Pacific Best of the Breeds REITs Awards. These awards are in recognition of FCT's operational performance, capital management, risk management, corporate governance among other considerations.



Dr Chew receiving the award for the Best Sustainable Growth REIT in Asia from H.E. Ngurah Swajaya, the Ambassador of the Republic of Indonesia to Singapore at the Fortune Times REITs Pinnacle Awards on 18 November 2016.



Dr Chew receiving the Gold Award for the Best Retail REIT (Singapore) from Professor Deng Yong Heng, the Guest of Honour at the Asia Pacific Best Of The Breeds REITs Awards on 6 August 2017.

COVERAGE BY EQUITY RESEARCH HOUSES

As at 30 September 2017, there were 17 equity research firms (FY2016: 18) which provided equity research coverage on FCT. 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. RHB
16. UBS
17. UOB Kay Hian Research

Note: Religare Institutional Research ceased its equity research activities during 2017.

FY2018 FINANCIAL CALENDAR[#]

23 January 2018	Annual General Meeting
23 January 2018	1Q FY2018 Results Announcement
End February 2018	1Q FY2018 Distribution Payment
April 2018	2Q FY2018 Results Announcement
End May 2018	2Q FY2018 Distribution Payment
July 2018	3Q FY2018 Results Announcement
End August 2018	3Q FY2018 Distribution Payment
October 2018	4Q FY2018 Results Announcement
End November 2018	4Q FY2018 Distribution Payment

Note: Dates are indicative and are subject to change

ENQUIRIES

For general enquiries on FCT, please contact:
Mr Chen Fung Leng
Head, Investor Relations & Research
Frasers 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

OPERATIONS & FINANCIAL REVIEW

OPERATIONS REVIEW

LEASE RENEWALS

A total of 186 leases were renewed in FY2017 (FY2016: 153). These leases accounted for 299,427 square feet or 27.7% of FCT's total net lettable area (the "NLA"). The average rental reversion of these renewals was 5.1% (FY2016: 9.9%). 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 Anchorpoint and Bedok Point, recorded positive rental reversions of between 2.6% and 12.0% for the year under review.

SUMMARY OF LEASES RENEWED IN FY2017 (Excluding newly-created and reconfigured area)

Property	Number of leases renewed	Aggregate area of renewed leases (square feet)	Renewed area as percentage of property's NLA	Increase / (Decrease) in average rental rates of renewed leases compared with rental rates of preceding leases
Causeway Point	83	161,006	38.7%	7.7%
Northpoint City North Wing	23	20,929	9.6%	6.8%
Yishun 10 Retail Podium	2	2,533	24.3%	5.6%
Changi City Point	25	37,911	18.3%	12.0%
Bedok Point	14	30,346	36.7%	(21.3%)
YewTee Point	20	22,722	30.8%	2.6%
Anchorpoint	19	23,980	33.8%	(0.9%)
FCT Portfolio	186	299,427	27.7%	5.1%

LEASE EXPIRY PROFILE

The portfolio lease expiry from FY2018 to FY2022 and the lease expiry by property in FY2018 are presented in tables below. 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 leases due in the next two years in FY2018 and FY2019 account for 29.2% and 26.9% of FCT's Gross Rental Income (the "GRI"), respectively. As at 30 September 2017, the weighted average lease expiry (the "WALE"¹) of FCT portfolio stood at 1.82 years by NLA and 1.73 years by GRI. The aggregate NLA of the leases in FCT portfolio² due for renewal in FY2018 is 268,103 square feet and 73% of it (196,532 square feet) is attributed to the three larger malls - Causeway Point, Northpoint City North Wing and Changi City Point.

PORTFOLIO LEASE EXPIRY AS AT 30 SEPTEMBER 2017 Excluding Vacancies

	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Number of leases expiring	243	176	227	15	9	670
Leased area expiring (square feet)	268,103	256,929	338,193	72,719	57,282	993,226
Expiries as % of total leased area	27.0%	25.9%	34.0%	7.3%	5.8%	100.0%
Expiries as % of total GRI	29.2%	26.9%	35.6%	4.3%	4.0%	100.0%

1 Computation of WALE is as follows:

WALE_{NLA} = Sum of (Remaining Lease Tenure x NLA of Individual leases) / Total Leased Area

WALE_{GRI} = Sum of (Remaining Lease Tenure x GRI of Individual leases) / Total GRI

Remaining lease Tenure = time period between reporting date and the lease expiry date

2 Includes leases in Yishun 10 retail podium

LEASE EXPIRY FOR FY2018 AS AT 30 SEPTEMBER 2017

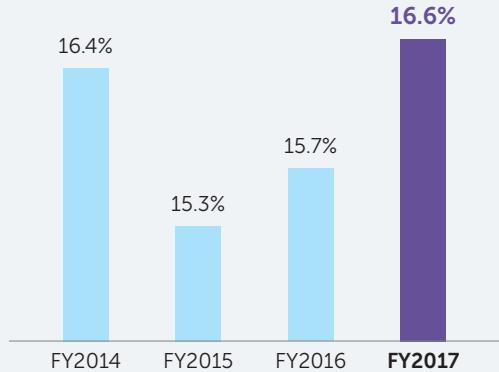
Excluding Vacancies

Property	Number of leases expiring	Leased area expiring (square feet)	Expires as % of property's total leased area	GRI of expiring leases as % of the property's total GRI
Causeway Point	75	106,927	25.8%	27.4%
Northpoint City North Wing and Yishun 10 retail podium	44	36,976	19.8%	21.7%
Changi City Point	53	52,629	28.7%	36.0%
Bedok Point	20	23,697	33.6%	42.3%
YewTee Point	37	37,966	53.9%	56.5%
Anchorpoint	14	9,908	14.5%	15.9%
Total FCT	243	268,103	27.0% ¹	29.2% ²

1 As percentage of leased area of FCT portfolio, excluding vacancy, as at 30 September 2017

2 As percentage of gross rent income of FCT portfolio for the month of September 2017, excluding gross turnover rent

FCT PORTFOLIO OCCUPANCY COST



PORTFOLIO TENANTS' SALES AND OCCUPANCY COST

FCT's portfolio tenants' sales declined an average of 5.7% in FY2017 compared to FY2016. All properties showed decline in tenant's sales. Northpoint City North Wing in particular, experienced the sharpest tenant's sales decline of 15.2% due to the planned vacancies in conjunction with the asset enhancement initiatives, which affected both the shopper traffic and the tenant's sales through the entire FY2017. Excluding Northpoint City North Wing, the average decline in tenant's sales was 3.4%.

The average occupancy cost for FCT portfolio for the 12-month period between October 2016 and September 2017 was 16.6%, an increase of 90 basis points compared with 15.7% registered in FY2016. Occupancy cost refers to the ratio of gross rental (including turnover rent) paid by the tenants to the tenant's sales turnover (excluding Goods & Services Tax). The occupancy cost for FY2017 and the preceding 3 financial years is presented in the chart on the left.

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, 93% of the occupied leases include Gross Turnover rent (the "GTO") clauses, which the tenants would pay between up to 1% of their sales as part of the lease agreement.

PERCENTAGE OF OCCUPIED LEASES WITH GTO AND STEP-UP CLAUSES

	FY2017	FY2016	Increase/(Decrease)
With GTO clause	93.1%	94.2%	(1.1%-point)
With step-up clause	98.4%	99.2%	(0.8%-point)

OPERATIONS & FINANCIAL REVIEW

PORTRFOIO OCCUPANCY

The average portfolio occupancy stood at 92.0% as at 30 September 2017, 2.6%-point higher than a year ago. The improvement in portfolio occupancy is attributed to the recovery in occupancy at Northpoint City North Wing as the asset enhancement initiative works approached completion. Changi City Point's occupancy improved 7.4%-point with commencement of new leases during the year. The occupancy at Causeway Point, YewTee Point and Anchorpoint held relatively steady while Bedok Point saw a decline of 9.8%-point in occupancy due to expired leases not renewed.

The occupancy by property is shown in the table below.

Occupancy by Property	As at 30 September 2017	As at 30 September 2016	Increase/ (Decrease)
Causeway Point	99.5%	99.8%	(0.3%-point)
Northpoint City North Wing and Yishun 10 retail podium	81.6%	70.9% ¹	10.7%-point
Changi City Point	88.5%	81.1%	7.4%-point
Bedok Point	85.2%	95.0%	(9.8%-point)
YewTee Point	95.7%	98.7%	(3.0%-point)
Anchorpoint	96.2%	96.7%	(0.5%-point)
FCT Portfolio	92.0%	89.4%	2.6%-point

1 Occupancy does not include Yishun 10 retail podium as the property was acquired in November 2016

SHOPPER TRAFFIC

The total shopper traffic in FY2017 was 98.4 million (FY2016: 102.0 million), a decrease of 3.5% year-on-year. Northpoint City North Wing registered the sharpest 8.6% decrease in shopper traffic due to the asset enhancement works which affected the property's shopper traffic and tenant's sales throughout FY2017. Shopper traffic at Causeway Point, Bedok Point and YewTee Point remained steady year-on-year, while Changi City Point saw a 5.1% increase in shopper traffic due to higher frequency of events held at the mall and the neighbouring Singapore Expo as well as new shuttle bus service route added during the year. Anchorpoint saw softer traffic of 5.9% compared to the year before.

Shopper Traffic by Property (million)	FY2017 (1 Oct 2016 – 30 Sep 2017)		FY2016 (1 Oct 2015 – 30 Sep 2016)	Increase/ (Decrease)
Causeway Point	24.5		24.6	(0.4%)
Northpoint City North Wing	41.3		45.2	(8.6%)
Bedok Point	4.4		4.4	No change
YewTee Point	12.7		12.7	No change
Anchorpoint	3.2		3.4	(5.9%)
Changi City Point	12.3		11.7	5.1%
FCT portfolio	98.4		102.0	(3.5%)

TRADE SECTOR ANALYSIS

FCT's well-diversified portfolio comprises 11 trade sectors. Food & Restaurants is the largest sector which accounted for 30.8% of FCT's total NLA, which is a 3.1%-point increase from 27.7% in FY2016. The increase came mainly from Northpoint City North Wing, which saw its proportion of NLA for Food & Restaurants increased to 35.1% from 14.7% in FY2016, in conjunction with its asset enhancement initiative ("AEI") works which re-configured more space for Food & Restaurant, in line with its tenant mix strategy. YewTee Point and Anchorpoint also saw modest increase of between

1 and 2%-point in NLA allocated to Food & Restaurants. Food & Restaurants is also the largest contributor in term of GRI, accounting for 37.6% of total GRI, up from 34.1% a year ago. The contribution from the second largest trade sector Fashion fell year on year. The proportion of portfolio NLA for Fashion fell to 13.9% from 14.3% in FY2016, and proportion of portfolio GRI for Fashion fell to 19.1% from 21.3% in FY2016.

Trade Classifications		As % of Total NLA	As % of Total GRI ¹
1	Food & Restaurants	30.8%	37.6%
2	Fashion	13.9%	19.1%
3	Services/Education	7.0%	8.9%
4	Beauty, Hair, Cosmetics, Personal Care	5.0%	7.3%
5	Household	8.1%	7.1%
6	Supermarket	7.5%	4.8%
7	Healthcare	2.4%	4.0%
8	Department Store	6.5%	3.7%
9	Sports Apparels & Equipment	3.3%	3.1%
10	Books, Music, Art & Craft, Hobbies	3.0%	2.6%
11	Leisure/Entertainment	4.5%	1.8%
12	Vacant	8.0%	0.0%
Total		100.0%	100.0%

1 As percentage of gross rent income of FCT portfolio for the month of September 2017, excluding gross turnover rent

TOP 10 TENANTS BY GRI¹

The top ten tenants collectively accounted for 23.4% of the total GRI as at 30 September 2017 (2016: 23.5%). 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 4.4% of the portfolio GRI (2016: 4.4%).

TOP 10 TENANTS BY GRI AS AT 30 SEPTEMBER 2017

Tenant	Trade Sector	As % of Total NLA	As % of Total GRI
1 Cold Storage Singapore (1983) Pte Ltd ²	Supermarket	5.4%	4.4%
2 Copitiam Pte Ltd ³	Food & Restaurants	3.8%	3.7%
3 Metro (Private) Limited ⁴	Departmental Store	5.6%	3.4%
4 Courts (Singapore) Limited	Household	3.3%	2.8%
5 NTUC ⁵	Supermarket / Leisure & Entertainment	3.0%	1.8%
6 Food Republic Pte Ltd	Food & Restaurants	1.6%	1.8%
7 McDonald's Restaurants Pte Ltd	Food & Restaurants	0.9%	1.5%
8 Uniqlo (Singapore) Pte Ltd	Fashion	2.0%	1.5%
9 Cotton On Singapore	Fashion	1.1%	1.3%
10 OCBC Bank	Services	0.5%	1.2%
Total (Top 10)		27.2%	23.4%

1 Based on gross rental income for the month of September 2017, excluding gross turnover rent

2 Includes the leases for Cold Storage supermarket, Guardian Pharmacy and 7-Eleven stores

3 Operator of Kopitiam food courts, includes Kopitiam and Bagus

4 Includes the leases for Metro departmental store and Clinique Service Centre

5 Includes leases for NTUC FairPrice Co-operative Ltd, NTUC Healthcare Co-operative Ltd and NTUC Club

OPERATIONS & FINANCIAL REVIEW

FINANCIAL REVIEW

Gross Revenue	FY2017 Oct 16 to Sep 17 ^(a)	FY2016 Oct 15 to Sep 16	Increase / (Decrease)
	(\$'000)	(\$'000)	%
Causeway Point	84,723	83,022	2.0%
Northpoint City North Wing and Yishun 10 retail podium	42,029	44,962	(6.5%)
Anchorpoint	8,521	8,728	(2.4%)
YewTee Point	14,448	14,343	0.7%
Bedok Point	7,338	8,334	(12.0%)
Changi City Point	24,536	24,427	0.4%
Total FCT	181,595	183,816	(1.2%)

Property Expenses	FY2017 Oct 16 to Sep 17 ^(a)	FY2016 Oct 15 to Sep 16	Increase / (Decrease)
	(\$'000)	(\$'000)	%
Causeway Point	19,184	20,991	(8.6%)
Northpoint City North Wing and Yishun 10 retail podium	12,287	11,629	5.7%
Anchorpoint	3,888	4,030	(3.5%)
YewTee Point	4,399	4,137	6.3%
Bedok Point	3,675	4,108	(10.5%)
Changi City Point	8,604	9,069	(5.1%)
Total FCT	52,037	53,964	(3.6%)

Net Property Income	FY2017 Oct 16 to Sep 17 ^(a)	FY2016 Oct 15 to Sep 16	Increase / (Decrease)
	(\$'000)	(\$'000)	%
Causeway Point	65,539	62,031	5.7%
Northpoint City North Wing and Yishun 10 retail podium	29,742	33,333	(10.8%)
Anchorpoint	4,633	4,698	(1.4%)
YewTee Point	10,049	10,206	(1.5%)
Bedok Point	3,663	4,226	(13.3%)
Changi City Point	15,932	15,358	3.7%
Total FCT	129,558	129,852	(0.2%)

(a) Included results of Yishun 10 Retail Podium acquired on 16 November 2016

PERFORMANCE COMPARISON BETWEEN FY2017 AND FY2016

Gross revenue for the year ended 30 September 2017 was S\$181.6 million, a decrease of S\$2.2 million or 1.2% over the corresponding period last year. It is mainly due to loss of revenue from planned vacancies at Northpoint City North Wing in conjunction with its on-going asset enhancement works.

FCT's property portfolio continued to achieve positive rental reversions during the year. Rentals from renewal and replacement leases from the Properties commencing during the period, showed an average increase of 5.1% over the expiring leases.

Property expenses for the year ended 30 September 2017 totalled S\$52.0 million, a decrease of S\$1.9 million or 3.6% from the corresponding period last year. The decrease was mainly due to lower utilities tariff rates and other property expenses.

Hence, net property income was S\$129.6 million, which was S\$0.3 million or 0.2% lower than the corresponding period last year.

Non-property expenses of S\$34.7 million was S\$1.7 million higher than the corresponding period last year due to higher trust expenses and borrowing costs.

Total operating expenses¹ as a percentage of net asset value was 3.7%, which was 0.2% lower than 3.9% for the corresponding period last year.

Total return included:

- (i) unrealised gain of S\$0.3 million arising from fair valuation of interest rate swaps for the hedging of interest rate in respect of S\$80 million of the loans;
- (ii) surplus on revaluation of the Properties of S\$94.4 million;
- (iii) share of associate's results from operations of S\$3.6 million and from revaluation surplus of S\$0.2 million; and
- (iv) share of joint venture's results of S\$0.6 million.

¹ The total operating expenses include property expenses, all fees and charges paid to Manager and interested parties of \$69,132,000 (2016: \$69,816,000) for the financial year.

OPERATIONS & FINANCIAL REVIEW

DISTRIBUTION

Income available for distribution for the year ended 30 September 2017 was S\$110.6 million, which was 2.3% higher compared to the corresponding period in the preceding financial year. Distribution per unit for FY2017 grew 1.2% to 11.90 cents from 11.764 cents in the prior year. The breakdown and comparison of the distribution per unit for FY2017 and FY2016 are presented below:

DISTRIBUTION PER UNIT (CENTS)

Financial year ended 30 September	FY2017	FY2016	Increase / (Decrease)
First quarter (1 October – 31 December)	2.89	2.870	0.7%
Second quarter (1 January – 31 March)	3.04	3.039	0.0%
Third quarter (1 April – 30 June)	3.00	3.040	(1.3%)
Fourth quarter (1 July – 30 September)	2.97	2.815	5.5%
Full Year (1 October – 30 September)	11.90	11.764	1.2%

TOTAL ASSETS AND NET ASSET VALUE PER UNIT

As at 30 September 2017, the total assets of FCT stood at \$2,751 million, an increase of \$156 million from \$2,594 million a year ago. The increase was mainly attributed to surplus of revaluation of \$94.4 million on FCT's properties.

FCT's net assets stood at \$1,872 million as at 30 September 2017, an increase of \$97 million (+5.4%) compared with \$1,776 million a year ago. Correspondingly, the net asset value (the "NAV") and the net tangible asset of FCT increased to \$2.02 per unit from \$1.93 a year ago.

As at	30 September 2017	30 September 2016
NAV and NTA per unit (S\$)	2.02 ^(a)	1.93 ^(b)
<p>(a) The number of units used for computation of NAV and NTA per unit as at 30 September 2017 is 925,262,216. This comprises:</p> <ul style="list-style-type: none">(i) 922,448,285 units in issue as at 30 September 2017;(ii) 683,956 units issuable to the Manager in October 2017, in satisfaction of 70% of the base management fee payable to the Manager for the quarter ended 30 September 2017; and(iii) 2,129,975 units issuable in October 2017, in satisfaction of 70% of the performance management fee payable to the Manager for the year ended 30 September 2017. <p>(b) The number of units used for computation of NAV and NTA per unit as at 30 September 2016 is 920,198,330. This comprises:</p> <ul style="list-style-type: none">(i) 919,369,341 units in issue as at 30 September 2016; and(ii) 828,989 units issued to the Manager in October 2016, in satisfaction of 50% of the management fee payable to the Manager for the quarter ended 30 September 2016.		

APPRaised VALUE OF PROPERTIES

The total appraised value of FCT's investment properties was \$2,668.1 million as at 30 September 2017 (2016: \$2,509 million).

Five of the FCT malls - Causeway Point, Northpoint City North Wing, Changi City Point, YewTee Point and Anchorpoint saw higher appraised valuations from the independent property valuers. Valuation of Bedok Point declined by \$3 million. The portfolio as at 30 September 2017 included Yishun 10 retail podium, which was acquired on 16 November 2016.

The property valuations for FY2017 were performed either by Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers"), Knight Frank Pte Ltd ("KF") and Savills Valuation and Professional Services (S) Pte Ltd ("Savills"). Valuation methods used include the capitalisation approach, discounted cash flow analysis and direct comparison method in determining the fair values of the properties. Annual valuations are required by the Code on Collective Investment Schemes. The capitalisation rate as indicated by the respective valuers for the FY2017 valuations showed a compression of between 25 and 60 basis points, as compared with FY2016.

Property	FY2017				FY2016			
	Valuation at 30 September 2017				Valuation at 30 September 2016			
	Valuation (\$ million)	Valuation (\$ psf NLA) ^(b)	Cap rate ^(a)	Valuer	Valuation (\$ million)	Valuation (\$ psf NLA) ^(b)	Cap rate ^(a)	Valuer
Causeway Point	1,190.0	2,862	4.85%	KF	1,143.0	2,749	5.35%	ETC ^(c)
Northpoint City North Wing	733.0	3,360	4.75%	Savills	672.0	2,986	5.35%	KF
Changi City Point	318.0	1,534	5.25%	Colliers	311.0	1,501	5.75%	Colliers
YewTee Point	178.0	2,416	5.25%	Savills	172.0	2,335	5.50%	Savills
Bedok Point	105.0	1,269	5.25%	Savills	108.0	1,306	5.50%	Savills
Anchorpoint	104.6	1,473	4.75%	Savills	103.0	1,451	5.25%	Savills
Yishun 10 retail podium	39.5	3,794	4.00%	Colliers				
Total	2,668.1				2,509.0			

(a) As indicated by property valuers.

(b) psf NLA: per square foot of net lettable area

(c) ETC: Edmund Tie & Company (SEA) Pte. Ltd.

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 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 Limited and Citibank.

As at 30 September 2017, FCT has a total capacity of \$4,486 million from its sources of funding, of which \$798 million or 17.8% 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 facilities	Unsecured	\$140 million	\$92 million	65.7%
Medium Term Note Programme	Unsecured	\$1,000 million	\$360 million	36.0%
Bank borrowings	Unsecured	\$60 million	\$60 million	100.0%
Bank borrowings	Secured	\$286 million	\$286 million	100.0%
Multicurrency Debt Issuance Programme ¹	Unsecured	\$3,000 million	Nil	Nil
Total		\$4,486 million	\$798 million	17.8%

1 On 8 February 2017, the Group established a \$3 billion Multicurrency Debt Issuance Programme. As of 30 September 2017, no Note has been issued under this programme.

CREDIT RATINGS

FCT has corporate credit ratings from S&P Global Ratings ("S&P") and Moody's Investors Service ("Moody's").

FCT has been assigned a corporate rating of "BBB+" with a stable outlook by S&P and a corporate rating of "Baa1" with a stable outlook by Moody's. In addition, FCT's multicurrency Medium Term Note Programme ("MTN Programme") has been rated "BBB+" by S&P.

DEBT PROFILE

During the year, the Manager refinanced the \$70 million loan secured on Bedok Point in December 2016 with DBS Bank Limited. The Manager had also refinanced \$90 million of the \$150 million unsecured term loan in April 2017 and \$30 million 2.85% Fixed Rate Notes in June 2017 with issuances of \$90 million 2.365% Fixed Rate Notes due 2020 and \$30 million 2.645% Fixed Rate Notes due 2022 under FCT's existing MTN Programme.

FCT's total debt, stood at \$798 million at 30 September 2017, comprised \$286 million secured bank borrowings, \$152 million unsecured bank borrowings and \$360 million in unsecured Notes. \$152 million of borrowing (about 19.1% of total borrowings) will mature in the next 12 months. FCT's gearing stood at 29.0% as at 30 September 2017. The interest cover for the year ended 30 September 2017 was 6.85 times.

The weighted average debt maturity was 2.3 years as at 30 September 2017.

Financial Year ended 30 September	2017	2016
Total Borrowings	\$798 million	\$734 million
Gearing ²	29.0%	28.3%
Interest Cover	6.85 times	7.33 times
Average cost of borrowing ³	2.32%	2.10%
Average Debt Maturity	2.3 years	2.7 years

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

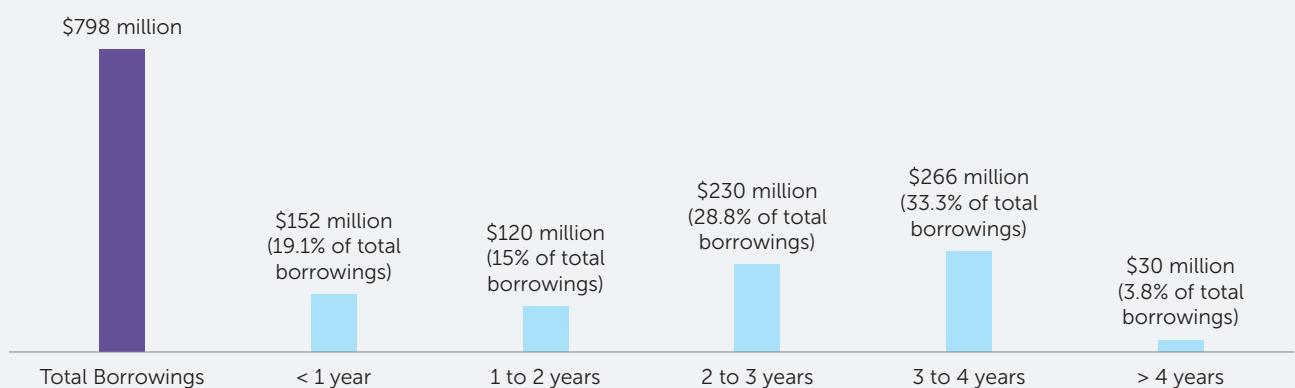
3 Calculated as at the stated balance sheet date.

The fair value of derivatives liabilities as at 30 September 2017 of \$0.3 million (2016: \$0.6 million) is disclosed in Note 12 to the Financial Statements. The fair value derivatives liabilities represented -0.02% (2016: -0.03%) of the net assets of FCT as at 30 September 2017.

DEBT MATURITY PROFILE AS AT 30 SEPTEMBER 2017

Timeframe	Amount Due (\$ million)	As % of total borrowings
< 1 year	152.0 ⁴	19.1%
1 to 2 years	120.0	15.0%
2 to 3 years	230.0	28.8%
3 to 4 years	266.0	33.3%
> 4 years	30.0	3.8%
Total Borrowings	798.0	100.0%

4 \$60 million unsecured notes due on 12 December 2017 had been refinanced on 8 November 2017 with issue of 7-year unsecured notes under the Medium Term Note Programme as disclosed in Note 30 to the Financial Statements.



RETAIL PROPERTY MARKET OVERVIEW

By Edmund Tie & Company (SEA) Pte Ltd

1.0 ECONOMIC AND DEMOGRAPHIC OVERVIEW

1.1 Economy showed signs of improvement with 4.6% y-o-y GDP growth in Q3 2017 and unemployment stable at 2.1%

Following Gross Domestic Product (GDP) growth of between 2.5% and 2.9% from Q4 2016 to Q2 2017, GDP grew at a faster pace at 4.6% y-o-y in Q3 2017 (Table 1.1). The increase was backed by strong growth in the manufacturing sector and a pick-up in the services sector. Unemployment rate¹ eased to 2.1% in Q3 2017, attributed to a pickup in employment in the services sector. The economy is on track to grow by between 2% and 3% in 2017.

Table 1.1: Key Economic Indicators

Indicator (y-o-y)	2016	Q1 2017	Q2 2017	Q3 2017	2017 F
GDP Growth	2.0%	2.5%	2.9%	4.6%	Between 2.0% and 3.0% (MTI)
Inflation	-0.5%	0.7%	0.8%	0.5%	1.1% (IMF)
Unemployment	2.1%	2.2%	2.2%	2.1%	2.2%

Source: Ministry of Trade and Industry (MTI), Department of Statistics (DOS), Monetary Authority of Singapore (MAS), Edmund Tie & Company, October 2017

Positive Inflation rates recorded from Q1 to Q3 2017

On the back of GDP growth, Consumer Price Index (CPI) remained positive for three consecutive quarters with inflation at 0.5% in Q3 2017. Inflation is mainly driven by the increase in prices of health care and education.

1.2 Population

Population grew at slower pace

According to DOS, total population² grew by 0.1% y-o-y to 5.6m as at June 2017, significantly slower than that at 1.3% in 2016, mainly due to the 1.6% decrease in non-residents population. Singapore Citizens constitute 61% (3.4 million) of the total population, permanent residents at 9% (527,000) and non-resident at 30% (1.6 million).

The “silver consumer market” is expected to ride on the technology trend

In line with population trend in developed economies, by 2030, 1 in 4 Singaporeans will be aged 65 and above³, doubling that in 2016. Compared to the pre-baby boomers, the upcoming cohort of Singaporeans who are retiring will seek a more active lifestyle. They are also likely to be more educated and tech-savvy, and will demand a wider range of goods and services. Therefore, retailers and service providers are also riding on the technology trends such as Internet of Things and data analytics to create innovative services and products to serve this silver consumer market.

1.3 Household Income, Private Consumption Expenditure and Retail Sales Trends

Both household income and private consumption expenditure grew slower in 2016 compared to that in 2015

Growth in household income⁴ slowed in 2016, increasing by 2.1%, 2.4%-point lower than that in 2015. This is also reflected in the growth of Private Consumption Expenditure (PCE)⁵. PCE continued to grow in 2016 albeit at a slower pace by 0.6%, compared to the 4.6% in 2015 (Figure 1.1). The growth in PCE was mainly attributed to the increase in spending on transport (12.8%). On the other hand, spending on clothing & footwear, food serving services and recreation & culture fell by 0.4%, 1.5% and 4.7% respectively.

1 Resident and citizen unemployment rate.

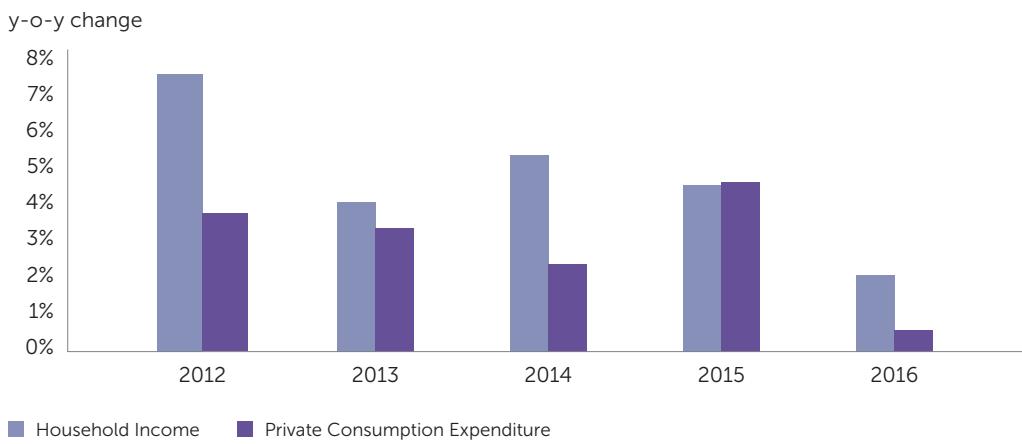
2 Singapore citizens, permanent residents and non-residents.

3 Source: DOS

4 Nominal household income.

5 Private consumption expenditure is a reflection of consumer confidence and household retail spending.

Figure 1.1: Household Income and Private Consumption Expenditure



Source: MTI, DOS, MAS, Edmund Tie & Company, October 2017

Retail Sales per sq ft in malls owned by REITs remained steady in 2016

Despite the slowing retail market, retail sales for malls owned by REITs remained stable due to the generally better locations, e.g. near transport hubs and residential estates. Retail sales per sq ft for suburban malls owned by REITs averaged around \$90 per sq ft per month in 2016.

Retail sales market showed signs of improvement in 2017 with higher consumer confidence and retail sales in selected subsectors

Following a fall in Q4 2016 and Q1 2017, retail sales showed improvement since Q2 2017. According to the Mastercard Index of Consumer Confidence H1 2017 report, positivity over components such as employment, economy, income and stock market led to an improvement in consumer confidence. This is reflected in the improvement in the Retail Sales Index (excluding motor vehicles) in Sept 2017. Medical goods & toiletries, watches & jewellery and recreational goods are the best performing retail subsectors in the first nine months of 2017 (Table 1.2). Total retail sales in the first nine months of 2017 totalled some \$32,733 million⁶, 1.3% higher compared to that in 2016.

Table 1.2: Retail Sales Index at Constant Prices (2014 = 100), y-o-y change

Indicator	Q4 2016	Q1 2017	Q2 2017	Sept 2017
Retail Sales (Excluding Motor Vehicles)	-1.6%	-0.4%	3.2%	3.3%
Supermarkets	-2.1%	-2.2%	0%	9.8%
Department Stores	-1.8%	-4.6%	4.9%	7.7%
Wearing Apparel & Footwear	-3.7%	-1.5%	-0.1%	8.3%
Watches & Jewellery	-5.8%	7.7%	13.8%	4.4%
Food Retailers	-2.1%	-1.8%	-5.4%	-2.5%
Recreational Goods	3%	2.1%	2.8%	4.7%
Medical Goods & Toiletries	6%	7.4%	7.1%	6.0%
Optical Goods & Books	-3.4%	-1.8%	1.8%	-2.3%

Source: DOS, Edmund Tie & Company, October 2017

⁶ Includes retail sales by retailers in Singapore that sell via physical stores and/ or online/e-commerce sites.

RETAIL PROPERTY MARKET OVERVIEW

By Edmund Tie & Company (SEA) Pte Ltd

Retail market remains cautiously optimistic

While retail sales are showing signs of improvement, given the slower growth in household income and increasing competition from e-commerce and growing trend of residents traveling overseas to shop, the retail market remains cautiously optimistic.

2.0 GOVERNMENT PLANS

Government initiatives to support retail and F&B markets

Industry Transformation Map (ITMs) - To position Singapore for the next phase of growth, the Committee on The Future Economy (CFE)⁷ unveiled details of the Retail and Food Services ITMs, two of 23 ITMs in 2017. The Retail ITM⁸ features four strategies – to assist retailers to go digital and international, brand building and R&D, raise productivity through technology, and skills upgrading. The Food Services ITM encompasses four main thrusts – develop innovative meal formats, promote mass adoption of technologies, raise employees' skills and versatility and expand the footprint of Singapore Food & Beverage (F&B) in overseas markets. SPRING Singapore has been appointed to lead the ITMs to restructure the lifestyle (Retail, Food Manufacturing and Hotel) economy by working closely with the private sector.

Skills Upgrading - As part of the Government's initiative in encouraging companies to utilise innovative technologies and go manpower-lean, Workforce Singapore (WSG), SkillsFuture Singapore and Spring Singapore⁹ implemented guides on new skills frameworks for F&B and retail sectors. Job-seekers are able to identify the required skills and available career pathways, which have evolved with trends such as increased automation and e-commerce. Assistance is provided to employers through WSG grants and programme, helping to offset the costs of technology implementation and training, together with wage subsidy support.

Retail Centre of Excellence (RCoE) - A

joint initiative with SPRING Singapore and the Economic Development Board (EDB), The RCoE was opened in the Singapore Management University (SMU). The RCoE is the first insight-sharing hub in Singapore which generates ideas to explore how online and brick-and-mortar stores can be seamlessly integrated with the aim of keeping the retail industry healthy.

2.1 New Growth Areas

Completion of new public transport network is improving accessibility to existing areas and spurring new growth areas

The latest Mass Rapid Transit (MRT) line, the Downtown Line 3, was fully operational in October 2017. The line connects the north-western and eastern regions of Singapore to the CBD and Marina Bay, from Expo (where Changi City Point is) to Bukit Panjang. Connectivity will further improve when the Downtown Line 3 Extension, which joins the East-West and the future Thomson-East Coast Line at Sungei Bedok, completes in 2024¹⁰.

Woodlands Regional Centre envisaged to become Singapore's Northern Gateway in the next 10-15 years

The Urban Redevelopment Authority (URA) identified Woodlands Regional Centre as Singapore's Northern Gateway. Development of the 700,000 sq m (7.5 million sq ft) regional centre will take place over the next 10-15 years. The growth of the regional centre will anchor the development of the North Coast into an innovative corridor.

The regional centre comprises two districts – Woodlands Central (where Causeway Point is located) and Woodlands North Coast. URA envisioned Woodlands Central to be a walkable, pedestrian-centric regional retail hub. Some 350,000 sq m (3.7 million sq ft) of new office and retail spaces will be added to the area. While the Woodlands MRT station on the North South MRT Line is already an integrated transport hub with direct access to the Woodlands Regional Bus

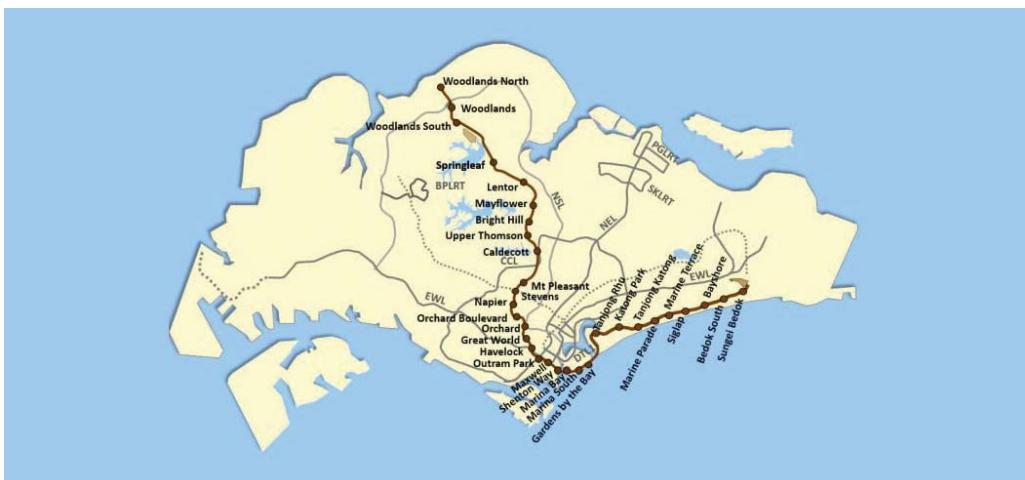
7 The CFE was set up by the government comprising members from different industries that operate in both global and domestic markets. It aims to keep the Singapore's economy competitive by helping to position Singapore for the future, as well as identify areas of growth with regards to regional and global developments.

8 The Retail and Food Services ITM were introduced by SPRING Singapore.

9 Singapore and International Enterprise (IE) Singapore will be combined to form Enterprise Singapore in mid-2018.

10 Source: LTA

Figure 2.1: Thomson-East Coast Line



Interchange and connected to Causeway Point, accessibility will further improve when the Thomson-East Coast Line completes in stages from 2019 (Figure 2.1). Woodlands MRT Station will be the interchange station for the two MRT lines.

Some 12,500 private and public homes will be added to the Bayshore Area in Bedok Planning Area

In October 2017, URA announced new plans to develop three new areas, including Bayshore, Holland Plain and Kampong Bugis. The 60 ha Bayshore area near East Coast Park in the Bedok Planning Area, where Bedok Point is located. URA envisaged the Bayshore Area to be a car-lite, inclusive and green precinct where main street is lined with shops, cafes, grocery stores, childcare and elderly facilities. The area is slated to be launched after 2024, when the Bayshore and Bedok South MRT stations along the Thomson-East Coast Line are completed. Some 6,000 HDB flats and another 6,500 private units are planned for the area.

3.0 RETAIL INDUSTRY TRENDS

Omnichannel retailing is driving retail marketing strategy

Omnichannel retailing¹¹ gains traction among discerning consumers as online retailers broadened their offerings, while more brick-and-mortar retailers incorporate e-commerce in their business models.

By embracing omnichannel retailing, consumers satisfy their retail needs through multiple channels seamlessly and enjoy an integrated shopping experience. Online retailers have also ventured into pop-up stores¹² which augment their customers' shopping experience.

M-commerce brings a strong influence on consumer behavior

Due to the prevalence of smartphone technologies, m-commerce¹³ has formed a core component of shoppers' experience. Mobile technology like smartphones are highly influential devices that can complement and transform physical retail. Retail offerings can be customized on the go, and malls can make use of the technology for more targeted marketing. For instance, Frasers Centrepoint Malls (including FCT malls) piloted gamification in its Frasers Rewards mobile app during the Great Singapore Sale in June to increase customer loyalty. Parkway Parade and 313@Somerset have experimented with proximity marketing to target nearby shoppers who are surfing with their phones.

11 Omni-channel retailing refers to the creation of a shopping experience carried out concurrently across multiple channels (online and offline).

12 Pop-up stores offer retail space in a mall for a short term, usually between three months and a year.

13 M-commerce refers to commercial transactions that are conducted electronically by mobile phone.

RETAIL PROPERTY MARKET OVERVIEW

By Edmund Tie & Company (SEA) Pte Ltd

Smart technologies enhance shoppers' experience in malls and increase retailers' productivity

Retailers are adopting smart technologies to reduce operating costs, and at the same time gives consumers more efficient and convenient services. For instance, in the newly opened SingPost Centre (NLA: 178,000 sq ft) in Paya Lebar, supermarket operator NTUC FairPrice introduced a scan-and-go system where pre-registered customer collect scanners at the entrance and scan items as they shop before paying at dedicated counters. A new mobile app serves as a shopping assistant to help shoppers identify the shortest route to the products they are looking for. In addition, shoppers can try out new products using augmented and virtual reality at their experiential corner.

Retailers are also introducing manpower-lean strategies to manage operating costs. For example, Cheers opened its first unmanned and cashless concept store at Nanyang Polytechnic, which uses a unified self-checkout system, vending machines, and a system that monitors stock levels and automatically places orders when stocks run low. This saves Cheers 180 man-hours weekly.

Suburban malls are increasingly repositioning themselves to give residents a more holistic experience

Increasingly, suburban malls are repositioning themselves as "community malls" to provide more holistic experiences for residents living in the area. Facilities such as 24-hour gym are showing up in malls and more F&B options are made available for better dining convenience. The Nee Soon Central Community Club will move into the Northpoint City South Wing by 2018¹⁴. This will be the first community club to be housed in a shopping centre.

Increasing contribution by F&B to overall revenue for malls

With increasing popularity and lifestyle changes to dine out driving higher demand for F&B, mall owners and operators are increasing their space allocation for F&B, thereby driving higher rental revenue from this trade sector. The average proportion of space for F&B has increased steadily over the last 10 years from about 15% to as high as 30% today. Malls are adjusting their tenant mix to adapt to the changing lifestyle of consumers. A wider variety of F&B outlets are being introduced to suburban malls to meet the demand from the neighbourhood.

The increasing popularity of online food delivery services, e.g. Deliveroo and Uber Eat, will also augment F&B sales in the malls.

Going forward, suburban malls will evolve from the provision of daily necessities to merging experiential elements with physical stores and community spaces. As a result, there will be a greater variety of F&B outlets, concept stores, entertainment and service-oriented businesses in suburban malls.

4.0 RETAIL PROPERTY MARKET

4.1 Stock

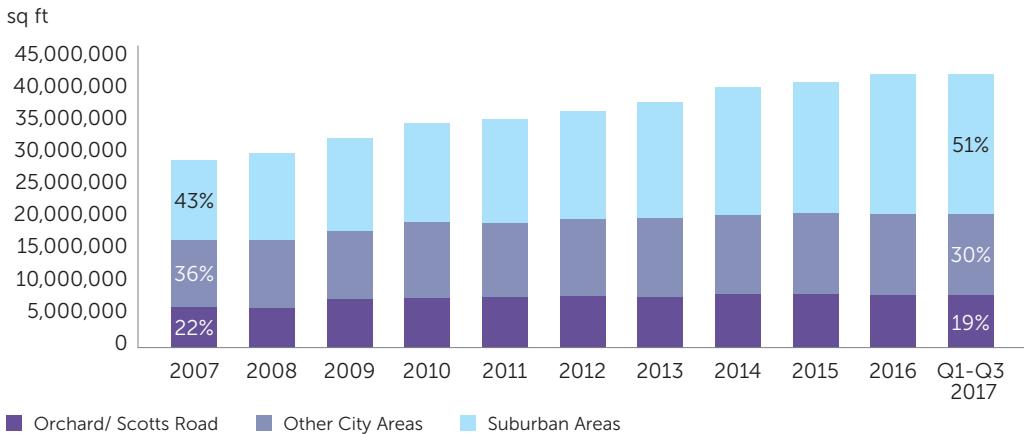
Suburban retail space contributed to more than half (51%) of total purpose-built retail stock

As at Q3 2017, there was a total of about 60.8 million sq ft of retail space¹⁵. Of this, 41.7 million sq ft was in purpose-built shopping centres. Some 51% (21.2 million sq ft) of the purpose-built retail stock was in the suburban areas, followed by 30% (12.4 million sq ft) in the other city areas and 19% (8.1 million sq ft) in the Orchard/Scotts Road area (Figure 4.1).

14 Source: Frasers
Centrepoin
Singapore

15 Includes both public
and private stock.

Figure 4.1: Stock¹⁶



Source: Edmund Tie & Company, October 2017

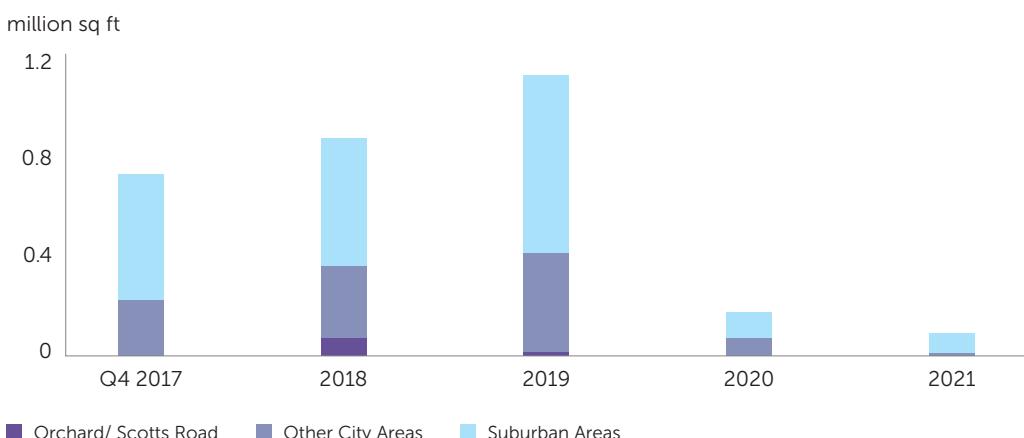
Limited increase in suburban retail stock between Q4 2016 and Q3 2017

Suburban retail space grew by 2% y-o-y (403,700 sq ft) in Q3 2017 to 21.3 million sq ft, mainly attributed by the completion of Hillion Mall (174,700 sq ft) in Bukit Panjang, as well as the completion of the Asset Enhancement Initiatives (AEI) at Viva Business Park (75,230 sq ft) in Bedok, which saw new tenants like True Fitness, Andes Steakhouse and Harvey Norman's first-ever factory outlet. Our Tampines Hub, completed in Q3 2017, is being positioned as Singapore's first integrated community and lifestyle hub with retail space of 76,850 sq ft at its Festive Mall.

4.2 Potential Supply

Majority of pipeline supply between Q4 2017 and 2021 will be in the suburban areas
From Q4 2017 to 2021, 3.0 million sq ft (NLA) of retail space is expected to complete islandwide, with 64% (1.9 million sq ft) in the suburban areas (Figure 4.2). Although potential supply is relatively less compared to the annual average at 1.3 million sq ft in the last five years, with the relatively cautious retail sales market and increasing competition from e-commerce, landlords and retailers will have to continue to innovate and introduce new concepts to maintain competitiveness.

Figure 4.2: Potential Supply



Source: URA, Edmund Tie & Company, October 2017

¹⁶ Retail stock (public and private) comprises Orchard/ Scotts Road, Other City Areas and Suburban Areas. It comprises purpose-built shopping centres, retrofitted shophouses managed and positioned as a shopping centre with NLA of at least 10,000 sq ft. It also includes retail spaces with a minimum NLA of 10,000 sq ft within hotels, offices and residential developments.

RETAIL PROPERTY MARKET OVERVIEW

By Edmund Tie & Company (SEA) Pte Ltd

Pipeline supply include Northpoint City South Wing and Jewel Changi Airport

A key pipeline supply in H2 2017 is Northpoint City South Wing (NLA 318,000 sq ft¹⁷). South Wing will be integrated with Northpoint City North Wing (formerly known as Northpoint Shopping Centre), to form a mixed-use development with residences (920-units North Park Residences, expected to complete in Q4 2018), community spaces and an air-conditioned bus interchange. When completed in Q4 2017, Northpoint City will be one of the largest retail malls in the north of Singapore.

Slated to open in 2019, Jewel Changi Airport (Estimated NLA: 579,000 sq ft), near Changi City Point, will feature 300 shops and F&B outlets, and a 40m indoor waterfall. The development, connected to Singapore Changi Airport, aims to attract both residents and air travelers.

Table 4.1 are selected retail projects in the pipeline.

Table 4.1: Major Retail Projects in the Pipeline

Planning Areas	Estimated Year of Completion	Development	Estimated NLA (sq ft)
Orchard Area			
Orchard	2018	A/A to TripleOne Somerset	70,000
Other City Area			
Downtown Core	2018	A/A to Raffles Hotel	219,000
Suburban			
Pasir Ris	Q4 2017	A/A to Downtown East	41,000
Yishun	Q4 2017	Northpoint City South Wing	318,000
Paya Lebar	2018	Paya Lebar Quarter	340,000
Yishun	2018	Wisteria Mall	58,000
Changi	2019	Jewel Changi Airport	579,000

(Source: URA, Edmund Tie & Company, October 2017)

Limited supply of retail space from the H2 2017 Government Land Sales Programme

The government has taken a cautious approach in the future supply of retail space. Retail gross floor area (GFA) released in H2 2017 Government Land Sales (GLS) Programme are limited at around 28,500 sq m (306,770 sq ft) in total (Table 4.2). The allowable uses of the sites at Holland Road and Sengkang Central are mixed-use developments with residential component, while the site at Woodlands Square in the Reserve List is expected to be primarily for office use.

¹⁷ Source: Based on ET&Co Estimates.

Table 4.2: H2 2017 GLS Programme Retail Component Sites at Suburban Areas

Location	Site Area (Ha)	Estimated Commercial Space (sq m)	Allowable Retail GFA
Confirmed List			
Holland Road ¹ (Bukit Timah)	2.30	13,500	13,500 sq m (145,310 sq ft)
Sengkang Central ² (Sengkang)	3.63	13,300	12,000 sq m (129,170 sq ft)
Reserve List			
Woodlands Square ³ (Woodlands)	2.24	54,790	3,000 sq m (32,290 sq ft)

1 Site is imposed with Dwelling Units (DU) cap of 570 units and a retail cap of 13,500 sq m (145,310 sq ft) GFA.

2 A mixed-use development with integrated community and bus interchange facilities. Retail cap is 12,000 sq m (129,170 sq ft) GFA.

3 Site is imposed with a retail cap of 3,000 sq m (32,290 sq ft) GFA.

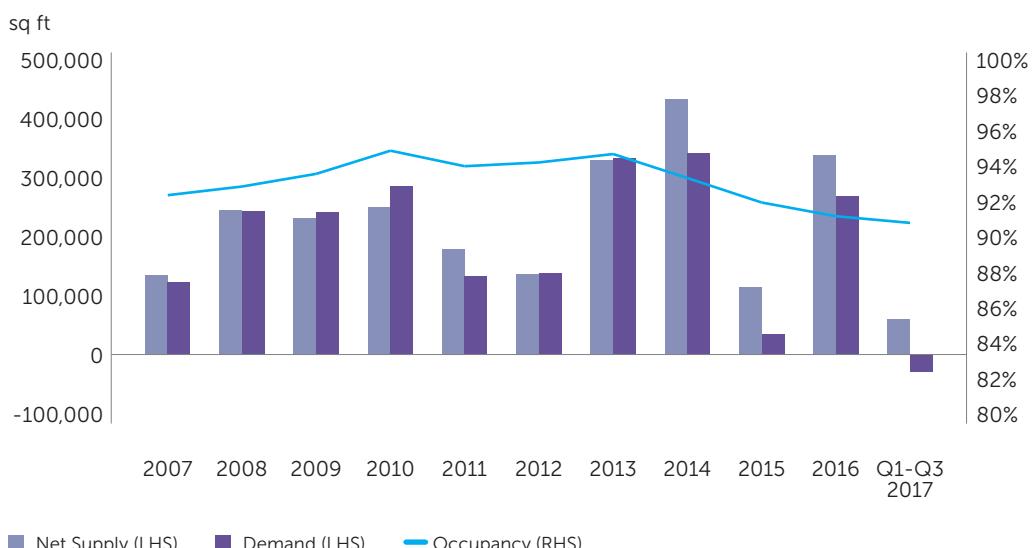
Source: URA, Edmund Tie & Company, October 2017

4.3 Demand and Occupancy

Despite supply outpacing demand, occupancy for suburban retail space eased slightly by 0.1%-point y-o-y

Net supply (432,240 sq ft) outpaced demand (357,300 sq ft) between Q4 2016 and Q3 2017 in the suburban areas. Notwithstanding, occupancy of private retail spaces in the suburban areas remained resilient and eased only slightly by 0.1%-point from 90.9% in Q3 2016 to 90.8% in Q3 2017. The healthy occupancy was attributed by the increasing competitiveness to attract tenants, such as by introducing more flexible leases and pop-up stores, as well as being more negotiable in the rents.

Figure 4.3: Supply, Demand and Occupancy¹⁸ (Suburban Areas)



Source: URA, Edmund Tie & Company, October 2017

¹⁸ Occupancy is based on end period figures.

RETAIL PROPERTY MARKET OVERVIEW

By Edmund Tie & Company (SEA) Pte Ltd

More mid-tier fashion brands are choosing to expand operations in suburban areas

Located in populous residential areas, suburban malls are well-positioned in the heartlands. Increasingly, mid-tier brands are choosing to expand their operations in suburban areas. For example, Uniqlo has 12 branches located outside the Orchard/Scotts Road area while H&M has six suburban mall branches. Other brands targeting suburban malls include MUJI, Bake Cheese Tarts and Sephora. More suburban malls are also adjusting their tenant-mix strategy to increase their percentage of food & restaurants, services and education to cater to growing demand.

Healthy demand for strategically located retail spaces in the Orchard/Scotts Road area

From Q4 2016 to Q3 2017, occupancy for retail space in the Orchard/Scotts Road area increased by 0.9%-point to 93.0%. Notably, retail space in the Orchard/Scotts Road area

has higher occupancy rates compared to that in the suburban areas (90.8%). Demand for retail space in the Orchard/Scotts Road area remained healthy in 2017, especially for strategically located retail spaces, as it continues to be the preferred location for flagship stores and new-to-market brands. Newly opened stores along Orchard Road includes Apple's first Southeast Asia store at Knightsbridge and Uniqlo's global flagship store at Orchard Central.

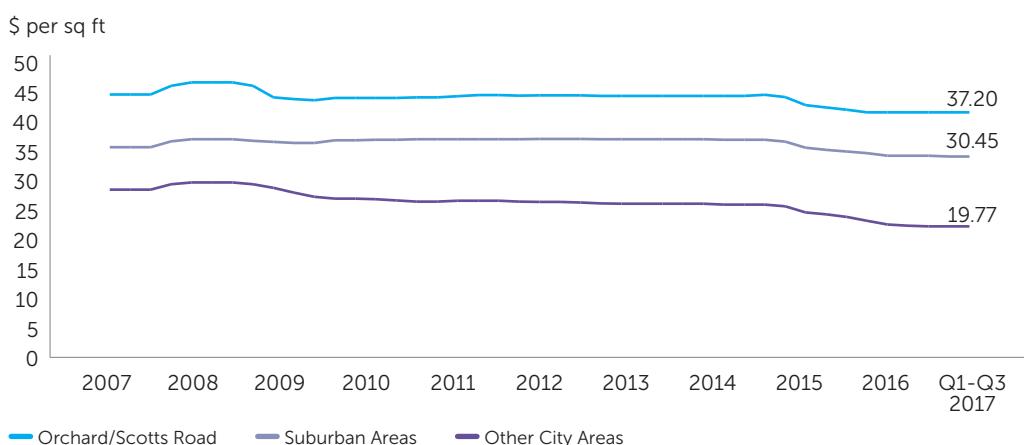
4.4 Rents

Rents in suburban areas eased by 0.5%

y-o-y amidst increasing competition

According to Edmund Tie & Company Research, average monthly gross rent of prime first-storey retail spaces in the suburban areas in Q3 2017 decreased by 0.5% y-o-y from \$30.60 to \$30.45 per sq ft amidst increasing competition (Figure 4.4). On the other hand, rents in the Orchard/Scotts Road area stayed flat at \$37.20 per sq ft in the same period.

Figure 4.4: Average Prime First-storey Monthly Gross Rent



Source: Edmund Tie & Company, October 2017

Rents in the suburban areas were more resilient compared to that in the Other City Areas¹⁹, which decreased by 1.5% y-o-y to \$19.77 per sq ft per month. In general, suburban malls have larger and stable population catchment compared to that in

the Other City Areas, which is limited to the working population in the Central Business District (CBD). Trading hours in the Other City Areas are therefore often limited to the weekdays only.

¹⁹ Other city areas consist of retail space in the Downtown Core and Rest of Central Region (RCR).

4.5 Transaction

Only one major transaction of retail mall in 2017

There was only one major transaction in 2017. In Q2 2017, Jurong Point was sold by a joint-venture between Lee Kim Tah Holdings and Guthrie GTA to Mercatus Co-operative, an NTUC social enterprise (Table 4.3).

Table 4.3: Major Transaction in 2017

Planning Areas	Development	NLA (sq ft)	Transacted Price
Jurong (2 Plots of Land: balance tenure of 76 years and 89 years)	Jurong Point	658,000	\$2,200 million (\$3,343 per sq ft)

Source: Edmund Tie & Company, October 2017

5.0 OUTLOOK

Retailers need to adopt new technology to step-up their offerings

The digital economy is driving more retailers to adopt new technologies to step-up offerings and create experiential retailing for customers and improve competitiveness. We expect that more retailers will make use of the resources made available via the Retail and Food Services ITMs and RCoE to increase productivity through use of technology.

Rents in suburban malls that are well-located remain resilient

The global economic uncertainty and increasing dominance of e-commerce platforms have led to a shift in consumer behavior. While consumer confidence remains positive for H2 2017, as the retail market continues to restructure, pressure on rents is expected to persist. To maintain healthy occupancy, we expect landlords to be more accommodative in rent negotiation with retailers. In general, we expect rents in suburban areas to remain subdued in 2018, registering a decline between 0% and 4%. Suburban malls that are better located and enjoy stable shopper traffic will remain resilient and able to hold their rental rates better.

Shopping centres along Orchard Road are expected to benefit from the Government's effort in rejuvenating the area

Shopping centres in the Orchard/Scotts Road area are more reliant on the visitors to Singapore. The tourism market has shown signs of improvement in H1 2017 with more visitors and tourist spending. Alongside the government's continued effort in rejuvenating Orchard Road, and supported by the relatively higher occupancy and limited pipeline supply, we project rents in the Orchard/Scotts Road area to ease by 0% to 3% in 2018, performing slightly better in comparison to the suburban retail areas. Strategically located retail spaces, e.g. prime first-storey spaces, are expected to be more resilient.

Limiting Conditions

Where it is stated in the report that information has been supplied to us in the preparation of this report by the sources listed, this information is believed to be reliable and we will accept no responsibility if this should be otherwise. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with relevant government authorities.

The forward statements in this report are based on our expectations and forecasts for the future. These statements should be regarded as our assessment of the future, based on certain assumptions on variables which are subject to changing conditions. Changes in any of these variables may significantly affect our forecasts.

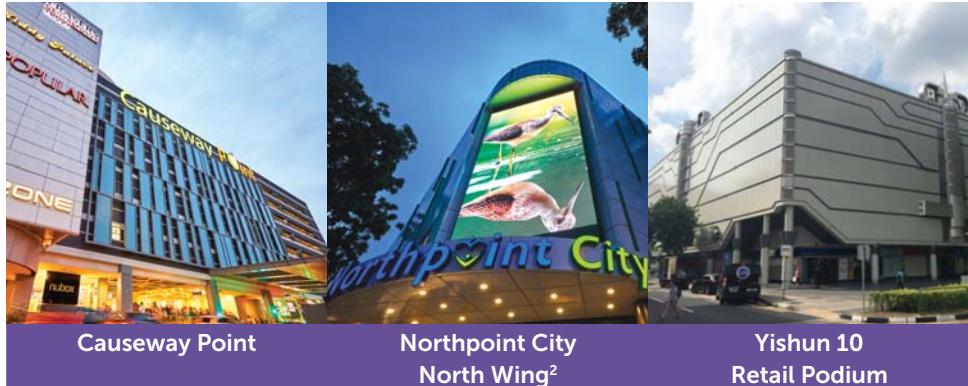
Utmost care and due diligence has been taken in the preparation of this report. We believe that the contents are accurate and our professional opinion and advice are based on prevailing market conditions as at the date of the report. As market conditions do change, we reserve the right to update our opinion and forecasts based on the latest market conditions.

Edmund Tie & Company (SEA) Pte Ltd gives no assurance that the forecasts and forward statements in this report will be achieved and undue reliance should not be placed on them.

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FCT PORTFOLIO OVERVIEW

AS AT 30 SEPTEMBER 2017



	Causeway Point	Northpoint City North Wing ²	Yishun 10 Retail Podium
Net Lettable Area¹ (NLA) (Square Feet)	415,626	218,172 [^]	10,412
Number of Leases	223	157	9
Title	99 years leasehold commencing 30/10/95 (77 years remaining)	99 years leasehold commencing 1/4/90 (71 years remaining)	
Year Purchased	2006	Northpoint 1: 2006 Northpoint 2: 2010	2016
Purchased Price	\$606.17 million	Northpoint 1: \$249.27 million Northpoint 2: \$164.55 million	\$37.8 million
Appraised Value	\$1,190 million	\$733 million	\$39.5 million
As % of Total Portfolio Appraised Value	44.6%	27.5%	1.5%
FY2017 Gross Revenue (\$'000)	84,723	42,029 [#]	
FY2017 Net Property Income (\$'000)	65,539	29,742 [#]	
Occupancy Rate	99.5%	81.6% [#]	
Key Tenants by gross rental income	Metro, Courts, Cold Storage supermarket, Cathay Cineplexes, Food Republic, Uniqlo	Kopitiam food court, Cold Storage supermarket, OCBC Bank, United Overseas Bank, MayBank, McDonald's restaurant and Popular bookstore	
Annual Shopper Traffic in FY2017	24.5 million	41.3 million	
Connectivity	Woodlands MRT station (North South Line and future Thomson- East Coast Line) & Bus Interchange	Yishun MRT station (North South Line) & Bus Interchange	

¹ Net lettable area as stated in valuation reports dated 30 September 2017 for the respective assets

² Northpoint City North Wing was formerly known as Northpoint Shopping Centre

[^] The NLA was reduced from 225,032 sq ft (as reported in FY2016 valuation report) to 218,172 sq ft due to reconfiguration of the area in conjunction with the AEI

[#] The property's operating performance and occupancy in FY2017 was affected by the asset enhancement initiative works (AEI)

			
Changi City Point	Bedok Point	YewTee Point	Anchorpoint
207,239	82,713	73,670	70,989
118	40	68	55
60 years leasehold commencing 30/4/09 (51 years remaining)	99 years leasehold commencing 15/3/78 (59 years remaining)	99 years leasehold commencing 3/1/06 (87 years remaining)	Freehold
2014	2011	2010	2006
\$305.0 million	\$127.0 million	\$125.65 million	\$36.02 million
\$318 million	\$105 million	\$178 million	\$104.6 million
11.9%	3.9%	6.7%	3.9%
24,536	7,338	14,448	8,521
15,932	3,663	10,049	4,633
88.5%	85.2%	95.7%	96.2%
Kopitiam food court, Uniqlo, Nike, Tung Lok and Challenger	Harvey Norman, GymmBoxx, Sushi Express and Ssiksin Korea BBQ	NTUC FairPrice, Koufu food court, Watson's and KFC	Cold Storage supermarket, Bukang Korean BBQ & Seafood, Koufu food court, Xin Wang HK Café, Sakuraya, Charles & Keith and Cotton On
12.3 million	4.4 million	12.7 million	3.2 million
Expo MRT station (East West Line, and Downtown Line)	Bedok MRT station (East West Line) & Bus Interchange	YewTee MRT station (North South Line) & Bus Stop	Near Queenstown MRT station (East West Line) & Bus Stop

MALL PROFILES

CAUSEWAY POINT

Description

Seven retail levels (including one basement level) and seven car park levels (B2, B3 and 2nd - 6th levels)

Address

1 Woodlands Square,
Singapore 738099

Net Lettable Area

415,626 square feet¹

Car Park Lots

839

Title

99 years leasehold w.e.f 30 Oct 1995

Year Acquired by FCT

2006

Market Valuation

\$1,190.0 million as at 30 Sep 2017

Annual Shopper Traffic

24.5 million (Oct 2016 – Sep 2017)

Senior Centre Manager

Ms Elsie Goh

Key Tenants

Metro, Courts, Cold Storage supermarket, Cathay Cineplexes, Food Republic, Uniqlo



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 \$84.7 million in FY2017, up 2.0% year-on-year. The mall attracted 24.5 million shoppers in FY2017.

Causeway Point is the winner of BCA Universal Design Gold^{Plus} 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 Green Mark program for its host of environmental-friendly features that reduces its energy consumption and carbon footprint.

MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (\$'000)	FY2017	FY2016	Increase/ (Decrease)
Gross Revenue	84,723	83,022	2.0%
Property Expenses	19,184	20,991	(8.6%)
Net Property Income	65,539	62,031	5.7%
Occupancy	99.5%	99.8%	(0.3%-point)
Shopper Traffic (million)	24.5	24.6	(0.4%)

¹ As indicated in the valuation report for Causeway Point, dated 30 September 2017, by Knight Frank Pte Ltd

Top 10 Tenants (as at 30 September 2017)	% of Mall's Gross Rental Income
Metro (Private) Limited ¹	7.6%
Courts (Singapore) Limited	6.1%
Cold Storage Singapore (1983) Pte Ltd ²	5.2%
Food Republic Pte Ltd	3.9%
Cathay Cineplexes Pte Ltd	2.3%
Uniqlo (Singapore) Pte Ltd	2.2%
McDonald's Restaurants Pte Ltd	1.9%
Aspial Corporation Ltd ³	1.6%
Copitiam Pte Ltd ⁴	1.5%
RE&S Enterprises ⁵	1.4%
Total	33.7%

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 Kopitiam food court

5 Operator of Kuriya Japanese Market and Ichiban Boshi restaurant

TOP 10 TENANTS

As at 30 September 2017, Causeway Point has a total of 223 leases (FY2016: 227), excluding vacancy. The key tenants include Metro, Courts, Cold Storage Supermarket, Food Republic and Cathay Cineplexes, among others. The top 10 tenants contributed collectively, 33.7% (FY2016: 33.3%) of the mall's total gross rental income.

Trade Classifications (in descending order of % rent)	By Net Lettable Area	By Gross Rental Income⁶
1 Food & Restaurants	23.2%	28.6%
2 Fashion	17.2%	22.7%
3 Household	12.4%	11.0%
4 Department Store	14.4%	7.5%
5 Services/Education	4.9%	7.4%
6 Beauty, Hair, Cosmetics, Personal Care	4.4%	7.0%
7 Supermarket	5.7%	3.4%
8 Sports Apparels & Equipment	2.3%	3.4%
9 Healthcare	1.9%	3.2%
10 Leisure/Entertainment	9.3%	2.9%
11 Books, Music, Art & Craft, Hobbies	3.8%	2.9%
12 Vacant	0.5%	0.0%
Total	100.0%	100.0%

6 Excludes gross turnover rent

TRADE SECTOR ANALYSIS

Food & Restaurants contributed 28.6%, (FY2016: 28.5%) of the mall's gross rental income, followed by the Fashion trade at 22.7% (FY2016: 23.6%). These two trades account for 51.3% 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 left.

LEASE EXPIRY PROFILE⁷

As at 30 Sep 2017

	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Number of Leases Expiring	75	73	72	3	-	223
Net Lettable Area of Expiring Leases (square feet)	106,927	149,501	130,585	27,035	-	414,048
Expiries as % of Mall's Total Leased Area	25.8%	36.1%	31.6%	6.5%	0.0%	100.0%
Gross Rental Income (GRI) Contribution of Expiring Leases as % of Mall's Total GRI	27.4%	34.7%	33.4%	4.5%	0.0%	100.0%

7 Excludes vacancy

MALL PROFILES



NORTHPOINT CITY NORTH WING

Description

Six retail levels (including two basement levels) and three levels of car park (B1 - B3)

Address

930 Yishun Avenue 2, Northpoint, Singapore 769098

Net Lettable Area

218,172 square feet¹

Car Park Lots

157

Title

99 years leasehold w.e.f 1 Apr 1990

Year Acquired by FCT

2006 (Northpoint 1),
2010 (Northpoint 2)

Market Valuation

\$733.0 million as at 30 Sep 2017

Annual Shopper Traffic

41.3 million (Oct 2016 – Sep 2017)

Senior Centre Manager

Ms Cynthia Ng

Key Tenants

Kopitiam food court, Cold Storage supermarket, OCBC Bank, United Overseas Bank, Popular bookstore and McDonald's restaurant

YISHUN 10 RETAIL PODIUM

Description

Ten retail units on the first storey in a cinema complex with basement carpark

Address

51 Yishun Central 1, Yishun 10, Singapore 768794

Net Lettable Area

10,412 square feet²

Title

99 years leasehold w.e.f 1 Apr 1990

Year Acquired by FCT

2016

Market Valuation

\$39.5 million as at 30 Sep 2017

Senior Centre Manager

Ms Cynthia Ng

Key Tenants

BurgerUp and Singapore Post

NORTHPOINT CITY NORTH WING AND YISHUN 10 RETAIL PODIUM

Northpoint City North Wing, formerly known as Northpoint Shopping Centre, is FCT's second largest property by net lettable area after Causeway Point. Together with the new Northpoint City South Wing (owned by FCT's sponsor, Frasers Centrepoint Limited), the two retail wings form Northpoint City with combined retail area of more than 500,000 square feet.

Northpoint City North Wing underwent a \$60 million asset enhancement initiative (AEI) work recently. The rejuvenated North Wing added new retailers and F&B tenants improving shopping ambience. The North Wing is integrated with the South Wing to provide shoppers with seamless connectivity between the two retail wings as well as to the Yishun MRT station and bus interchange.

Northpoint City North Wing offers six retail levels of shopping (including two basement levels) and has a total of 157 tenants. Key tenants at Northpoint City North Wing include Cold Storage supermarket, Kopitiam food court and Popular bookstore. The mall enjoys high shopper traffic flow from the surrounding residential estate and schools. Shopper traffic in FY2017 was 41.3 million.

FCT also owns ten strata-titled retail units in the Yishun 10 retail podium. These retail units were acquired on 16 November 2016. The Yishun 10 retail podium is located next to Northpoint City North Wing. The key tenants at Yishun 10 retail podium are Egalite F&B Pte Ltd (operator of BurgerUp) and Singapore Post Limited.

MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September ('\$'000)	FY2017 ^(a)	FY2016	Increase/ (Decrease)
Gross Revenue	42,029	44,962	(6.5%)
Property Expenses	12,287	11,629	5.7%
Net Property Income	29,742	33,333	(10.8%)
Occupancy	81.6%	70.9%	10.7%-point
Shopper Traffic (million)	41.3	45.2	(8.6%)*

(a) Included the results of Yishun 10 retail podium acquired on 16 November 2016

* Shopper traffic was affected by the asset enhancement initiative (AEI) works

1 As indicated in the valuation report for Northpoint City North Wing, dated 30 September 2017, by Savills Valuation and Professional Services (S) Pte Ltd

2 As indicated in the valuation report titled "First Storey Retail Podium at 51 Yishun Central 1, Yishun 10, Singapore 768794", dated 30 September 2017, by Colliers International Consultancy & Valuation (Singapore) Pte Ltd

Top 10 Tenants (as at 30 September 2017)	% of Mall's Gross Rental Income
Copitiam Pte Ltd ¹	6.9%
Cold Storage Singapore (1983) Pte Ltd ²	5.6%
Overseas-Chinese Banking Corporation Ltd	3.5%
United Overseas Bank Ltd	2.3%
Malayan Banking Berhad	2.3%
McDonald's Restaurants Pte Ltd	1.7%
Popular Book Company Pte Ltd	1.7%
Egalite F&B Pte Ltd ³	1.6%
XWS Pte Ltd ⁴	1.6%
Sushi-Tei Pte Ltd	1.4%
Total	28.6%

1 Operator of Kopitiam food court

2 Includes leases for Cold Storage supermarket and Guardian Pharmacy

3 Operates BurgerUp at Yishun 10 Retail Podium

4 Operates Xin Wang HK Café at Northpoint City North Wing

TOP 10 TENANTS

As at 30 September 2017, Northpoint City North Wing has a total of 157 leases, excluding vacancy (FY2016: 131) and the Yishun 10 retail podium has total of 9 leases (also excluding vacancy). The key tenants in Northpoint City North Wing (including Yishun 10 retail podium) include Copitiam (Operator of Kopitiam food court), Cold Storage supermarket, OCBC Bank, United Overseas Bank, Malayan Banking Berhad (MayBank), among others. The top 10 tenants contributed collectively 28.6% (FY2016: 29.9%) of the total gross rental income.

Trade Classifications (in descending order of % rent)	By Net Lettable Area	By Gross Rental Income⁵
1 Food & Restaurants	35.1%	44.4%
2 Fashion	10.1%	17.1%
3 Services/Education	7.2%	12.6%
4 Beauty, Hair, Cosmetics, Personal Care	4.9%	6.7%
5 Healthcare	3.8%	5.5%
6 Supermarket	7.4%	4.4%
7 Books, Music, Art & Craft, Hobbies	6.0%	3.7%
8 Household	2.6%	2.4%
9 Sports Apparels & Equipment	2.4%	2.2%
10 Leisure / Entertainment	2.1%	1.0%
11 Vacant	18.4%	0.0%
Total	100.0%	100.0%

5 Excludes gross turnover rent

TRADE SECTOR ANALYSIS

Food & Restaurants contributed 44.4%, (FY2016: 27.1%) of the mall's gross rental income, followed by the Fashion trade at 17.1% (FY2016: 25.9%). The year-on-year variance in the trade mix was attributed to the reconfiguration of the mall and tenant mix strategy in conjunction with the asset enhancement initiative (AEI) of the property. The breakdown of the trade sector analysis by net lettable area and gross rental income is presented on the left.

LEASE EXPIRY PROFILE⁶

Northpoint City North Wing and Yishun 10 retail podium, as at 30 Sep 2017

	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Number of Leases Expiring	44	35	81	3	3	166
Net Lettable Area of Expiring Leases (square feet)	36,976	27,843	86,164	14,189	21,387	186,559
Expiries as % of Mall's Total Leased Area	19.8%	14.9%	46.2%	7.6%	11.5%	100.0%
Gross Rental Income (GRI) Contribution of Expiring Leases as % of Mall's Total GRI	21.7%	19.5%	47.6%	3.9%	7.3%	100.0%

6 Excludes vacancy

MALL PROFILES

CHANGI CITY POINT

Description

Three retail levels (including one basement level)

Address

5 Changi Business Park Central 1,
Changi City Point,
Singapore 486038

Net Lettable Area

207,239 square feet¹

Car Park Lots

627²

Title

60 years leasehold w.e.f 30 Apr
2009

Year Acquired by FCT

2014

Market Valuation

\$318.0 million as at 30 Sep 2017

Annual Shopper Traffic

12.3 million (Oct 2016 – Sep 2017)

Senior Centre Manager

Ms Jazmine Lim

Key Tenants

Kopitiam food court, Uniqlo, Nike,
Tung Lok and Challenger



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 one of Singapore's largest convention and exhibition venues, 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 and sports retailers including Uniqlo, Nike, Timberland, Adidas, Quiksilver, 2XU, Asics, New Balance, Puma and many other outlets stores. Shoppers can also do their grocery shopping at the NTUC Finest supermarket. The restaurants at the mall include Tung Lok Signatures, Jollibee, Ichiban Sushi, Han's and the Kopitiam food court. Families can also enjoy the landscaped rooftop garden that also features a wet and dry children's playground.

MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (\$'000)	FY2017	FY2016	Increase/ (Decrease)
Gross Revenue	24,536	24,427	0.4%
Property Expenses	8,604	9,069	(5.1%)
Net Property Income	15,932	15,358	3.7%
Occupancy	88.5%	81.1%	7.4%-point
Shopper Traffic (million)	12.3	11.7	5.1%

1 As indicated in the valuation report for Changi City Point, dated 30 September 2017, by Colliers International Consultancy & Valuation (Singapore) Pte Ltd

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

Top 10 Tenants (as at 30 September 2017)	% of Mall's Gross Rental Income
Copitiam Pte Ltd ¹	9.10%
Uniqlo (Singapore) Pte Ltd	3.60%
NIKE Singapore Pte Ltd	2.30%
Tung Lok Millennium Pte Ltd	2.10%
Challenger Technologies Limited	2.00%
Golden Beeworks ²	2.00%
RE & S Enterprise Pte Ltd ³	1.90%
RSH (Singapore) Pte Ltd ⁴	1.90%
Ootoya Asia Pacific Pte. Ltd	1.80%
Bachmann Japanese Restaurant Pte Ltd	1.80%
Total	28.5%

1 Operator of Kopitiam food court

2 Operates the Jollibee restaurant at Changi City Point

3 Operates the Ichiban Sushi restaurant at Changi City Point

4 Operates the Quiksilver, Lacoste outlet store and Royal Sporting House outlet store at Changi City Point

TOP 10 TENANTS

As at 30 September 2017, Changi City Point has a total of 118 leases (FY2016: 115), excluding vacancy. The key tenants include Kopitiam food court, Uniqlo, Nike, Tung Lok and Challenger, among others. The top 10 tenants contributed collectively, 28.5% (FY2016: 31.9%) of the mall's total gross rental income.

Trade Classifications (in descending order of % rent)	By Net Lettable Area	By Gross Rental Income⁵
1 Food & Restaurants	36.3%	49.4%
2 Fashion	19.7%	24.0%
3 Sports Apparels & Equipment	9.9%	7.9%
4 Services/Education	4.2%	4.8%
5 Household	4.3%	4.4%
6 Department Store	5.1%	2.6%
7 Beauty, Hair, Cosmetics, Personal Care	1.3%	2.4%
8 Healthcare	1.6%	2.4%
9 Supermarket/Hypermarket	5.6%	1.6%
10 Books, Music, Art & Craft, Hobbies	0.5%	0.5%
11 Vacant	11.5%	0.0%
Total	100.0%	100.0%

5 Excludes gross turnover rent

LEASE EXPIRY PROFILE⁶

As at 30 Sep 2017

TRADE SECTOR ANALYSIS

Food & Restaurants contributed 49.4%, (FY2016: 54.1%) of the mall's gross rental income, followed by the Fashion trade at 24.0% (FY2016: 23.2%). The year-on-year variance was mainly attributed to tenant-remixing efforts at the mall. The breakdown of the trade sector analysis by net lettable area and gross rental income is presented on the left.

	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Number of Leases Expiring	53	23	34	4	4	118
Net Lettable Area of Expiring Leases (square feet)	52,629	21,054	61,237	19,451	28,955	183,326
Expiries as % of Mall's Total Leased Area	28.7%	11.5%	33.4%	10.6%	15.8%	100.0%
Gross Rental Income (GRI) Contribution of Expiring Leases as % of Mall's Total GRI	36.0%	15.5%	29.8%	4.9%	13.8%	100.0%

6 Excludes vacancy

MALL PROFILES

BEDOK POINT

Description

Five retail levels (including one basement level) and one basement car park

Address

799 New Upper Changi Road,
Singapore 467351

Net Lettable Area

82,713 square feet¹

Car Park Lots

76

Title

99 years leasehold w.e.f 15 Mar 1978

Year Acquired by FCT

2011

Market Valuation

\$105.0 million as at 30 Sep 2017

Annual Shopper Traffic

4.4 million (Oct 2016 – Sep 2017)

Centre Manager

Ms Donna Oh

Key Tenants

Harvey Norman, GymmBoxx,
Sushi Express and Ssiksin Korea BBQ



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, GymmBoxx, Sushi Express and Ssiksin Korea BBQ, among others. Bedok Point was awarded the BCA Green Mark Gold Award.

MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (\$'000)	FY2017	FY2016	Increase/ (Decrease)
Gross Revenue	7,338	8,334	(12.0%)
Property Expenses	3,675	4,108	(10.5%)
Net Property Income	3,663	4,226	(13.3%)
Occupancy	85.2%	95.0%	(9.8%-point)
Shopper Traffic (million)	4.4	4.4	No change

¹ As indicated in the valuation report for Bedok Point, dated 30 September 2017, by Savills Valuation and Professional Services (s) Pte Ltd

Top 10 Tenants (as at 30 September 2017)	% of Mall's Gross Rental Income
Pertama Merchandising Pte Ltd ¹	8.9%
Gymmboxx Pte Ltd	7.4%
Sushi Express Pte Ltd ²	7.1%
Korea Buffet Pte Ltd ³	4.5%
Singapore Saizeriya Pte Ltd	3.6%
Zensho Food Singapore Pte Ltd ⁴	3.5%
NTUC Club	3.5%
SG Chicken Hotpot	3.3%
The Learning Lab	3.3%
Cristofori Music	3.2%
Total	48.3%

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 Long John Silver at Bedok Point

TOP 10 TENANTS

As at 30 September 2017, Bedok Point has a total of 40 leases (FY2016: 50), excluding vacancy. The key tenants include Pertama Merchandising Pte Ltd (operator of Harvey Norman), GymmBoxx, Sushi Express, Korea Buffet Pte Ltd (operator of Ssiksin), among others. The top 10 tenants contributed collectively, 48.3% (FY2016: 46.2%) of the mall's total gross rental income.

Trade Classifications (in descending order of % rent)	By Net Lettable Area	By Gross Rental Income⁵
1 Food & Restaurants	25.8%	41.6%
2 Services/Education	25.9%	25.3%
3 Household	18.5%	12.3%
4 Beauty, Hair, Cosmetics, Personal Care	6.8%	10.6%
5 Leisure/Entertainment	6.6%	6.3%
6 Fashion	1.0%	2.2%
7 Healthcare	0.6%	1.7%
8 Vacant	14.8%	0.0%
Total	100.0%	100.0%

5 Excludes gross turnover rent

TRADE SECTOR ANALYSIS

Food & Restaurants contributed 41.6%, (FY2016: 44.9%) of the mall's gross rental income, followed by the Services and Education trade at 28.8% (FY2016: 18.8%). The breakdown of the trade sector analysis by net lettable area and gross rental income is presented on the left.

LEASE EXPIRY PROFILE⁶

As at 30 Sep 2017

	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Number of Leases Expiring	20	6	11	2	1	40
Net Lettable Area of Expiring Leases (square feet)	23,697	10,591	24,901	9,084	2,236	70,509
Expiries as % of Mall's Total Leased Area	33.6%	15.0%	35.3%	12.9%	3.2%	100.0%
Gross Rental Income (GRI) Contribution of Expiring Leases as % of Mall's Total GRI	42.3%	14.7%	30.5%	10.1%	2.4%	100.0%

6 Excludes vacancy

MALL PROFILES

YEWTEE POINT

Description

Two retail levels (including one basement level) and one basement car park

Address

21 Choa Chu Kang North 6,
Singapore 689578

Net Lettable Area

73,670 square feet¹

Car Park Lots

83²

Title

99 years leasehold w.e.f 3 Jan 2006

Year Acquired by FCT

2010

Market Valuation

\$178.0 million as at 30 Sep 2017

Annual Shopper Traffic

12.7 million (Oct 2016 – Sep 2017)

Centre Manager

Ms Emily Fong

Key Tenants

NTUC FairPrice, Koufu food court,
Watson's, KFC



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 of Choa Chu Kang, northwest 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 Yew Tee housing estate, schools, military camp and the nearby industrial estate. Total shopper traffic to the mall in FY2017 was 12.7 million.

MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (\$'000)	FY2017	FY2016	Increase/ (Decrease)
Gross Revenue	14,448	14,343	0.7%
Property Expenses	4,399	4,137	6.3%
Net Property Income	10,049	10,206	(1.5%)
Occupancy	95.7%	98.7%	(3.0%-point)
Shopper Traffic (million)	12.7	12.7	No change

1 As indicated in the valuation report for YewTee Point, dated 30 September 2017, by Savills Valuation and Professional Services (s) Pte Ltd

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

Top 10 Tenants (as at 30 September 2017)	% of Mall's Gross Rental Income
NTUC FairPrice Co-operative Ltd ¹	20.3%
Koufu Pte Ltd ²	10.2%
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 Café Pte Ltd	2.3%
XWS Pte Ltd ³	2.2%
Zensho Food Singapore Pte Ltd ⁴	2.0%
BreadTalk Pte Ltd ⁵	2.0%
London Weight Management	1.9%
Total	51.1%

TOP 10 TENANTS

As at 30 September 2017, YewTee Point has a total of 68 leases (FY2016: 74), excluding vacancy. The key tenants include NTUC FairPrice, Koufu food court, Watson's and KFC, among others. The top 10 tenants contributed collectively, 51.1% (FY2016: 49.4%) of the mall's total gross rental income.

1 Includes leases for NTUC Fairprice and NTUC Healthcare (Unity)

2 Operator of Koufu food court

3 Operator of Xin Wang HK Café

4 Operator of Long John Silver's

5 Operator of ToastBox

Trade Classifications (in descending order of % rent)	By Net Lettable Area	By Gross Rental Income⁶
1 Food & Restaurants	40.3%	42.0%
2 Supermarket	23.5%	18.8%
3 Beauty, Hair, Cosmetics, Personal Care	13.4%	16.6%
4 Healthcare	7.1%	9.4%
5 Services/Education	4.5%	4.6%
6 Household	2.9%	3.1%
7 Fashion	2.0%	3.0%
8 Books, Music, Art & Craft, Hobbies	2.0%	2.5%
9 Vacant	4.3%	0.0%
Total	100.0%	100.0%

6 Excludes gross turnover rent

LEASE EXPIRY PROFILE⁷

As at 30 Sep 2017

TRADE SECTOR ANALYSIS

Food & Restaurants contributed 42.0%, (FY2016: 39.5%) of the mall's gross rental income, followed by the supermarket trade at 18.8% (FY2016: 18.0%). The breakdown of the trade sector analysis by net lettable area and gross rental income is presented on the left.

	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Number of Leases Expiring	37	18	11	2	-	68
Net Lettable Area of Expiring Leases (square feet)	37,966	13,603	17,794	1,141	-	70,504
Expiries as % of Mall's Total Leased Area	53.9%	19.3%	25.2%	1.6%	0.0%	100.0%
Gross Rental Income (GRI) Contribution of Expiring Leases as % of Mall's Total GRI	56.5%	20.1%	22.1%	1.3%	0.0%	100.0%

7 Excludes vacancy

MALL PROFILES

ANCHORPOINT

Description

Two retail levels (including one basement level) and an adjacent a two-storey restaurant building

Address

368 and 370 Alexandra Road
Singapore 159952/159953

Net Lettable Area

70,989 square feet¹

Car Park Lots

128²

Title

Freehold

Year Acquired by FCT

2006

Market Valuation

\$104.6 million as at 30 Sep 2017

Annual Shopper Traffic

3.2 million (Oct 2016 – Sep 2017)

Centre Manager

Mr Raymond Chan Kin

Key Tenants

Cold Storage, Bukang Korean BBQ & Seafood, Koufu, Xin Wang Hong Kong Cafe



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 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 supermarket, Bukang Korean BBQ & Seafood restaurant, Koufu (food court), Xin Wang HK Café, the Sakuraya Japanese restaurant as well as reputable retailers such as Charles & Keith and Cotton On, among others.

Total shopper traffic to the mall in FY2017 was 3.2 million. Anchorpoint was awarded the Singapore Service Class Award (2012 – 2015) by Spring Singapore.

MALL PERFORMANCE HIGHLIGHTS

Financial Year ended 30 September (\$'000)	FY2017	FY2016	Increase/ (Decrease)
Gross Revenue	8,521	8,728	(2.4%)
Property Expenses	3,888	4,030	(3.5%)
Net Property Income	4,633	4,698	(1.4%)
Occupancy	96.2%	96.7%	(0.5%-point)
Shopper Traffic (million)	3.2	3.4	(5.9%)

- 1 As indicated in the valuation report for Anchorpoint, dated 30 September 2017, by Savills Valuation and Professional Services (S) 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

Top 10 Tenants (as at 30 September 2017)	% of Mall's Gross Rental Income
Cold Storage (1983) Singapore Pte Ltd ¹	11.5%
Cotton On Singapore Pte Ltd	7.1%
Koufu Pte Ltd	6.8%
XWS Pte Ltd ²	4.8%
Bukang Tuna Pte. Ltd. ³	4.8%
Sakuraya Foods Pte Ltd	4.2%
JP Food Service Pte Ltd ⁴	3.9%
Watson's Personal Care Stores Pte Ltd	3.6%
Sarika Connoisseur Cafe Pte Ltd ⁵	3.2%
Charles & Keith (Singapore) Pte Ltd	2.7%
Total	52.6%

1 Includes leases for Cold Storage supermarket and 7-Eleven store

2 Operator of Xin Wang HK Café at Anchorpoint

3 Operator of Bukang Korea BBQ & Seafood

4 Operator of Jack's Place Restaurant at Anchorpoint

5 Operator of The Coffee Connoisseur at Anchorpoint

TOP 10 TENANTS

As at 30 September 2017, Anchorpoint has a total of 55 leases (FY2016: 58), excluding vacancy. The key tenants include Cold Storage supermarket, Cotton On, Koufu (food court), Xin Wang HK Café, the Sakuraya Japanese restaurant, among others. The top 10 tenants contributed collectively, 52.6% (FY2016: 49.3%) of the mall's total gross rental income.

Trade Classifications (in descending order of % rent)	By Net Lettable Area	By Gross Rental Income⁶
1 Food & Restaurants	41.7%	43.9%
2 Fashion	17.0%	19.5%
3 Supermarket	15.2%	11.0%
4 Beauty, Hair, Cosmetics, Personal Care	7.8%	10.1%
5 Services/Education	7.7%	8.0%
6 Household	4.7%	4.7%
7 Books, Music, Art & Craft, Hobbies	1.2%	1.9%
8 Healthcare	0.9%	0.9%
9 Vacant	3.8%	0.0%
Total	100.0%	100.0%

6 Excludes gross turnover rent

TRADE SECTOR ANALYSIS

Food & Restaurants contributed 43.9%, (FY2016: 41.6%) of the mall's gross rental income, followed by the Fashion trade at 19.5% (FY2016: 20.1%). The breakdown of the trade sector analysis by net lettable area and gross rental income is presented on the left.

LEASE EXPIRY PROFILE⁷

As at 30 Sep 2017

	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Number of Leases Expiring	14	21	18	1	1	55
Net Lettable Area of Expiring Leases (square feet)	9,908	34,337	17,512	1,819	4,704	68,280
Expiries as % of Mall's Total Leased Area	14.5%	50.3%	25.6%	2.7%	6.9%	100.0%
Gross Rental Income (GRI) Contribution of Expiring Leases as % of Mall's Total GRI	15.9%	45.1%	31.0%	3.2%	4.8%	100.0%

7 Excludes vacancy

MALL DIRECTORY



Causeway Point

1 Woodlands Square,
Singapore 738099
(65) 6894 2237

Northpoint City North Wing

930 Yishun Avenue 2,
Singapore 769098

Yishun 10 retail podium

51 Yishun Central 1 Yishun 10,
Singapore 768794
(65) 6754 2300



Changi City Point

5 Changi Business Park Central 1,
Changi City Point,
Singapore 486038
(65) 6511 1088

Bedok Point

799 New Upper Changi Road,
Singapore 467351
(65) 6481 1353



YewTee Point

21 Choa Chu Kang North 6,
Singapore 689578
(65) 6465 1986

Anchorpoint

368 and 370 Alexandra Road,
Singapore 159952/159953
(65) 6475 2257

INVESTMENT IN HEKTAR REIT

As at 30 September 2017, FCT holds 31.15% 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 (Selangor), Mahkota Parade (Melaka), Wetex Parade (Johor), Central Square (Kedah), Landmark Central (Kedah) and Segamat Central (Johor). H-REIT acquired Segamat Central (Johor), previously known as 1Segamat, on 18 September 2017.

The properties in H-REIT portfolio have a total net lettable area of 2.0 million square feet.

HEKTAR PROPERTY PROFILE[#]

As at 31 December 2016

	Subang Parade	Mahkota Parade	Wetex Parade	Central Square	Landmark Central	Segamat Central*
State	Selangor	Melaka	Johor	Kedah	Kedah	Johor
Title	Freehold	Leasehold ^(a)	Freehold	Freehold	Freehold	Leasehold ^(b)
Net Lettable Area (Retail), square feet	507,150	519,542	159,153	311,230	281,388	223,439 ^(c)
Tenancies	122	115	76	70	67	70 ^(c)
Occupancy	93.0%	96.4%	100.0%	96.6%	98.9%	95.9% ^(c)
Visitor Traffic FY2016 (million)	9.2	9.4	4.6	3.9	3.0	N.A.
Purchase Price (million RM)	287.0	257.5	117.5	83.3	98.0	104.0
Valuation (million RM)	427.2	322.4	135.2	95.7	112.0	105.0 ^(d)

(a) Leasehold is until year 2101

(b) Leasehold is until year 2100

(c) as at 30 June 2017

(d) as at 22 June 2017

* Segamat Central was acquired by H-REIT on 18 September 2017

Source: H-REIT Annual Report 2016 and its website at <http://www.hektarreit.com/> [accessed: 8 November 2017]

HEKTAR REIT'S TOP 10 TENANTS[#]

The top ten tenants in the Hektar's portfolio contributed approximately 28.6% of total monthly rental income.

Tenant	Trade Sector	NLA (Sq ft)	% of Total NLA	% of Monthly Rental Income ¹
Parkson	Department Store / Supermarket	254,009	14.3%	9.7%
The Store	Department Store / Supermarket	273,198	15.4%	5.9%
Seleria	Food & Beverage	35,468	2.0%	2.5%
Giant	Department Store / Supermarket	96,283	5.4%	1.7%
MBO	Leisure & Entertainment / Sports & Fitness	83,705	4.7%	1.7%
Bata	Fashion & Footwear	7,322	0.4%	1.6%
McDonald's	Food & Beverage	14,124	0.8%	1.5%
KFC	Food & Beverage	17,431	1.0%	1.5%
Kenny Roger Roasters	Food & Beverage	7,625	0.4%	1.3%
Watsons	Services	7,379	0.4%	1.2%
Top 10 Tenants (By Monthly Rental Income)		796,544	44.8%	28.6%
Other Tenants		981,823	55.2%	71.4%
Total		1,778,367	100.0%	100.0%

1 Based on monthly rental income for December 2016, does not include contribution from Segamat Central

Source: H-REIT Annual Report 2016 and its website at <http://www.hektarreit.com/> [accessed: 8 November 2017]

INVESTMENT IN HEKTAR REIT

TENANCY MIX[#]

As at 31 December 2016

The portfolio tenancy mix is dominated by department stores and supermarkets, which are led by Parkson, The Store and Giant constitute 36.5% of total portfolio NLA. In terms of rental income, the largest segment remains fashion and footwear, which contributes 22.0% of monthly rental income. Food and beverage comes closely behind, constituting 21.6% of the portfolio monthly income.

Tenant	By Rental Income*	By Net Lettable Area
Fashion & Footwear	22.0%	10.8%
Food & Beverage / Food Court	21.6%	13.2%
Department Store / Supermarket	17.3%	36.5%
Gifts / Books / Toys / Specialty	7.3%	4.8%
Education / Services	9.6%	5.6%
Leisure & Entertainment, Sports & Fitness	8.6%	17.5%
Electronics & IT	7.5%	6.6%
Homewares & Furnishing	1.1%	1.9%
Others	5.0%	3.1%
Total	100.0%	100.0%

* Based on monthly rental income for December 2016, does not include Segamat Central

Source: H-REIT Annual Report 2016 and its website at <http://www.hektarreit.com/> [accessed: 8 November 2017]

LEASE EXPIRY PROFILE[#]

As at 31 December 2016

For the year 2017, a total of 207 tenancies will expire, representing approximately 59% of NLA and 56% of monthly rental income as at 31 December 2016. The expiries are slightly more concentrated in 2017 due to the expiry of several anchor tenants. However, the tenancies are secured with options-to-renew and are confirmed six months prior to their expiries.

For Year Ending 31 December	No. of tenancies expiring	NLA of Tenancies Expiring (sq ft)	NLA of Tenancies Expiring as % of Total NLA	% of Total Monthly Rental Income*
FY 2017	207	1,046,347	59%	56%
FY 2018	108	470,026	26%	27%
FY 2019	73	187,174	11%	16%

* Based on monthly rental income for December 2016, does not include Segamat Central

Source: H-REIT Annual Report 2016 and its website at <http://www.hektarreit.com/> [accessed: 8 November 2017]

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 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 reported in the Key Risk Dashboard for review by Management and Audit Committee on a regular basis.

Risk tolerance statements which set out the nature and extent of significant risks which FCAM is willing to take in achieving its strategic objectives are reviewed annually. The tolerance limits are monitored and reported to Management and Audit Committee on a half yearly basis.

FCAM also has in place a Comfort Matrix framework which provides an overview of the mitigating strategies and assurance processes of key financial, operational, compliance and information technology risks.

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 for which the mitigating measures are adequate, and the system of risk management in place 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 has been 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.

RISK MANAGEMENT

KEY RISKS IN FINANCIAL YEAR 2017

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 ensuring a prudent financial structure for FCT, FCAM adheres closely to the covenants in the loan agreements and property fund guidelines in the Code on 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. FCT has sufficient revolving banking facilities as source of liquidity reserves to finance its operations, asset enhancement initiatives and any other short-term obligations. Please refer to page 36 under Capital Resources on the various sources of funds availability and their utilisations. FCAM continues to comply with its policy of spreading out concentration of debts maturing in a single year.

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 proactively managed by FCAM with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. A major portion of FCT's outstanding borrowings are at fixed interest rates in accordance with FCAM's policy of hedging.

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.



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OUR REPORT

ABOUT THIS REPORT

Our third Sustainability Report covers the Economic, Social and Governance (ESG) aspects for all FCT's properties from 1 October 2016 to 30 September 2017.

At FCT, we continue to adopt the standards issued by the Global Reporting Initiative's (GRI's) Global Sustainability Standards Board. We have prepared this report with reference to GRI Standards (2016), which supersedes GRI G4 Guidelines, and includes GRI's Construction and Real Estate Sector supplements. We intend to seek external assurance on our sustainability report in the future.

REPORT SCOPE

Operating as a REIT, we refer to the activities and performance of Frasers Centrepoint Asset Management ("the Manager" or "FCAM") when discussing our employee-related performance for FCT. Although the day-to-day operation of our assets are outsourced to Frasers Centrepoint Property Management Services Pte Ltd ("Property Manager"), we recognise that we still have a responsibility to work closely with them to encourage and monitor good sustainability performance at our properties. Therefore, environmental performance data disclosed in this sustainability report covers all properties owned by Frasers Centrepoint Trust ("FCT") for the financial year ended 30 September 2017. Our data is reported in good faith and to the best of our knowledge. Together with the other information set out in our Annual Report, this Sustainability Report plays a significant role in promoting communication and transparent reporting to our stakeholders.

We continuously seek to improve our sustainability efforts and your feedback is vital in helping us achieve our objectives. Please contact Mr Chen Fung Leng, Head of Investor Relations & Research, at fungleng.chen@fraserscentrepoint.com.

OUR SUSTAINABILITY COMMITMENT



At FCT, we believe that sustainability contributes to a great customer experience. Our malls are patronized by shoppers for their shopping and dining needs, as well as serving as a destination for socializing with friends and families. When assessing our assets, we consider both the physical needs, such as eco-efficiency and safety, as well as the social needs such as convenience and comfort. Shopping experience can be enhanced by incorporating environmental sustainability and social responsibility into our business operations.

We need to work together with our stakeholders to achieve our vision and collaboration is key. We work closely with our Sponsor to support their sustainability efforts through participation in working committees, such as the Sustainability Steering

"Experience Matters" is the unifying idea for Frasers Centrepoint Limited ("the Sponsor"), and as part of the Group, we use this as our new guiding vision. This vision centres on "Experience", that is, the experience that our customers receive as well as the experience that the Group has developed over decades of operations.



Committee, and events, such as Frasers Environment Month. We also work together to develop policies, action plans and targets to progressively achieve good sustainability practices and adoption of international environmental standards. Finally, we empower our employees to actively participate and drive our various sustainability activities and initiatives. We engage our stakeholders in a variety of ways and we continuously seek to collaborate in more ways with them.

Our FY2017 Sustainability Report demonstrates how we are working with our various stakeholders and partners as well as the disclosure of our Environmental, Social and Governance (ESG) performance in FY2017. We are developing various targets and initiatives to be implemented in the future.

We are pleased that we have improved our energy and water intensities in FY2017 and achieved Green Mark certification at YewTee Point. We also took part in our Sponsor's inaugural Environment Month. We continue to implement OHSAS 18001 and SS506 Part 1:2009 occupational health and safety management systems and obtained the Biz-Safe Enterprise Level Star Award at all our properties. We also maintained good governance performance with no known incidents of non-compliance with relevant codes, laws and regulations. We continue to explore opportunities to improve our sustainability efforts through benchmarking with our peers in the REIT and real estate industry.

THE YEAR AT A GLANCE



GOVERNANCE

- Zero known incidents of non-compliance with relevant codes, laws and regulations



HEALTH AND SAFETY

- Zero incidents of safety-related non-compliance and zero loss time injuries for FCAM employees
- Implemented the OHSAS 18001 and SS506 Part 1:2009 occupational health and safety management systems at all our properties
- Achieved Biz-Safe Enterprise Level Star Award, awarded by the Workplace Safety and Health Council at all our properties
- Causeway Point achieved SCDF Outstanding Company Emergency Response Team (CERT) Award 2016



ENVIRONMENT

- 7.2% decrease year-on-year in average building energy intensity
- 2.0% decrease year-on-year in average building water intensity
- 8.6% decrease year-on-year in GHG emission intensity
- All FCT properties achieved Water Efficient Building Certification awarded by PUB
- YewTee Point achieved Green Mark Certification awarded by the Building and Construction Authority of Singapore (BCA)



EMPLOYEES

- Employees of the Manager achieved an average 66.6 training hours per employee, exceeding of the target of 40 hours

7.2%

decrease year-on-year
in average building
energy intensity

2.0%

decrease year-on-year
in average building
water intensity

8.6%

decrease year-on-year
in GHG emission
intensity

66.6hr

average
training hours per
employee

MANAGING SUSTAINABILITY

MANAGEMENT STRUCTURE

The tone from the top is critical for driving good sustainability practices throughout FCT and the Manager. As a sponsored REIT, our sustainability programme is closely aligned with the business strategy and commercial direction of our Sponsor.

The Sustainability Steering Committee (SSC) provides guidance and drives Frasers Centrepoint Group's corporate sustainability agenda in its business operations. The committee is chaired by the Group CEO, Mr. Panote Sirivadhanabhakdi, and comprises the top management – the CEOs of all our business units, the Chief Corporate Officer and Chief Financial Officer, as well as the Chief Human Resources Officer. FCAM's

CEO, Dr. Chew Tuan Chiong, represents FCT in the SSC. To ensure that our sustainability efforts are on the right track, the SSC meets quarterly to review and assess the performance of our sustainability initiatives.

FCT is also represented in the Sustainability Working Committee (SWC), which supports the SSC. The SWC consists of members from the senior and middle management of various business units and departments such as Finance, Risk Management, Human Resource and Communications. The SWC's main task is to monitor our sustainability performance against our key performance indicators (KPIs), implement action plans, and report findings to the SSC.

STAKEHOLDER ENGAGEMENT

Our stakeholders are important to FCT's long-term success. We interact with many key stakeholders on a regular basis and these interactions facilitate continuous improvements in all areas of our operations. We seek to engage stakeholders' concerns through multiple forms of engagement, as outlined in the table below:

Key Stakeholders	Engagement Methods	Key Topics
Shoppers	<ul style="list-style-type: none">• Shopper surveys• Focus group study (every 2 years)• Feedback via online and mobile platforms such as social media and FCT/FCL websites• Regular shopper events to engage shoppers and their families• Frasers Rewards (loyalty program for shoppers at Frasers malls)• Feedback forms	<ul style="list-style-type: none">• Meeting the shopping needs of our shoppers• Quality of services and facilities• Providing comfortable shopping environment and family-friendly amenities• Considerations for safety and easy accessibility• Good connectivity to public transport
Tenants	<ul style="list-style-type: none">• Partnership in promotional events• Regular tenant feedback meetings	<ul style="list-style-type: none">• Maintaining high shopper traffic• Competitive rental rates• Collaboration in marketing and promotional events
Regulators Industry associations	<ul style="list-style-type: none">• Participation in industry associations including REIT Association of Singapore (REITAS), Investor Relations Professionals Association (IRPAS), Orchard Road Business Association (ORBA), Securities Investors Association (Singapore) (SIAS) and Singapore Retailers Association (SRA)• Participation in briefings and consultation with regulators such as the Singapore Exchange (SGX) and Monetary Authority of Singapore (MAS)	<ul style="list-style-type: none">• Compliance with relevant rules and regulations• Engagement with investors and unitholders• Government policies on REITs and/or Real Estate sector• Issues concerning both short and long-term interests of the retail industry in Singapore

MANAGING SUSTAINABILITY

Key Stakeholders	Engagement Methods	Key Topics
Property Manager	<ul style="list-style-type: none"> Monthly meetings Email exchanges 	<ul style="list-style-type: none"> Key Performance indicators for the Property Manager
Investors and FCT Unitholders	<ul style="list-style-type: none"> Investor meetings, quarterly post-results luncheons and non-deal roadshows Mall tours upon requests Annual General Meetings Website, annual reports, SGXNET announcements, presentations slides, quarterly financial results briefings and conference calls 	<ul style="list-style-type: none"> Business and operations performance Business strategy and outlook Sustainability concerns
Employees	<ul style="list-style-type: none"> Annual Performance appraisals Communal sports and activities Orientation and training programmes organised by FCL Group Human Resource Regular department meetings Family Day Annual Dinner and Dance event 	<ul style="list-style-type: none"> Compensation and Benefits Career progression Continuous education and skills upgrading Employee well-being
Community	<ul style="list-style-type: none"> Annual Charity Drives and Events Donations and sponsorships to charitable organisations 	<ul style="list-style-type: none"> Helping the needy group in the community Foster strong community ties and promote family-values

MATERIALITY

In FY2015, we conducted a materiality assessment in collaboration with our Sponsor to determine the ESG factors material to our operations, as well as those that influence decisions of our stakeholders. This assessment was based on the international standards for materiality, the GRI and AA1000 principles, as well as the application of sector-specific guidance from the Global Real Estate Sustainability Benchmark (GRESB) and the GRI Construction & Real Estate Sector supplements.

Based on the materiality review process conducted by FCT's key management, we concluded that the material factors are still reflective of our current business condition; thus, our material factors are unchanged. We will continue to assess these material factors on a regular basis to ensure that they are relevant and reflective of our business impacts and stakeholders needs.

After discussing how we address some of the United Nations' Sustainable Development Goals (SDGs) in last year's report, we have linked these SDGs to our material factors in order to demonstrate our ongoing commitment. Adopted by the United Nations and its member states, the 17 SDGs focus on the economic, environmental and social dimensions of sustainable development. The SDGs call for global action among governments, civil society and the private sector to end poverty, protect the planet and ensure prosperity for all¹. At FCT, we aim to contribute to the achievement of the SDGs by minimising the environmental footprint of our business operations and incorporating sustainability principles into our corporate policies and procedures.

1 According to United Nations Development Programme.

Theme	Material factors	Relevant Sustainable Development Goals (SDGs)
Economic	1. Economic performance ¹	Goal 8: Decent work and economic growth Goal 9: Industry, Innovation and Infrastructure
Upholding Good Corporate Citizenship	2. Environmental compliance 3. Anti-corruption 4. Ethical marketing	Goal 17: Partnership for the goals
Changing The Way We Look at Natural Resources	5. Energy management 6. Water management	Goal 7: Affordable and clean energy Goal 9: Industry, Innovation and Infrastructure Goal 11: Sustainable cities and communities
Investing in a Workforce of the Future	7. Staff retention and development 8. Labour/management relations 9a. Health and safety	Goal 3: Good health and wellbeing Goal 8: Decent work and economic growth Goal 10: Reduced inequalities
Creating Strong and Integrated Communities	9b. Health and safety 10a. Local communities	Goal 3: Good health and wellbeing Goal 11: Sustainable cities and communities
Giving Back to Society	10b. Local communities	Goal 17: Partnership for the goals

1 Not covered in this section. Please refer to pages 118-176 for our financial statements.

INFLUENCING OUR SUPPLY CHAIN

FCT and the Manager are committed to influencing our value chain in sustainability matters.

Where relevant and practicable, we engage our Property Manager and service providers, and collaborate with them to take actions with positive sustainability impact. Examples of such actions include the switch or upgrade to environmentally friendly equipment during AEI and facilities maintenance.

We also require our Property Manager to ensure that the service providers who carry out maintenance and fitting-out works in our properties are compliant with the relevant statutory requirements and the Workplace Safety and Health Approved Codes of Practice issued by the Singaporean WSH Council.

PARTNERSHIPS AND AFFILIATIONS

The Manager has memberships in several industry organisations including the Securities Investors Association (Singapore) (SIAS), REIT Association of Singapore (REITAS) and Investor Relations Professionals Association (IRPAS). We work with these organisations in various aspects to contribute to the real estate and REIT industry, as well as to the general investor community and to the public. The objective of the subscription to these organisations are aligned to our desire to grow and promote the S-REIT industry; to promote good corporate governance; and to engage regulators during the formulation of policies relevant to the industry, among other objectives. The Manager, as part of Fraser Centrepoint Group, also participates in activities organised by Orchard Road Business Association (ORBA) and Singapore Retailers Association (SRA). The Manager supports FCL, in its commitment to enhance corporate social responsibility initiatives.

UPHOLDING GOOD CORPORATE CITIZENSHIP

Relevant SDGs



BEYOND COMPLIANCE

Being respectful of laws, regulations and the needs of society are essential to be a good corporate citizen. Good corporate governance drives good business practices. We recognise the benefits that clear policies and good management bring to our business, and we strive to maintain high standards of integrity, accountability and corporate governance.

NO BREACH OF ENVIRONMENTAL LAWS AND REGULATIONS.
We aim for zero incidents of non-compliance with environmental laws and regulations in upcoming year.

NO CONFIRMED CASES WITH REGARDS TO BRIBERY AND CORRUPTION REPORTED.
We have a zero tolerance approach towards bribery, corruption and fraud.

NO INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND INDUSTRY CODES
concerning marketing communications for which fines were issued to the Company this year.

ENVIRONMENTAL COMPLIANCE

FCT supports Building and Construction Authority's (BCA's) second Green Building Master Plan that at least 80% of the buildings in Singapore achieve the BCA Green Mark Certified rating by 2030, and mandates that all new developments and retrofits achieve the basic Green Mark Certification level.

ETHICAL MARKETING

In all our engagements with our tenants, suppliers and customers, we ensure that our communications and marketing are responsible, clear, timely and accurate. Information for investors is disclosed in our Annual Report, our quarterly financial statements and our investor presentations. All these documents are publicly available on our website and on the SGX-ST website. In addition, we hold post-results briefings or conference calls meetings every quarter and participate in regular non-deal roadshows and investors meetings.

ANTI-CORRUPTION AND FRAUD PREVENTION

We believe that sustainability should be integral to the corporate governance structure of our business. As such, we strive to maintain high standards of integrity, accountability and corporate governance.

We adhere to the Code of Corporate Governance 2012, Code of Advertising Practice, listing rules and regulations set out by SGX and the MAS Securities and Futures Act, as well as all other applicable laws and regulations. This year, we have also engaged Ernst & Young Advisory Pte. Ltd. to create a framework for the prevention of money laundering and countering the financing of terrorism when we deal with our counterparties and tenants.

FCAM has a zero-tolerance approach towards corruption and fraud. We adhere to the following corporate policies and SOPs established by FCL to guide conduct of our employees:

Corporate Policies	Guidance on:
Code of Business Conduct	Internal policies that cover ethics and conduct in relation to topics such as compliance monitoring, record keeping, information confidentiality, conflicts of interest, insider trading and equal employment opportunities
Whistle-Blowing Policy	Provide a channel for stakeholders to report concerns on improprieties in financial reporting, professional misconduct, irregularities or non-compliance with laws and regulations
Anti-Bribery Policy	Prevention and management of bribery and corruption
Competition Act Compliance Manual	Compliance with the Competition Act to protect and promote healthy competitive markets in Singapore
Personal Data Protection Act Policy	Compliance with the Personal Data Protection Act (PDPA) 2012
Environment, Health and Safety Policy	Safeguarding the health and safety of all relevant stakeholders and interested parties within its premises and providing an environmentally friendly and safe place for them to work in or to conduct their business
Legal and Regulatory Compliance Manual	Provides guidance on compliance with relevant rules and regulations
Policy on Dealing in Units of FCT and Reporting Procedures	Provides guidance regarding dealings in FCT units by directors, officers and employees
Policy for Prevention of Money Laundering and Countering the Financing of Terrorism	Provides guidance so that employees of the Manager are aware of their obligations and responsibilities and meet the obligations under the relevant Prevention of Money Laundering and Countering the Financing of Terrorism regulations
Policy on Outsourcing	Provides guidance regarding the adoption of sound risk management practices on outsourcing of services
Treasury Policy	Provide guidance on the management of treasury activities

Our management's approach is risk-based, and supported by our internal audit framework. We have in place an internal audit function established within the FCL Group to independently examine and evaluate the activities of FCAM, focusing on the adequacy and effectiveness of internal controls, risk management and corporate governance processes. For further details on our internal audit, please refer to pages 106 to 107 of this Annual Report.

CHANGING THE WAY WE LOOK AT NATURAL RESOURCES

FCT aligns its goals in environmental sustainability with that of the Sponsor. Recognising the importance of being environmentally conscious, we will work towards cultivating a culture that encourages thoughtful and ethical behaviour that promotes care and awareness of our environment footprint to our employees and stakeholders.

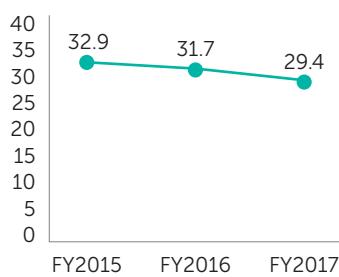
ENERGY MANAGEMENT

Our overall building energy consumption and intensity decreased by 7.2% year-on-year for FY2017. While the asset enhancement initiative (AEI) at Northpoint City North Wing contributed to the decrease, we generally saw a fall in energy consumption in our malls. We have increased our efforts to achieve higher energy efficiency at our malls, by implementing changes such as installing energy-efficient LED lighting in common areas, upgrading to more energy-efficient chillers and air-conditioning units. YewTee Point's building management system was also optimized and that helped the mall to achieve the BCA Green Mark Certification this year.

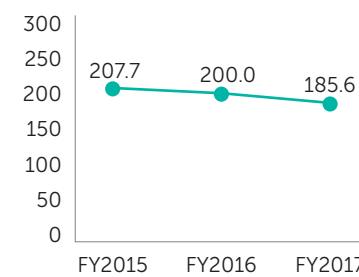
In line with the drop in energy intensity, we are also pleased to see a 8.6% decrease in our GHG emissions and intensity.

We have set a 10-year target for a 15% reduction in energy intensity by FY2025, from the baseline of FY2015. This is in line with FCL's target.

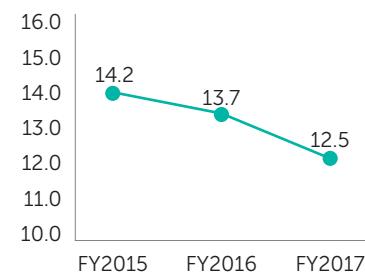
Building energy consumption
(million kWh)



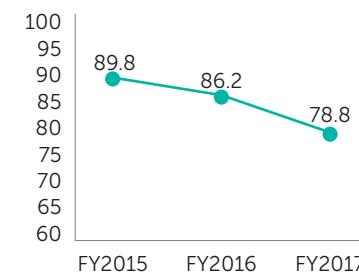
Building energy intensity
(kWh/m²)



Building GHG emissions
(thousand tonnes of CO₂e)



GHG emission intensity
(kilograms of CO₂e/m²)



¹ The building GHG emissions (in thousand of CO₂e) for FY2016 has been restated to 13.7 from 13.6 due to rounding in calculations.

Relevant SDGs



WE HAVE SET A 10-YEAR TARGET FOR A

15%
REDUCTION OF OUR
ENERGY INTENSITY
BY FY2025, FROM THE
BASELINE OF FY2015



CERTIFICATES AND AWARDS

FCT's BCA Green Mark certified properties have energy efficiency measures built into their designs and are subject to energy audits every three years. The properties in FCT's portfolio which are BCA Green Mark certified as at 30 September 2017 are:

- Causeway Point: BCA Green Mark (Platinum)
- Changi City Point: BCA Green Mark (Gold^{PLUS})
- Bedok Point: BCA Green Mark (Gold)
- Northpoint City North Wing: BCA Green Mark (Gold)
- YewTee Point: BCA Green Mark (Certified)



WATER MANAGEMENT

Water is a scarce resource in Singapore and we are a net importer of it. It is important that we continue to improve our efforts to better manage our water consumption within our malls. FCT encourages our Property Manager to take ownership of water management in our properties.

For FY2017, our building water consumption and intensity decreased by 2%. While the asset enhancement initiative (AEI) at Northpoint City North Wing was a factor to the decrease, we have seen some results from more conscious use of water from the continued efforts to raise awareness in water conservation.

We have set a 10-year target for a 15% reduction in water intensity by FY2025, from the baseline of FY2015. This is in line with FCL's target.

WE HAVE SET A 10-YEAR TARGET FOR A

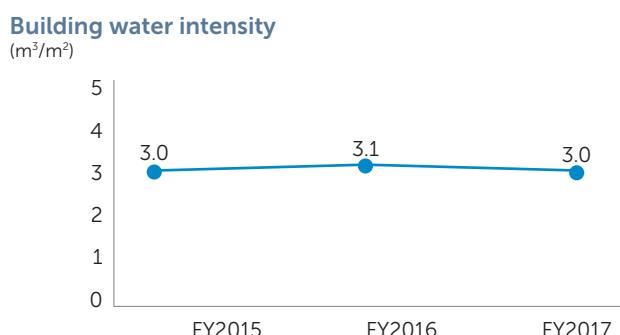
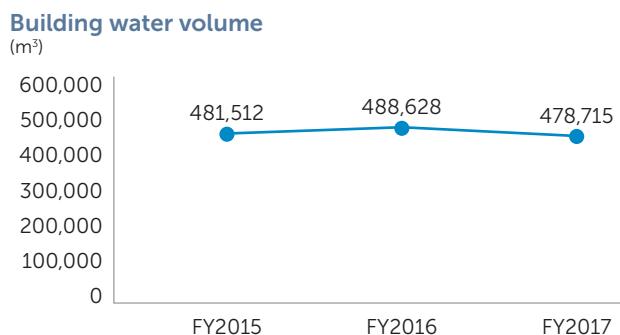
15%
REDUCTION OF OUR
WATER INTENSITY BY
FY2025, FROM THE
BASELINE OF FY2015



WATER EFFICIENT BUILDINGS

All our malls have achieved the Public Utilities Board's (PUB) Water Efficient Building (WEB) Certification. By adhering to the WEB Certification, these malls are fitted with many water saving features such as:

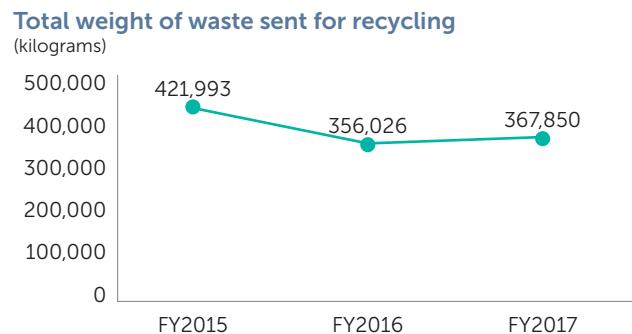
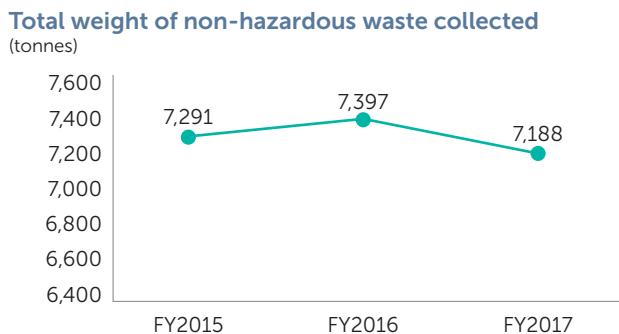
- tap flow restrictors/regulators
- low-flush water system
- waterless urinal system
- PUB's Water Efficiency Labelling Scheme (WELS) approved fittings
- use of NEWater and Air Handling Unit (AHU) condensate for non-portable purposes



CHANGING THE WAY WE LOOK AT NATURAL RESOURCES

WASTE MANAGEMENT

Waste generation and disposal remain as some of the top environmental issues in Singapore. We continue to implement various waste management initiatives.



REDUCE, REUSE, RECYCLE

We track the waste disposal and recycling activities at our malls and implement initiatives to reduce our ecological footprint brought about by waste generation. We constantly look for ways to encourage Reduce, Reuse and Recycle (3Rs) in our operations, where a large part of the waste is generated by shoppers and tenants.

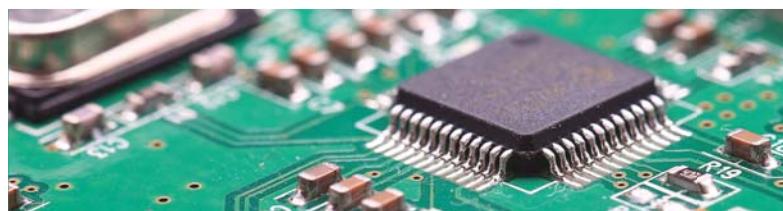
Recycling bins are installed at our malls to make it convenient to shoppers and tenants to recycle. Retail tenants are also encouraged to segregate their waste (paper, plastic and general waste) before disposal to improve their recycling efforts. We are ramping up recycling efforts to include other materials such as plastics and metals.

The F&B businesses in our shopping malls generate considerable amount of food waste. Hence, we are evaluating initiatives to promote the reduction and recycling in this area.

We source paper which has Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC) labels, or products under the Singapore Green Label Scheme (SGLS). We encourage our employees to reduce the amount of paper use by setting default setting of printing to double-sided and discouraging printing where materials are available online.

PARTNERING WITH NATIONAL ENVIRONMENTAL AGENCY (NEA)

We have partnered with National Environment Agency (NEA) to deliver lunchtime talks to staff and tenants on waste minimization to drive the message on the 3Rs practices.



RECYCLING E-WASTE

To encourage our tenants to recycle e-waste, we partnered with StarHub to provide e-waste bins at our malls. This is a part of the REcycling Nation's Electronic Waste (RENEW) project that Starhub, DHL and TES-AMM pioneered to provide consumers with avenues to responsibly dispose of their e-waste. The e-waste from the bins will be collected by DHL and TES-AMM will extract re-usable materials and dispose the remains using environmentally safe means.

The total amount of e-waste collected from our malls was 689kg for FY2017. We are looking forward to continue to raise awareness for the recycling of e-waste and making contributions to such recycling efforts.



(Right) Elsie Goh, Senior Centre Manager, Causeway Point, receiving the certificate from (left) Dr Amy Khor, Senior Minister of State, Ministry of the Environment and Water Resources & Ministry of Health.

Causeway Point commended with the Good Effort Certificate at the 3R Awards for Shopping Malls, the first waste reduction and recycling award for mall operators in Singapore.

CREATING AWARENESS

At FCT, we hold ourselves to a high standard by continuously looking for opportunities to reduce our reliance on the natural resources to promote good sustainability practices.

We recognise that our investors and stakeholders are increasingly emphasising responsible ESG practices. In order to ensure firm-wide support towards environmental sustainability, senior management sets the appropriate tone-at-the-top to drive and garner active involvement from our employees. Raising awareness on the importance of environmental sustainability continues to be a group-wide effort. In the future, we plan to extend our reach to our supply chain.

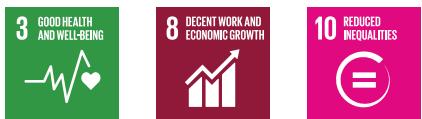
FRASERS ENVIRONMENT MONTH

During the inaugural Environment Month in March 2017, employees participated in a series of workshops, engagement sessions, educational tours, and even a coastal clean-up. These programmes hope to increase the awareness about upcycling and recycling, water sustainability as well as the conservation of resources.

As per previous years, we continue to support the global climate change movement, Earth Hour by collaborating with our tenants to switch off from 8.30pm on 25 March. The event aimed to raise awareness that the way to create a greener building is through collaboration with our partners.

INVESTING IN A WORKFORCE OF THE FUTURE

Relevant SDGs



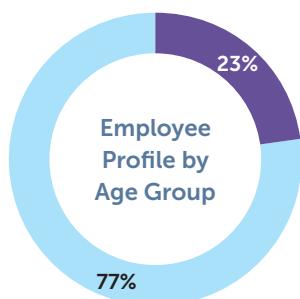
At FCT, we believe in investing in the career development and well-being of our staff, to provide safe and healthy work environment, and to maintain transparent communication channels with our staff.

KNOWING OUR PEOPLE

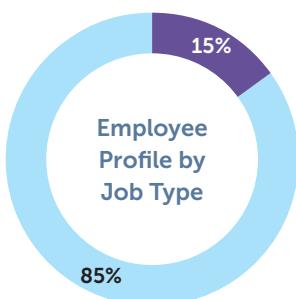
Our employees play a critical role in ensuring that our business continues to grow and thrive.

Our employees play a critical role in ensuring that our business continues to grow and thrive. Retaining and investing in the development of our human capital is key and it ensures that we stay relevant. We believe that having a dedicated workforce is key in driving and sustaining our growth and success.

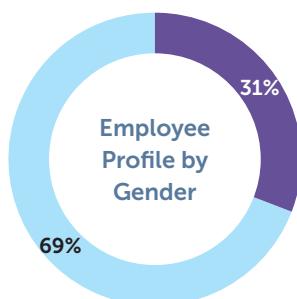
Having a diverse talent pool encourages growth, innovation and inclusivity, all of which contribute positively to FCT's business performance. As a part of our commitment to adopt fair employment practices, FCT is guided by Frasers Centrepoint Group's commitment to the Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP) in Singapore and the Singapore National Employer Federation. FCT is also guided by Frasers Centrepoint Group's Code of Business Conduct to reiterate our commitment to equal and fair employment opportunities.



- 3 employees aged 50 and above
- 10 employees aged 30-49 years old



- 2 Non-executives
- 11 Executives



- 4 Male Employees
- 9 Female Employees



- 13 Employees who are Singaporean

NURTURING TALENT

As of 30 September 2017, FCAM has a total of 13 employees, not including contract staff. There were 1 new hire and 2 resignations during the year. We believe strongly in investing in the career development of all our employees and review their performance with them on an annual basis.

Training and development initiatives for FCAM employees are supported by FCL's HR department. Supervisors are responsible for ensuring that the training and development of their subordinates comply with the requirements of the Continuing Education of Capital Markets Services Representatives. FCL's HR department publishes periodic comprehensive learning directory for all FCL staff and they may also request to attend training courses not covered by this learning directory.

The average training hours achieved per FCAM employee is 66.6 hours, which exceeds the target of 40 hours set for FY2017.

THE AVERAGE TRAINING HOURS ACHIEVED PER FCAM EMPLOYEE IS

66.6hrs

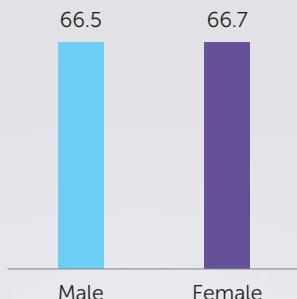
THIS EXCEEDS THE TARGET OF 40 HOURS SET FOR FY2017.



Average Training Hours per Employee
(hours)



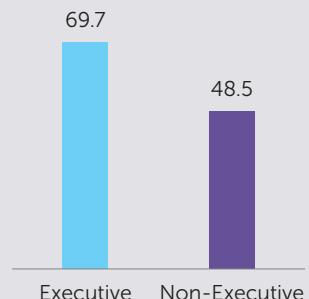
Average Training Hours per Employee by Gender
(hours)



Average Training Hours per Employee by Job Type
(hours)



Average Training Hours per Employee by Job Type
(hours)



INVESTING IN A WORKFORCE OF THE FUTURE

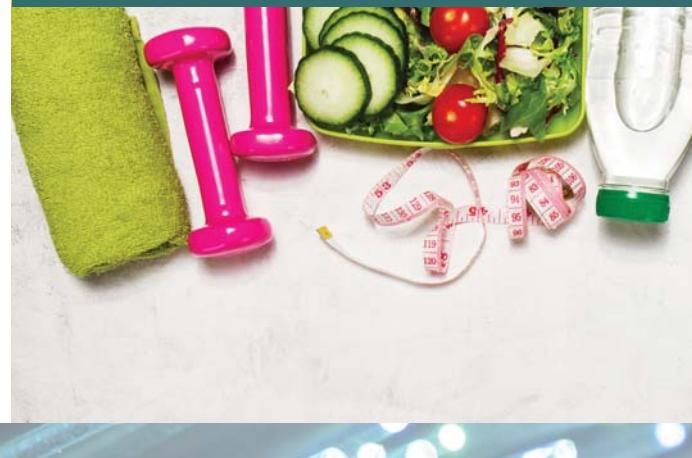
HEALTH AND WELL-BEING

At FCT, we strive towards achieving work-life balance for our employees. The Corporate Wellness Committee plans several team building, personal development and health-related activities.

Our employees participate in the year-round staff wellness programme organised by FCL's Corporate Wellness Committee. The programme is planned around team building, personal development and health according to the motto "Make Wellness Part of Your Life: Regular Exercise. Eating Right. Staying Positive".

Our employees also participate in social events such as the Annual Dinner and Dance, Family Day, health screenings, fitness activities such as walks, jogs and yoga.

Spending time with our loved ones is an important part of maintaining our well-being. Our Sponsor organized a family day outing to Universal Studios Singapore to promote greater family bonds. The employees and their families were treated to a day of thrills and delights at the park. Besides spending time with their families, employees were able to connect with their colleagues away from the office.



SAFETY FIRST

Our fundamental focus is to ensure that our employees work in a safe work environment. We have implemented workplace safety management systems across key business operations to identify and control hazards, monitor performance and identify areas for improvement. For FY2017, there were zero incidents of safety-related non-compliance and zero loss time injuries from FCAM employees.

FCAM adheres to the Workplace Health and Safety Policy of the Frasers Centrepoint Group, the relevant safety rules and regulations to provide a safe environment at our properties for our employees, tenants, shoppers and stakeholders. We implemented the OHSA18001 and SS506 Part1:2009 occupational health and safety management systems at all our properties.

STAFF TRAINING

Our Group provides an extensive list of courses, catering health and safety training to our staff and our Property Managers. These includes courses such as "Moving EHS from Awareness to Action: Sending the EHS Message Right" and the "Terrorism 101 Workshop".



HEALTH AND SAFETY MONTH (WELL-BEING INITIATIVES)

As part of our Health & Safety Month, our employees took part in various wellness activities. During the Frasers Global Running Challenge, our employees from different countries pit their running mileage against each other and top runners win attractive prizes. We also took part in the National Steps Challenge where employees are encouraged to clock 10,000 steps a day as part of the challenge. With all these activities, we hope to nurture active lifestyles among our employees.



HEALTH AND SAFETY MONTH (SAFETY INITIATIVES)

We also participated in Frasers Centrepoint Group's Health & Safety Month. The theme this year was "Health & safety: it's core to our culture". Various health and safety talks as well as workshops were conducted for the employees. Safety audits were also scheduled at all our properties.



A Frasers Health & Safety Workshop was conducted during this month where employees from Frasers Centrepoint participated in and conducted several programmes on common hazards at the workplace, risk management and safety consciousness in achieving OSH objectives.

CREATING STRONG AND INTEGRATED COMMUNITIES

FOSTERING A SENSE OF BELONGING

Our malls provide shoppers with not only shopping convenience, but also destination spaces to gather with family and friends, practise hobbies and take part in new experiences. We encourage our Property Managers to focus on the experiences that mall visitors receive and not just their basic needs to contribute to thriving, happy communities.

Relevant SDGs



UNIVERSAL DESIGN

We believe that everyone should be able to enjoy the shopping and dining experience our malls provide. Therefore, we work to increase accessibility of our properties so that they can be used by all people regardless of their age, size, ability or disability. Through Universal Design we ensure that our developments cater to the varying needs of the community that we serve. The concepts that we focus on would be user friendliness, connectivity and accessibility, operations and maintenance, safety and design integration of our properties.

CAUSEWAY POINT

User friendliness

Causeway Point is easily accessible by the public and wayfinding within the mall is facilitated by visual reference points (e.g. atria, external views, focal nodes) to aid users in orientation. Signage with braille is also provided at the beginning of corridors leading to the toilets. Causeway Point also have dedicated children play area with padded floor surface, nursing rooms and child-friendly sanitary facilities. These make it a family friendly destination mall.

Connectivity and accessibility

Commuters can access Causeway Point from Woodlands Civic Centre, Woodlands MRT station, the bus interchange, taxi stand, traffic junction, sidewalk and future

underpasses. Designated accessible alighting and boarding bays also help to serve the needs of our shoppers.

Operations and maintenance

Causeway Point is cladded with durable aluminium composite panels on 80% of its façade which can be easily cleaned and maintained without the need for repainting. Painted walls are kept to a minimum and they are painted in dark colours to minimise staining.

Safety

Causeway Point has installed anti-slip walking surfaces to minimize slippage. Proper colour contrast and appropriate illumination levels are also used.

Design integration

Our through-block link is accessible 24 hours to allow residents to commute between the residential estate and the MRT station and bus interchange, along with the other parts of the mall such as the taxi stand and carpark.



CAUSEWAY POINT
WAS AWARDED THE
**BCA UNIVERSAL
DESIGN MARK
GOLD^{PLUS} AWARD**
IN 2015.

NORTHPOINT CITY, SINGAPORE

Our mall, Northpoint City North Wing is part of the Northpoint City project that aims to revitalise and rejuvenate the Yishun Centre precinct. Centre to Yishun's Remaking our Heartland Programme, Northpoint City is expected to serve as a shopping, dining, lifestyle, recreation and integrated transport hub for its shoppers and visitors.

THE PAINT PARTY AT NORTHPONT CITY NORTH WING

Northpoint City North Wing organized The Paint Party, a community engagement project where residents were invited to grab a brush and contribute to an art work that will form The Community Wall – a collaboration between local artist and urban sketcher, Francis Theo, and Northpoint City. It will be unveiled to the public during the soft opening of Northpoint City at the end of the year.

We have taken the opportunity in this revitalisation project to create open spaces for community activities and interaction. These also allow for community-centric tenants to use the additional space to provide community services. Northpoint City will have seamless connectivity to Yishun MRT and the bus interchange as well as dedicated sheltered walkway to nearby bus stops. There will also be bicycle parking lots to help Northpoint City better serve the community.



BUILDING STAKEHOLDER CONFIDENCE

No breaches of health and safety regulations in regards to our building users

No major safety incidents across our portfolio

Plan to focus on increasing our terrorism incident planning for FY2018

FCT wants its mall to be a place where its shoppers and its tenants feel comfortable and safe. Our properties are well-maintained with equipment and established practices, such as essential locking mechanisms, safety lighting and fire and emergency procedures to protect our shoppers and tenants. We also conduct regular risk assessments and walk-throughs of our buildings to uphold a high quality of health & safety at all times.

STAYING VIGILANT

One of our initiatives this year has been vigilance around the potential threat of terrorism. We take the safety of our shoppers and tenants seriously and are aware of the potential threat of terrorism in large community spaces such as our shopping malls. We have worked with various government agencies to ensure that our employees are well prepared. Going forward, we will continue to address these threats through risk assessment, risk audit, review of safety enhancement methods and security trainings and workshops.



GIVING BACK TO SOCIETY

At FCT, we align our principles with Frasers Centrepoint Group and shape our community investments around the theme of 'Wellness'. We aim to enhance the wellness of the minds, hearts, spirits and bodies of our communities as well as contribute to the wellness of our chosen charitable causes. At FCT, we give back to the local communities who have supported our growth through initiatives and investments by involving our people to provide financial assistance, share our spaces and support the arts and heritage.

Relevant SDGs



Demonstration of Snakes and Ladders to our shoppers during the National Day Fiesta

CELEBRATING WITH OUR NATION

In conjunction with the National Day, YewTee Point held the National Day Fiesta where the community were invited to take part in fun-filled family activities, have nostalgic local snacks and play old-school games.



FOOD DONATIONS TO UNDERPRIVILEGED RESIDENTS AMONGST US

YewTee Festive Care & Share is a food donation drive organised at YewTee Point earlier this year to assist low-income individuals and families residing in the Yew Tee and Choa Chu Kang neighbourhood. This initiative was held in conjunction with Yew Tee Community Club Women's Executive Committee.

YewTee Point also kicked off the Lunar New Year this year with the "Prosperity Charity Rice Bucket Challenge". For every rice bucket redeemed, YewTee Point donated 2 kg of rice to Shan You Counselling Centre, a non-profit Voluntary Welfare Organisation that serves daily meals to elderly who are vulnerable and at risk of not having daily meals in Singapore. This initiative saw about 800 kg of rice donated to the Centre.



GIVING BACK TO SOCIETY

PLAY IT FORWARD - AN INITIATIVE

Involving over 10,000 participants in our "Play It Forward" initiative, Frasers Centrepoint Singapore organised a roving giant ball pool charity initiative that also came to Northpoint City North Wing, YewTee Point and Causeway Point to raise funds for Family Services Centres (FSCs). FSCs provide social support for families in Singapore facing difficulties.

For a minimum donation of \$5, shoppers of our malls were offered a chance to dive-in, unwind and play in a colourful sea of 100,000 balls while Frasers Centrepoint Malls matched the donations dollar-for-dollar, achieving a total of over \$100,000 of funds raised as at 18 February 2017.

We are also proud that this one year-long charity drive that started in FY2016 and concluded at Causeway Point this financial year, won the "Special Events Silver Award" at the annual Community Chest Awards.



Children having fun in the charity ball pool at Northpoint City North Wing



Northpoint City North Wing



Play It Forward at Causeway Point

SUPPORTING OUR COMMUNITY THROUGH ART

Changi City Point hosted the Very Special Arts Singapore Ltd (VSA Singapore) for its sixth annual fund raising event to showcase artworks by artists with disabilities. The exhibition, "Welcome to Paradise", featured about 100 artworks by more than 35 artists over 7 days, the event is known as the largest platform for people with disabilities to achieve financial independence through art-making. The public showed support by purchasing artworks.



ENGAGING PARTNERS FOR A MORE UNDERSTANDING SOCIETY

Giving back to the local community that we serve has always been how we operate. Partnering the Mobility Aids Training & Services (MASTC) under Kampung Senang Charity, Frasers Centrepoint Malls launched the Spin It To Win It campaign with the objective of raising awareness of the needs of the physically disabled as well as supporting both MASTC and the Society for the Physically Disabled (SPD) as beneficiaries. Our malls were partners in this event.

At the same time, Causeway Point and YewTee Point also held the "Wheels of Hope Roadshow" on 11 June and 18 June respectively where trainers shared with shoppers how they can volunteer with MASTC, recycle used or unwanted mobility aids and pick up professional training on how to fix faulty wheelchairs. Shoppers were also allowed to bring home toolkits worth \$50 each.

GRI INDEX

GRI STANDARDS 2016		NOTES/PAGE NUMBER(S)
GENERAL DISCLOSURES		
ORGANISATIONAL PROFILE		
102-1	Name of the organisation	Frasers Centrepoint Trust
102-2	Activities, brands, products, and services	About Frasers Centrepoint Trust (Page 3)
102-3	Location of headquarters	Singapore
102-4	Location of operations	Singapore, associate's operations are in Malaysia
102-5	Ownership and legal form	About Frasers Centrepoint Trust (Page 3) Structure of Frasers Centrepoint Trust (Page 4)
102-6	Markets served	About Frasers Centrepoint Trust (Page 3)
102-7	Scale of the organisation	About Frasers Centrepoint Trust (Page 3) 5-Year Financial Highlights (Page 11) Knowing Our People (Page 80)
102-8	Information on employees and other workers	Knowing Our People (Page 80) Nurturing Talent (Page 81) All activities are carried out by employees of the Manager of FCT
102-9	Supply chain	Influencing Our Supply Chain (Page 73)
102-10	Significant changes to organisation and its supply chain	No significant changes
102-11	Precautionary principle or approach	FCT does not specifically refer to the precautionary approach when managing risk; however, our management approach is risk-based, and underpinned by our internal audit framework
102-12	External initiatives	Materiality (Pages 72-73)
102-13	Membership of associations	Partnerships and Affiliations (Page 73)
STRATEGY		
102-14	Statement from senior decision-maker	Letter to Unitholders (Pages 14-17)
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behaviour	Upholding Good Corporate Citizenship (Pages 74-75), Corporate Governance Report (Pages 94-116)
GOVERNANCE		
102-18	Governance structure	Management Structure (Page 71) Corporate Governance Report (Pages 94-116)
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Stakeholder Engagement (Pages 71-72)
102-41	Collective bargaining agreements	There are no collective bargaining agreements in place.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement (Pages 71-72) (We have selected these Stakeholders based on their interests in our business.)
102-43	Approach to stakeholder engagement	Stakeholder Engagement (Pages 71-72)
102-44	Key topics and concerns raised	Stakeholder Engagement (Pages 71-72)

GRI STANDARDS 2016		NOTES/PAGE NUMBER(S)
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	Notes to Financial Statements -Note 1 (Page 132), Note 6-8 (Pages 152-154)
102-46	Defining report content and topic Boundaries	About This Report (Page 68) Report Scope (Page 68)
102-47	List of material topics	Materiality (Pages 72-73)
102-48	Restatements of information	Energy Management (Page 76)
102-49	Changes in reporting	No changes in report scope from last year
102-50	Reporting period	1 October 2016 to 30 September 2017
102-51	Date of most recent report	30 September 2016
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Fungleng.chen@fraserscentrepoint.com
102-54	Claims of reporting in accordance with GRI Standards	About This Report (Page 68)
102-55	GRI content index	GRI Index (Pages 90-92)
102-56	External assurance	We have not sought external assurance on this data, however we intend to review this stance in the future.
MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its boundary	Managing Sustainability (Pages 71-73)
103-2	The management approach and its components	Upholding Good Corporate Citizenship (Pages 74-75), Changing the Way We Look at Natural Resources (Pages 76-79), Investing in a Workforce of the Future (Pages 80-83)
103-3	Evaluation of the management approach	The boundaries of all our material topics are internal, except for customer health & safety and local communities that are both external and internal
MATERIAL TOPICS		
ECONOMIC PERFORMANCE		
201-1	Direct economic value generated and distributed	Financial Statements (Pages 118-176)
ANTI-CORRUPTION		
205-3	Confirmed incidents of corruption and actions taken	Beyond Compliance (Page 74) Anti-Corruption and Fraud Prevention (Page 75)
ENERGY		
302-1	Energy consumption within the organization	Energy Management (Page 76)
302-4	Reduction of energy consumption	Energy Management (Page 76)
G4-CRE1	Building energy intensity	Energy Management (Page 76) All energy is from purchased electricity
WATER		
303-1	Water withdrawal by source	Water Management (Page 77) All water consumed is from purchased utilities
G4-CRE2	Building water intensity	Water Management (Page 77)

GRI INDEX

GRI STANDARDS 2016		NOTES/PAGE NUMBER(S)
EMISSIONS		
305-2	Energy indirect (Scope 2) GHG emissions	Energy Management (Page 76)
305-4	GHG emissions intensity	Energy Management (Page 76)
305-5	Reduction of GHG emissions	Energy Management (Page 76)
G4-CRE3	Greenhouse gas (GHG) emissions intensity from buildings	Energy Management (Page 76)
ENVIRONMENTAL COMPLIANCE		
307-1	Non-compliance with environmental laws and regulations	Beyond Compliance (Page 74)
EMPLOYMENT		
401-1	New employee hires and employee turnover	Knowing Our People (Page 80) Nurturing Talent (Page 81)
LABOR/MANAGEMENT RELATIONS		
402-1	Minimum notice periods regarding operational changes	This is currently not covered in groupwide collective agreements. The notice period varies.
OCCUPATIONAL HEALTH AND SAFETY		
403-1	Workers representation in formal joint management-worker health and safety committees	Management Structure (Page 71)
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Safety First (Page 82)
G4-CRE6	Percentage of the organisation operating in verified compliance with an internationally recognised health and safety management system	Safety First (Page 82)
TRAINING AND EDUCATION		
404-1	Average hours of training per year per employee	Nurturing Talent (Page 81)
404-2	Programs for upgrading employee skills and transition assistance programs	Nurturing Talent (Page 81) Staff Training (Page 82)
404-3	Percentage of employees receiving regular performance and career development reviews	All employees
LOCAL COMMUNITIES		
413-1	Operations with local community engagement, impact assessments, and development programs	Stakeholder Engagement (Pages 71-72) Giving Back To Society (Pages 86-89)
MARKETING AND LABELLING		
417-3	Incidents of non-compliance concerning marketing communications	Beyond Compliance (Page 74)

CORPORATE GOVERNANCE

94 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 (the "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 of FCT ("Unitholders").

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 City North Wing and Yishun 10 retail podium, 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 ("Directors", and the board of Directors, the "Board") as at 30 September 2017 is as follows:

Mr Philip Eng Heng Nee	Chairman, Non-Executive (Non-Independent)
Dr Chew Tuan Chiong	Chief Executive Officer (Non-Independent)
Dr Cheong Choong Kong	Non-Executive (Lead Independent Director)
Mr Ho Chee Hwee Simon ¹	Non-Executive (Independent)
Mr Ho Chai Seng ²	Non-Executive (Independent)
Mr Soh Kim Soon	Non-Executive (Independent)
Mr Christopher Tang Kok Kai	Non-Executive (Non-Independent)

¹ Mr Ho Chee Hwee Simon was appointed as a Director of the Manager on 9 February 2017.

² Mr Ho Chai Seng was appointed as a Director of the Manager on 30 June 2017.

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, compliance and risk management responsibilities, the Audit Committee ("AC") was established. In addition, the Nominating and Remuneration Committee ("NRC") was also established on 16 September 2016 to assist the Board in its nominating and remuneration responsibilities, as guided by the CG Code.

New Directors are formally appointed by way of a Board resolution. The search for candidates to be appointed as new Directors is conducted through contacts and recommendations, and/or external search companies. Suitable candidates are carefully evaluated by the NRC so that recommendations made on proposed candidates are objective and well supported. In recommending the appointment of new Directors, the Board takes into consideration the current Board size and composition, including diversity of skills, experience, and knowledge of matters relating to FCT that the new Director can provide to the Board. Two new Directors, namely Mr Ho Chee Hwee Simon and Mr Ho Chai Seng, were appointed to the Board during the financial year ended 30 September 2017 ("FY2017").

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.

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 FY2017, the Board was briefed and updated on sustainability reporting, electronic communications and recent changes to the Companies Act (Cap. 50) of Singapore.

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 Constitution allows 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, AC and NRC meetings held during FY2017 and the attendance of Directors at these meetings are disclosed below:

	Board Meetings	AC Meetings	NRC Meetings
Meetings held for financial year ended 30 September 2017			
Mr Philip Eng Heng Nee	6	4	3
Dr Chew Tuan Chiong	6	4	NA
Dr Cheong Choong Kong	6	4	3
Mr Bobby Chin Yoke Choong ⁽¹⁾	4	4	3
Mr Ho Chee Hwee Simon ⁽²⁾	2	1	—
Mr Ho Chai Seng ⁽³⁾	1	1	—
Mr Soh Kim Soon	6	4	3
Mr Christopher Tang Kok Kai	6	NA	3

(1) Resigned from the Board on 31 July 2017. Mr Bobby Chin Yoke Choong was the Chairman of the AC and a member of the NRC prior to his resignation from the Board.

(2) Appointed as Director on 9 February 2017, and as a member of the AC and NRC on 30 June 2017. Mr Ho Chee Hwee Simon was appointed as the Chairman of the AC on 31 July 2017.

(3) Appointed as Director and as a member of the AC and NRC on 30 June 2017.

Principle 2: Board Composition and Guidance

As at 30 September 2017, the Board comprised seven members, of whom four 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, with the assistance of the NRC, undertook a review of the structure, size and composition of the Board, and following the review, is of the view that the Board's present 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. With respect to its size, the Board is of the view that the same is not so large as to be unwieldy, meets the requirements of the business of the Manager and FCT, and is sufficient to avoid undue disruptions from changes to its composition, especially in the event of exigencies. The composition of the Board shall be 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 and the proposed regulations 13D to 13G of the Securities and Future (Licensing and Conduct of Business) Regulations (Rg 10), Chapter 289. In its review for FY2017, the NRC has endorsed in its recommendation to the Board that the following directors are independent for FY2017:

Dr Cheong Choong Kong	Independent
Mr Ho Chee Hwee Simon	Independent
Mr Ho Chai Seng	Independent
Mr Soh Kim Soon	Independent

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As part of its review, the NRC has taken into consideration, *inter alia*, the following:

- (i) each Independent Director's declaration of independence, which includes questions relating to his relationship with FCT, the Manager, the Trustee, and FCT's sponsor, FCL, whereby, all have declared that there were no relationships or instances that would otherwise deem him not to be independent; and
- (ii) that Mr Soh Kim Soon had served on the Board for more than 9 years.

Notwithstanding his length of service, the NRC, following its rigorous review, had recommended to the Board that Mr Soh Kim Soon had continued to demonstrate his ability to exercise strong objective judgement, acting in the best interests of the Manager and FCT at all times. He had and continues to remain independent in the expression of his views and in his participation in the deliberations and decision making of the Board, the AC and the NRC.

Having considered the above factors and weighing the need to refresh board membership, the Board (with Mr Soh Kim Soon abstaining with respect to the assessment of his own independence) determined that Mr Soh Kim Soon is independent, notwithstanding that he has served on the Board for more than 9 years.

Each of Mr Philip Eng Heng Nee, Dr Chew Tuan Chiong and Mr Christopher Tang Kok Kai are not independent under the proposed Regulation 13E of the Securities and Futures (Licensing and Conduct of Business) Regulations as (i) Mr Philip Eng Heng Nee is a director of FCL, which is a substantial unitholder of FCT and the parent company of the Manager, (ii) Dr Chew Tuan Chiong is employed by the Manager, and (iii) Mr Christopher Tang Kok Kai is employed by a related corporation of the Manager.

The Board members have core competencies, 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 CEO 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 CEO promotes robust deliberations by the Board and Management on the business activities of FCT. The Chairman and CEO are not related to each other, nor is there any other business relationship between them.

The Chairman 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 CEO has full executive responsibilities over the business direction and operations of the Manager.

CORPORATE GOVERNANCE REPORT

Principle 4: Board Membership

The Board established the NRC on 16 September 2016 to assist the Board in its nominating function, responsibilities and role. Prior to its establishment, the functions of a nominating committee were undertaken by the Board. As at 30 September 2017, the NRC comprises five Directors, being Mr Soh Kim Soon, Dr Cheong Choong Kong, Mr Ho Chee Hwee Simon¹, Mr Ho Chai Seng² and Mr Christopher Tang Kok Kai, all of whom are non-executive and the majority of whom (including its Chairman, Mr Soh Kim Soon) are independent.

The NRC has written terms of reference setting out its scope and authority in performing the functions of a nominating committee, which include the following:

- make recommendations to the Board on all Board appointments, re-appointments and the composition of the Board and on relevant matters relating to the appointment and re-appointment of directors;
- regularly review the Board structure, size, composition and the independence of the Board to ensure that the Board has the appropriate mix of expertise and experience, and recommend to the Board such adjustments as it may deem necessary;
- ensure that at all times, there should be a strong and independent element on the Board;
- put in place board succession plans for the Board's approval and make recommendations on relevant matters relating to the review of board succession plans for directors, in particular, the Chairman and for the CEO;
- identify candidates, review and approve nominations for directors, alternate directors and membership of Board committees (including the AC and the NRC), as well as appraise the qualifications and experience of any proposed new appointments to the Board and to recommend to the Board whether the nomination should be supported; and
- review, on an annual basis and as and when circumstances require, whether or not a director is independent, bearing in mind the circumstances set forth in the CG Code and any other salient factors.

The composition of the Board is determined using the following principles:

- at least one-third of the Board should comprise independent directors where Unitholders have the right to vote on the appointment of directors to the Board, and at least half of the Board should comprise independent directors if the Chairman and the CEO is the same person, the Chairman and the CEO are immediate family members, the Chairman is part of the management team, the Chairman is not an independent director, or where Unitholders do not have the right to vote on the appointment of directors to the Board; and
- the Board and its committees should comprise directors who as a group provide an appropriate balance and diversity of skills, experience and knowledge of the Manager, and they should also provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge.

In respect of the search and nomination process for new directors, the NRC identifies the relevant and/or desirable skills and experience, and may tap on its network of contacts and/or engage external search companies to identify and shortlist candidates, to spread its reach for the best person for the role.

¹ Mr Ho Chee Hwee Simon was appointed as a member of the NRC on 30 June 2017.

² Mr Ho Chai Seng was appointed as a member of the NRC on 30 June 2017.

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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 18 to 21. 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 relevant Board committees as well as their attendance at such meetings should also be taken into account.

All appointments and resignations of Board members are approved by the Board. With the establishment of the NRC, the NRC shall be instrumental in assisting in the review of all Board appointments, re-appointments and the composition of the Board, its recommendations of which shall be taken into consideration by the Board in its decision.

Principle 5: Board Performance

The Board, with the assistance of the NRC, has implemented a process to evaluate and assess the performance of the Board and the AC and their decision-making processes. The NRC has appointed an independent external consultant, Ernst & Young Advisory Pte. Ltd., to assist in its evaluation and assessment process. 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 evaluation and assessment are reviewed by the Board with a view to improving its overall effectiveness in fulfilling its role and meeting its responsibility to unitholders. The Board is committed to ensure that collectively as a Board, and individually its members, both contribute effectively to such improvement, and is of the view that the evaluation and assessment framework would assist to meet such commitment.

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.

On 16 September 2016, the Board established the NRC, to assist the Board in its remuneration function, responsibilities and role. As at 30 September 2017, the NRC comprises five Directors, being Mr Soh Kim Soon, Dr Cheong Choong Kong, Mr Ho Chee Hwee Simon¹, Mr Ho Chai Seng² and Mr Christopher Tang Kok Kai, all of whom are non-executive and the majority of whom (including its Chairman, Mr Soh Kim Soon) are independent.

The NRC has written terms of reference setting out its scope and authority in performing the functions of a remuneration committee, which include the following matters:

- review the remuneration framework for the Board and the key executive officers of the Manager;
- review the Manager's remuneration policies, level and mix of remuneration, and the procedure for setting remuneration; and
- ensure that the remuneration of executive directors of the Manager shall not be linked in any way to FCT's gross revenue.

The NRC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and key management personnel of the Manager ("Key Management Personnel"). The NRC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate talents without being excessive, and thereby maximise Unitholder value. The NRC will recommend a framework of remuneration (which covers all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind) and the specific remuneration packages for each Director to the Board for endorsement. The NRC will also review the remuneration of the CEO and Key Management Personnel of the Manager.

The NRC, in performing the functions of a remuneration committee, and in accordance with the NRC's written terms of reference, supports the Board in determining and reviewing the remuneration policies and practices of the Manager.

Policies in respect of Directors' Remuneration

The remuneration of Non-Executive Directors takes into account their respective responsibilities, including attendance and time spent at Board meetings and Board Committee meetings. Non-Executive Directors are paid a basic fee and attendance fees for attending Board meetings. Non-Executive Directors who perform services through Board Committees are paid additional fees for such services. The CEO, who is the only Executive Director on the Board, does not receive Directors' fees. No Director decides his own fees. Non-Executive Directors' fees are reviewed periodically to benchmark such fees against the amounts paid by other major listed REITs in Singapore.

¹ Mr Ho Chee Hwee Simon was appointed as a member of the NRC on 30 June 2017.

² Mr Ho Chai Seng was appointed as a member of the NRC on 30 June 2017.

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The Directors' fees for FY2017 are shown in the table below.

Board Members	Directors' Fees
Mr Philip Eng Heng Nee (Chairman of the Board and Member of AC)	\$119,000
Dr Chew Tuan Chiong	-
Dr Cheong Choong Kong (Member of AC and NRC)	\$79,500
Mr Bobby Chin Yoke Choong ⁽¹⁾	\$76,492
Mr Ho Chee Hwee Simon ⁽²⁾ (Chairman of AC and Member of NRC)	\$36,117
Mr Ho Chai Seng ⁽³⁾ (Member of AC and NRC)	\$18,167
Mr Soh Kim Soon (Member of AC and Chairman of NRC)	\$89,000
Mr Christopher Tang Kok Kai ⁽⁴⁾ (Member of NRC)	\$58,500

- (1) Resigned from the Board on 31 July 2017. Mr Bobby Chin Yoke Choong was the Chairman of the AC and a member of the NRC prior to his resignation from the Board.
(2) Appointed as Director on 9 February 2017, and as a member of the AC and NRC on 30 June 2017. Mr Ho Chee Hwee Simon was appointed as the Chairman of the AC on 31 July 2017.
(3) Appointed as Director and as a member of the AC and NRC on 30 June 2017.
(4) Director's fees are paid to FCL Management Services Pte. Ltd.

Remuneration Policy for Management

The Managers' remuneration framework comprises (i) a fixed component; and (ii) a variable component comprising short-term and long-term incentives. The variable component is linked to and determined based on both: (a) FCT's performance; and (b) an annual appraisal of each individual employee against performance indicators including adherence to core values, competencies, and key result areas. The potential of the employee is also taken into consideration. The mix of fixed and variable components is considered appropriate for the Managers and for each individual employee's role.

The level and mix of remuneration and the remuneration benefits, policies and practices of the Manager, where appropriate, will be reviewed by the NRC. The NRC will ensure that competitive remuneration policies and practices are in place to attract and motivate high-performing executives so as to drive FCT's businesses to greater growth, efficiency and profitability.

In its deliberation, the NRC will take into consideration industry practices and benchmarks against relevant industry players to ensure that its remuneration and employment conditions are competitive and may, if it considers necessary, engage independent remuneration consultant(s).

The NRC will exercise broad discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of Unitholders and promote the long-term success of FCT. The NRC will ensure that the overall level of remuneration is not considered to be at a level which is likely to promote behaviour contrary to the Manager's or FCT's risk profile.

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Performance Indicators for Key Management Personnel

As set out above, the Manager's variable remuneration comprises short-term and long-term incentives which takes into account individual performance and FCT's performance.

The Manager has put in place a framework for determining the short-term incentives of the Key Management Personnel, where both FCT's financial and non-financial performance will be taken into consideration. The financial performance indicators in which the Key Management Personnel will be evaluated on comprise (i) FCT's net portfolio property income, (ii) Unitholder distribution, (iii) distribution per Unit and (iv) relative REIT unit price performance. These performance indicators are quantitative and objective measures of the Manager's performance. The non-financial performance indicators in which the Key Management Personnel will be evaluated on include (i) FCT's business initiatives, (ii) strategic perspective, (iii) corporate sustainability, (iv) branding of FCT and (v) people development. These qualitative performance indicators will align the Key Management Personnel's performance with FCT's strategic objectives for the financial year.

For FY2017, long-term incentives in the form of FCL share awards were granted to Key Management Personnel based on various performance indicators, including individual performance, and FCT's performance. The grant of long-term incentives in the form of FCL share awards falls within the framework of the long-term incentive plans of the FCL group, which the Manager is part of as it is wholly-owned by FCL. Such incentives allow the Manager to attract and retain management staff by leveraging on the branding, size and value of FCL, which is one of Singapore's top property companies and well-established globally. FCL is also a substantial unitholder of FCT. Nevertheless, with effect from financial year ending 30 September 2018, long-term incentives in the form of FCT unit awards will be awarded to Key Management Personnel so as to more closely align their interests with the long-term interest of FCT and Unitholders. The award of the FCT units will be structured as a Restricted Unit Plan. Eligible participants will receive a contingent award based on their individual performance from their annual appraisal. The release of the contingent award is conditional upon meeting performance targets as approved by the NRC. The long-term incentives may be settled in FCT units, their equivalent cash value or a combination thereof.

From the financial year beginning from 1 October 2016 onwards, the NRC reviews the short-term and long-term incentives in the Key Management Personnel's remuneration package to ensure its compliance with the substance and spirit of the directions and guidelines from the MAS.

Currently, the Manager does not have claw-back provisions which allow it to reclaim incentive components of remuneration from its key executive personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss.

Pursuant to MAS' "Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management", REIT managers are required to disclose (i) the remuneration of the CEO and each individual director on a named basis, and (ii) the remuneration of at least the top five executive officers (which shall not include the CEO and executive officers who are directors), on a named basis, in bands of S\$250,000. The Board has assessed and decided against the disclosure of the remuneration of the CEO and executive officers on a named basis, whether in exact quantum or in bands of S\$250,000, as well as the disclosure of the total remuneration paid to the top five key executive officers (who are not directors or the CEO), and believes that the interests of the Unitholders will not be prejudiced as a result of such non-disclosure, for the following reasons:

- (i) competition for talent in the REIT management industry is very keen and the Manager has, in the interests of Unitholders, opted not to disclose the remuneration of its CEO and top five executive officers as this may give rise to recruitment and talent retention issues as well as the risk of unnecessary key management turnover;
- (ii) the composition of the current management team has been quite stable and to ensure the continuity of business and operations of FCT, it is important that the Manager continues to retain its team of competent and committed staff;

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- (iii) due to the confidentiality and sensitivity of staff remuneration matters, the Manager is of the view that such disclosure could be prejudicial to the interests of Unitholders; and
- (iv) there is full and frank disclosure of the total amount of fees paid to the Manager set out at pages 125 and 181 of this Annual Report.

There were no employees of the Manager who are immediate family members of a Director or the CEO during FY2017.

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 recommendations of the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the Code on CIS issued by the MAS and the provisions of FCT Trust Deed. 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 are 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 AC 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 AC, 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 AC 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 AC, 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 pages 65 and 66.

Periodic updates are provided to the AC 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.

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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 AC. 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 2017:

- (a) the financial records of FCT have been properly maintained and the financial statements for FY2017 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 2017 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 2017 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 AC and assurance from the CEO and the Financial Controller of the Manager, the Board, with the concurrence of the AC, is of the opinion that the internal controls in place for FCT, were adequate and effective as at 30 September 2017 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 2017 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.

Principle 12: Audit Committee

The AC 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 AC'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;

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- 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 FY2017, audit fees of \$148,500 and fees of \$112,900 for the non-audit services were paid/payable to FCT's external auditors;
- 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 AC 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 AC for discussion. In addition, updates on changes in accounting standards and treatment are prepared by external auditors and circulated to members of the AC periodically.

In the review of the financial statements, the AC has discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant matter impacting the financial statements was discussed with Management and the external auditor and reviewed by the AC:

Key Audit Matter	How this issue was addressed by the AC
Valuation of investment properties	The AC considered the methodologies and key assumptions applied by the valuers in arriving at the valuation of the properties. The AC reviewed the outputs from the financial year-end valuation process of the Group's investment properties and discussed the details of the valuation with Management, focusing on significant changes in fair value measurements and key drivers of the changes. The AC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied in the valuation of investment properties.
	The AC was satisfied with the valuation process, the methodologies used and the valuation for investment properties as adopted as at 30 September 2017.

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As at 30 September 2017, the AC comprised five non-executive Directors, the majority of whom including the Chairman, are independent:

Name	Role
Mr Ho Chee Hwee Simon ⁽¹⁾	Chairman
Dr Cheong Choong Kong	Member
Mr Philip Eng Heng Nee	Member
Mr Ho Chai Seng ⁽²⁾	Member
Mr Soh Kim Soon	Member

(1) Appointed as a member of the AC on 30 June 2017. Mr Ho Chee Hwee Simon was subsequently appointed as the Chairman of the AC with effect from 31 July 2017.

(2) Appointed as a member of the AC on 30 June 2017.

The separation of the roles of the Chairman of the Board and the Chairman of the AC ensures greater independence of the AC 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 AC collectively possess the accounting and related financial management, expertise and experience required for the AC 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

KPMG LLP ("KPMG") was re-appointed as the external auditors of FCT pursuant to the approval of the Unitholders on 20 January 2017. The Manager confirms that FCT complies with Rules 712 and 715 of the Listing Manual in relation to the appointment of KPMG as the external auditors of FCT. The AC has conducted a review of all non-audit services provided by KPMG during the financial period. The AC is satisfied that given the nature and extent of non-audit services provided and the fees for such services, neither the independence nor the objectivity of KPMG is put at risk. KPMG has attended the AC meeting held every quarter for FY2017, and where appropriate, has met with the AC without the presence of Management to discuss their findings, if any.

It is proposed that at the forthcoming FCT Annual General Meeting, KPMG be re-appointed as the external auditors of FCT and that the Manager be authorised to fix their remuneration.

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

The Manager has in place an internal audit function ("IA") established within the FCL Group to independently examine and evaluate the activities of the Manager, focusing on the adequacy and effectiveness of internal controls, risk management and corporate governance processes.

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The FCL Group IA is independent of the activities that it audits. The Head of Group 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 AC. The Head of Group IA and the Singapore-based IA staff are members of the Institute of Internal Auditors, Singapore and FCL Group 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 FCL Group 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, Group IA conducted its audit reviews based on the approved Internal Audit Plan. 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 AC 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 AC meetings for discussion and follow-up action. The AC monitors the timely and proper implementation of appropriate follow-up measures to be undertaken by Management.

The AC is satisfied that for FY2017, 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 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 FY2017, the senior Management and the IR manager, met or spoke with 235 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, 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. 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.

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 AC. Any non-compliance with the Dealing Policy will be reported to the AC 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 Appendix).

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 Appendix have been complied with. The AC 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 Appendix 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 Appendix 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 AC FOR INTERESTED PERSON TRANSACTIONS

The AC reviews IPTs periodically to ensure compliance with the internal control procedures and the relevant provisions of the Listing Manual and Property Funds Appendix. 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

ADDITIONAL DISCLOSURE ON FEES PAYABLE TO THE MANAGER

Pursuant to the Trust Deed, the Manager is entitled to receive the following fees:

Type of Fee	Computation and Form of Payment	Rationale and Purpose
Base Fee	<p>Pursuant to Clause 15.1.1 of the Trust Deed, the Manager is entitled to receive a Base Fee not exceeding the rate of 0.3% per annum of the Value of FCT's Deposited Property.</p> <p>The Base Fee is payable quarterly in the form of cash and/or Units as the Manager may elect.</p>	<p>The base fee compensates the Manager for the costs incurred in managing FCT, which includes overheads, day-to-day operational costs, compliance, monitoring and reporting costs as well as administrative expenses.</p> <p>The base fee is calculated at a fixed percentage of asset value as the scope of the Manager's duties is commensurate with the size of FCT's asset portfolio.</p>
Performance Fee	<p>Pursuant to Clause 15.1.2 of the Trust Deed, the Manager is entitled to receive a Performance Fee equal to a rate of 5.0% per annum of the Net Property Income (calculated before accounting for the Performance Fee in that Financial Year) of FCT or (as the case may be) Special Purpose Vehicles for each Financial Year accrued to the Manager and remaining unpaid.</p> <p>The Performance Fee is payable in the form of cash and/or Units as the Manager may elect.</p> <p>With effect from 1 October 2016, the Performance Fee shall be paid annually, in compliance with the Property Funds Appendix.</p>	<p>The performance fee, which is based on Net Property Income, aligns the interests of the Manager with Unitholders as the Manager is incentivised to proactively focus on improving rentals and optimising the operating costs and expenses of FCT's properties. Linking the Performance Fee to Net Property Income will also motivate the Manager to ensure the long-term sustainability of the assets instead of taking on excessive short-term risks to the detriment of Unitholders.</p>
Acquisition Fee	<p>Pursuant to Clause 15.2.1(i) of the Trust Deed, the Manager is entitled to receive an Acquisition Fee not exceeding the rate of 1.0% of the acquisition price upon the completion of an acquisition.</p> <p>Subject to the Property Funds Appendix, the Acquisition Fee is payable as soon as practicable after completion of the acquisition in the form of cash and/or Units as the Manager may elect.</p>	<p>The Acquisition Fee and Divestment Fee seek to motivate and compensate the Manager for the time, cost and effort spent (in the case of an acquisition) in sourcing, evaluating and executing potential opportunities to acquire new properties to further grow FCT's asset portfolio or, (in the case of a divestment) in rebalancing and unlocking the underlying value of the existing properties.</p>

CORPORATE GOVERNANCE REPORT

ADDITIONAL DISCLOSURE ON FEES PAYABLE TO THE MANAGER (CONT'D)

Type of Fee	Computation and Form of Payment	Rationale and Purpose
Divestment Fee	<p>Pursuant to Clause 15.2.1(ii) of the Trust Deed, the Manager is entitled to receive a Divestment Fee not exceeding the rate of 0.5% of the sale price upon the completion of a sale or disposal.</p> <p>Subject to the Property Funds Appendix, the Divestment Fee is payable as soon as practicable after completion of the sale or disposal in the form of cash and/or Units as the Manager may elect.</p>	<p>The Manager provides these services over and above the provision of ongoing management services with the aim of enhancing long-term returns, income sustainability and achieving the investment objectives of FCT.</p> <p>The Acquisition Fee is higher than the Divestment Fee because there is additional work required to be undertaken in terms of sourcing, evaluating and conducting due diligence for an acquisition, as compared to a divestment.</p>

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>
Board Responsibility		
Guideline 1.5	What are the types of material transactions which require approval from the Board?	Please refer to page 95 of this Annual Report

CORPORATE GOVERNANCE REPORT

GUIDELINES FOR DISCLOSURE (CONT'D)

Guideline	Questions	How has the Company complied
Members of the Board		
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 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 96 to 99 of this Annual Report.</p> <p>Please refer to pages 96 to 99 of this Annual Report.</p> <p>Please refer to pages 96 to 99 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>Please refer to pages 98 to 99 of this Annual Report.</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 95 of this Annual Report.</p> <p>Please refer to page 95 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 99 of this Annual Report</p> <p>Please refer to page 99 of this Annual Report</p>

CORPORATE GOVERNANCE REPORT

GUIDELINES FOR DISCLOSURE (CONT'D)

Guideline	Questions	How has the Company complied
Board Evaluation		
Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year? (b) Has the Board met its performance objectives?	Please refer to page 99 of this Annual Report. Please refer to page 99 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 pages 96 to 97 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. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	None. 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 Soh Kim Soon has served on the Board for more than nine years from the date of his first appointment. Please refer to page 97 of this Annual Report for the Board's reasons for considering him independent.

CORPORATE GOVERNANCE REPORT

GUIDELINES FOR DISCLOSURE (CONT'D)

Guideline	Questions	How has the Company complied
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?	The fees paid to all directors for the financial year have been disclosed. Please refer to pages 100 to 103 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? (b) Please disclose the aggregate remuneration paid to the top key management personnel (who are not directors or the CEO).	Please refer to pages 100 to 103 of this Annual Report. Please refer to pages 100 to 103 of this Annual Report.
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.
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria. (b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes? (c) Were all of these performance conditions met? If not, what were the reasons?	Please refer to pages 100 to 103 of this Annual Report. Please refer to pages 100 to 103 of this Annual Report. Please refer to pages 100 to 103 of this Annual Report.

CORPORATE GOVERNANCE REPORT

GUIDELINES FOR DISCLOSURE (CONT'D)

Guideline	Questions	How has the Company complied
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 page 99 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 106 to 107 of this Annual Report.
Guideline 11.3	<p>(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.</p> <p>(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?</p>	Please refer to page 104 of this Annual Report. Please refer to page 104 of this Annual Report.
Guideline 12.6	<p>(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</p> <p>(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the external auditors</p>	Please refer to page 105 of this Annual Report. Please refer to page 106 of this Annual Report.

CORPORATE GOVERNANCE REPORT

GUIDELINES FOR DISCLOSURE (CONT'D)

Guideline	Questions	How has the Company complied
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? Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Yes. Please refer to pages 107 to 108 of this Annual Report. Yes. Please refer to page 107 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 126 of this Annual Report.

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REPORT OF THE TRUSTEE

YEAR ENDED 30 SEPTEMBER 2017

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, a second supplemental deed dated 22 January 2010, a third supplemental deed dated 17 December 2015 and a fourth supplemental deed dated 19 January 2017) (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 124 to 176, 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
Authorised Signatory

Singapore
15 November 2017

STATEMENT BY THE MANAGER

YEAR ENDED 30 SEPTEMBER 2017

In the opinion of the directors of Frasers Centrepoint Asset Management Ltd., the accompanying financial statements set out on pages 124 to 176, comprising the consolidated balance sheet and consolidated portfolio statement of the Group and the balance sheet and portfolio statement of the Trust as at 30 September 2017, and the consolidated statement of total return, consolidated distribution statement, consolidated statement of movement in unitholders' funds and consolidated cash flow statement of the Group and the statement of total return, distribution statement, statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies 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 2017, 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 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 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
15 November 2017

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS

FRASERS CENTREPOINT TRUST

(CONSTITUTED UNDER A TRUST DEED (AS AMENDED) IN THE REPUBLIC OF SINGAPORE)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Frasers Centrepoint Trust (the "Trust") and its subsidiary (the "Group"), which comprise the consolidated balance sheet and consolidated portfolio statement of the Group and the balance sheet and portfolio statement of the Trust as at 30 September 2017, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated cash flow statement of the Group and the statement of total return, distribution statement and statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 124 to 176.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet, statement of total return, distribution statement and statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 30 September 2017 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the total return, distributable income and movements in unitholders' funds of the Trust for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 ("RAP 7") *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants (the "ISCA").

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

(Refer to Portfolio Statement and Note 3 to the financial statements)

Risk

The Group and the Trust own suburban retail malls located all around Singapore. These malls, classified as investment properties, are all located within close proximity to Mass Rapid Transit stations and bus interchanges in populated residential areas. As at 30 September 2017, the investment properties, with carrying amount of \$2.67 (2016: \$2.51) billion, represent the single largest asset category on the consolidated balance sheet of the Group and the balance sheet of the Trust.

The investment properties are stated at their fair values based on independent external valuations. The valuation process is considered a key audit matter because it involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. Any changes in the assumptions will have an impact on the valuation.

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS

FRASERS CENTREPOINT TRUST

(CONSTITUTED UNDER A TRUST DEED (AS AMENDED) IN THE REPUBLIC OF SINGAPORE)

Our response

We assessed the competence and objectivity of the independent external valuers and held discussions with the valuers to understand their assumptions and basis used, where appropriate.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We evaluated the appropriateness of the capitalisation, discount and terminal yield rates applied by comparing them against historical rates and available industry data, taking into consideration comparability and market factors.

Our findings

The valuers are members of recognised professional bodies for valuers.

The approach to the methodologies and in deriving the assumptions in the valuations is supported by market practices and data.

Other Information

Frasers Centrepoint Asset Management Ltd., the Manager of the Trust (the "Manager") is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained About Frasers Centrepoint Trust, Structure of FCT and Organisation Structure of the Manager, FCT Business Strategy, FY2017 Highlights and Key Events, 5-Year Performance at a Glance and Financial Highlights, Unit Price Performance, Letter to Unitholders, Board of Directors, Trust Management Team, Property Management Team, Investor Relations, Operations & Financial Review, Capital Resources, Retail Property Market Overview, FCT Portfolio Overview, Causeway Point, Northpoint City North Wing and Yishun 10 Retail Podium, Changi City Point, Bedok Point, YewTee Point, Anchorpoint, Mall Directory, Investment in Hektar REIT, Risk Management, Sustainability Report, Corporate Governance Report, Report of the Trustee, Statement by the Manager and Additional Information, prior to the date of this auditors' report. The Statistics of Unitholdings (the "Report") is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager and take appropriate actions in accordance with SSAs.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the ISCA, 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.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The responsibilities of the Manager include overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS

FRASERS CENTREPOINT TRUST

(CONSTITUTED UNDER A TRUST DEED (AS AMENDED) IN THE REPUBLIC OF SINGAPORE)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS

FRASERS CENTREPOINT TRUST

(CONSTITUTED UNDER A TRUST DEED (AS AMENDED) IN THE REPUBLIC OF SINGAPORE)

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matter. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Karen Lee Shu Pei.

KPMG LLP

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

15 November 2017

BALANCE SHEETS

AS AT 30 SEPTEMBER 2017

	Note	Group		Trust	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Non-current assets					
Investment properties	3	2,668,100	2,509,000	2,668,100	2,509,000
Fixed assets	4	80	86	80	86
Intangible assets	5	30	48	30	48
Investment in subsidiary	6	—	—	*	*
Investment in associate	7	64,608	59,600	64,608	63,843
Investment in joint venture	8	243	235	1	1
		<u>2,733,061</u>	<u>2,568,969</u>	<u>2,732,819</u>	<u>2,572,978</u>
Current assets					
Trade and other receivables	9	4,257	6,800	4,257	6,800
Cash and cash equivalents	10	13,547	18,708	13,547	18,708
		<u>17,804</u>	<u>25,508</u>	<u>17,804</u>	<u>25,508</u>
Total assets		<u>2,750,865</u>	<u>2,594,477</u>	<u>2,750,623</u>	<u>2,598,486</u>
Current liabilities					
Trade and other payables	11	32,674	39,359	32,695	39,377
Financial derivatives	12	—	601	—	601
Current portion of security deposits		17,208	20,413	17,208	20,413
Deferred income	13	134	427	134	427
Interest-bearing borrowings	14	152,000	218,000	152,000	218,000
		<u>202,016</u>	<u>278,800</u>	<u>202,037</u>	<u>278,818</u>
Non-current liabilities					
Financial derivatives	12	317	—	317	—
Interest-bearing borrowings	14	645,540	516,000	645,540	516,000
Non-current portion of security deposits		30,774	23,883	30,774	23,883
Deferred income	13	15	149	15	149
		<u>676,646</u>	<u>540,032</u>	<u>676,646</u>	<u>540,032</u>
Total liabilities		<u>878,662</u>	<u>818,832</u>	<u>878,683</u>	<u>818,850</u>
Net assets		<u>1,872,203</u>	<u>1,775,645</u>	<u>1,871,940</u>	<u>1,779,636</u>
Represented by:-					
Unitholders' funds		1,892,669	1,794,694	1,871,940	1,779,636
Translation reserve	15	(20,466)	(19,049)	—	—
Unitholders' funds and reserve		<u>1,872,203</u>	<u>1,775,645</u>	<u>1,871,940</u>	<u>1,779,636</u>
Units in issue ('000)	16	<u>922,448</u>	<u>919,369</u>	<u>922,448</u>	<u>919,369</u>
Net asset value per Unit (\$)	17	<u>2.02</u>	<u>1.93</u>	<u>2.02</u>	<u>1.93</u>

* 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 2017

	Note	Group		Trust	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Gross revenue	18	181,595	183,816	181,595	183,816
Property expenses	19	(52,037)	(53,964)	(52,037)	(53,964)
Net property income		129,558	129,852	129,558	129,852
Borrowing costs	20	(17,633)	(17,187)	(17,633)	(17,187)
Asset management fees	21	(14,495)	(14,209)	(14,495)	(14,209)
Valuation fees		(89)	(127)	(89)	(127)
Trustee's fees		(414)	(403)	(414)	(403)
Audit fees		(103)	(104)	(103)	(104)
Other professional fees		(1,388)	(417)	(1,388)	(417)
Other charges		(606)	(592)	(609)	(594)
Net income		94,830	96,813	94,827	96,811
Distributions from associate		–	–	4,173	3,926
Distributions from joint venture		–	–	563	458
Share of results of associate					
– operations		3,577	3,679	–	–
– revaluation surplus/(deficit)		243	(4,095)	–	–
Share of results of joint venture					
– operations		571	538	–	–
Surplus on revaluation of investment properties	3	94,399	28,407	94,399	28,407
Unrealised gain/(loss) from fair valuation of derivatives		284	(1,896)	284	(1,896)
Impairment loss on investment in associate	7	–	–	(6,013)	–
Total return before tax		193,904	123,446	188,233	127,706
Taxation	22	–	–	–	–
Total return for the year		193,904	123,446	188,233	127,706
Earnings per Unit (cents)	23				
Basic		21.04	13.44	20.43	13.91
Diluted		20.96	13.44	20.34	13.91

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

DISTRIBUTION STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Income available for distribution to Unitholders				
at beginning of year	26,015	26,334	26,012	26,331
Net income	94,830	96,813	94,827	96,811
Net tax adjustments (Note A)	11,049	6,904	11,052	6,906
Distributions from associate	4,173	3,926	4,173	3,926
Distributions from joint venture	563	458	563	458
	110,615	108,101	110,615	108,101
Income available for distribution to Unitholders	136,630	134,435	136,627	134,432
Distributions to Unitholders:				
Distribution of 2.859 cents per Unit for period from 1/7/2015 to 30/9/2015	–	26,223	–	26,223
Distribution of 2.870 cents per Unit for period from 1/10/2015 to 31/12/2015	–	26,335	–	26,335
Distribution of 3.039 cents per Unit for period from 1/1/2016 to 31/3/2016	–	27,913	–	27,913
Distribution of 3.040 cents per Unit for period from 1/4/2016 to 30/6/2016	–	27,949	–	27,949
Distribution of 2.815 cents per Unit for period from 1/7/2016 to 30/9/2016	25,904	–	25,904	–
Distribution of 2.890 cents per Unit for period from 1/10/2016 to 31/12/2016	26,621	–	26,621	–
Distribution of 3.040 cents per Unit for period from 1/1/2017 to 31/3/2017	28,022	–	28,022	–
Distribution of 3.000 cents per Unit for period from 1/4/2017 to 30/6/2017	27,673	–	27,673	–
	108,220	108,420	108,220	108,420
Income available for distribution to Unitholders at end of year	28,410	26,015	28,407	26,012
Distribution per unit (cents)*	11.900	11.764	11.900	11.764
Note A – Net tax adjustments relate to the following items:				
– Asset management fees paid/payable in Units	10,147	6,021	10,147	6,021
– Trustee's fees	414	403	414	403
– Amortisation of loan arrangement fees	781	888	781	888
– Amortisation of lease incentives	(2,056)	(537)	(2,056)	(537)
– Deferred income and amortisation of rental deposits	36	11	36	11
– Other items	1,727	118	1,730	120
Net tax adjustments	11,049	6,904	11,052	6,906

* The Distribution per unit relates to the distributions in respect of the relevant financial year. The distribution relating to the last quarter of 2017 will be paid after 30 September 2017.

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 2017

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Net assets at beginning of year	1,775,645	1,754,544	1,779,636	1,755,393
Operations				
Total return for the year	193,904	123,446	188,233	127,706
Unitholders' transactions				
Creation of Units				
– issued/issuable as satisfaction of asset management fees	11,913	4,957	11,913	4,957
– issued as satisfaction of acquisition fees	378	–	378	–
Distributions to Unitholders	(108,220)	(108,420)	(108,220)	(108,420)
Net decrease in net assets resulting from Unitholders' transactions	(95,929)	(103,463)	(95,929)	(103,463)
Movement in translation reserve (Note 15)	(1,417)	1,118	–	–
Net assets at end of year	1,872,203	1,775,645	1,871,940	1,779,636

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

PORTFOLIO STATEMENTS

AS AT 30 SEPTEMBER 2017

GROUP

Description of Property	Term of Lease	Location	Existing Use	Occupancy Rate as at 30 September 2017 %	At Valuation		Percentage of Total Assets	
					2017 \$'000	2016 \$'000	2017 %	2016 %
<i>Investment properties in Singapore</i>								
Causeway Point	99-year leasehold from 30 October 1995	1 Woodlands Square	Commercial	99.5	1,190,000	1,143,000	43.3	44.1
Northpoint City North Wing	99-year leasehold from 1 April 1990	930 Yishun Avenue 2	Commercial	81.2	733,000	672,000	26.6	25.9
Anchorpoint	Freehold	368 & 370 Alexandra Road	Commercial	96.2	104,600	103,000	3.8	4.0
YewTee Point	99-year leasehold from 3 January 2006	21 Choa Chu Kang North 6	Commercial	95.7	178,000	172,000	6.5	6.6
Bedok Point	99-year leasehold from 15 March 1978	799 New Upper Changi Road	Commercial	85.2	105,000	108,000	3.8	4.1
Changi City Point	60-year leasehold from 30 April 2009	5 Changi Business Park Central 1	Commercial	88.5	318,000	311,000	11.6	12.0
Yishun 10 Retail Podium	99-year leasehold from 1 April 1990	51 Yishun Central 1	Commercial	90.8	39,500	-	1.4	-
Investment properties, at valuation					2,668,100	2,509,000	97.0	96.7
Investment in associate (Note 7)					64,608	59,600	2.3	2.3
					2,732,708	2,568,600	99.3	99.0
Other assets					18,157	25,877	0.7	1.0
Total assets attributable to Unitholders					2,750,865	2,594,477	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 2017

TRUST

Description of Property	Term of Lease	Location	Existing Use	Occupancy Rate as at 30 September 2017 %	At Valuation		Percentage of Total Assets	
					2017 \$'000	2016 \$'000	2017 %	2016 %
<i>Investment properties in Singapore</i>								
Causeway Point	99-year leasehold from 30 October 1995	1 Woodlands Square	Commercial	99.5	1,190,000	1,143,000	43.3	44.0
Northpoint City North Wing	99-year leasehold from 1 April 1990	930 Yishun Avenue 2	Commercial	81.2	733,000	672,000	26.6	25.9
Anchorpoint	Freehold	368 & 370 Alexandra Road	Commercial	96.2	104,600	103,000	3.8	4.0
YewTee Point	99-year leasehold from 3 January 2006	21 Choa Chu Kang North 6	Commercial	95.7	178,000	172,000	6.5	6.6
Bedok Point	99-year leasehold from 15 March 1978	799 New Upper Changi Road	Commercial	85.2	105,000	108,000	3.8	4.1
Changi City Point	60-year leasehold from 30 April 2009	5 Changi Business Park Central 1	Commercial	88.5	318,000	311,000	11.6	12.0
Yishun 10 Retail Podium	99-year leasehold from 1 April 1990	51 Yishun Central 1	Commercial	90.8	39,500	-	1.4	-
Investment properties, at valuation					2,668,100	2,509,000	97.0	96.6
Investment in associate (Note 7)					64,608	63,843	2.3	2.4
					2,732,708	2,572,843	99.3	99.0
Other assets					17,915	25,643	0.7	1.0
Total assets attributable to Unitholders					2,750,623	2,598,486	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 2017

On 30 September 2017, independent valuations of the investment properties were undertaken by Knight Frank Pte Ltd ("Knight Frank"), Savills Valuation and Professional Services (S) Pte Ltd ("Savills"), and Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers"). 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	
			2017 \$'000	2016 \$'000
Causeway Point	Knight Frank (2016: Edmund Tie)	Capitalisation approach and discounted cash flow analysis (2016: Capitalisation approach and discounted cash flow analysis)	1,190,000	1,143,000
Northpoint City North Wing	Savills (2016: Knight Frank)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2016: Capitalisation approach and discounted cash flow analysis)	733,000	672,000
Anchorpoint	Savills (2016: Savills)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2016: Capitalisation approach, discounted cash flow analysis and direct comparison method)	104,600	103,000
YewTee Point	Savills (2016: Savills)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2016: Capitalisation approach, discounted cash flow analysis and direct comparison method)	178,000	172,000
Bedok Point	Savills (2016: Savills)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2016: Capitalisation approach, discounted cash flow analysis and direct comparison method)	105,000	108,000
Changi City Point	Colliers (2016: Colliers)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2016: Capitalisation approach and discounted cash flow analysis)	318,000	311,000
Yishun 10 Retail Podium	Colliers (2016: Not Applicable)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2016: Not Applicable)	39,500	–

On 16 November 2016, the Group completed the acquisition of 10 strata-titled retail units at Yishun 10 for an aggregate purchase consideration of \$39.33 million from third party vendor.

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 of the Group and the Trust amounted to \$8,694,000 (2016: \$9,141,000).

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

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

	Group	
	2017 \$'000	2016 \$'000
Operating activities		
Total return before tax	193,904	123,446
Adjustments for:		
Allowance for doubtful receivables	118	38
Write back of allowance for doubtful receivables	(96)	(36)
Borrowing costs	17,633	17,187
Asset management fees paid/payable in Units	10,147	6,021
Depreciation of fixed assets	29	41
Amortisation of intangible assets	18	18
Share of associate's results (including revaluation surplus/deficit)	(3,820)	416
Share of joint venture's results	(571)	(538)
Surplus on revaluation of investment properties	(94,399)	(28,407)
Unrealised (gain)/loss from fair valuation of derivatives	(284)	1,896
Amortisation of lease incentives	(2,056)	(537)
Deferred income recognised	(427)	(732)
Written off of fixed assets	1	–
Operating income before working capital changes	120,197	118,813
Changes in working capital:		
Trade and other receivables	1,862	(594)
Trade and other payables	143	7,768
Cash flows generated from operating activities	122,202	125,987
Investing activities		
Distributions received from associate	4,173	3,926
Distributions received from joint venture	563	458
Acquisition of investment properties	(38,377)	–
Capital expenditure on investment properties	(27,761)	(17,540)
Acquisition of fixed assets	(24)	(23)
Investment in associate	(6,778)	–
Cash flows used in investing activities	(68,204)	(13,179)
Financing activities		
Proceeds from borrowings	278,000	315,500
Repayment of borrowings	(214,000)	(299,500)
Borrowing costs paid	(14,357)	(16,182)
Distributions to Unitholders	(108,220)	(108,420)
Payment of transaction costs	(582)	(1,695)
Cash flows used in financing activities	(59,159)	(110,297)
Net (decrease)/increase in cash and cash equivalents	(5,161)	2,511
Cash and cash equivalents at beginning of year	18,708	16,197
Cash and cash equivalents at end of year (Note 10)	13,547	18,708

Significant Non-Cash Transactions

During the financial years, 4,874,255 (2016: 2,986,994) Units were issued and issuable in satisfaction of asset management fees payable in Units, amounting to a value of \$10,146,554 (2016: \$6,021,088) in respect of the financial year.

189,631 units were issued in November 2016 in satisfaction of acquisition fees of \$377,500 in connection with the acquisition of 10 strata-titled retail units at Yishun 10 completed on 16 November 2016.

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

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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 15 November 2017.

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:

1.1 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.

1.2 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

1. GENERAL (CONT'D)

1.2 Asset management fees (cont'd)

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 2017, the Manager has opted to receive 70% (2016: 20% - 50%) of the asset management fees in the form of Units with the balance in cash. With effect from 1 October 2016, the portion of the base management is payable on a quarterly basis in arrears and the portion of the performance management fees is payable on an annually 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.

1.3 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

2.1 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 Financial Reporting Standards in Singapore ("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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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

2.1 Basis of preparation (cont'd)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- (i) Note 7 – Accounting for investment in associate.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- (i) Note 3 – Valuation of investment properties; and
- (ii) Note 12 – Valuation of interest rate swaps.

2.2 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 October 2016, and have not been applied in preparing these financial statements. For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group and the Trust in future financial periods, the Group will assess the transition options and the potential impact on its financial statements, and to implement these standards. The Group does not plan to adopt these standards early.

Applicable to financial statements for the year ended 30 September 2017

Revision to RAP 7

RAP 7 was revised in June 2016 and March 2017 to take into account, amongst others, the changes made to FRS 32 *Financial Instruments: Presentation* and FRS 107 *Financial Instruments: Disclosures* in relation to the offsetting of financial assets and liabilities; and new standards issued after 2012 including FRS 110 *Consolidated Financial Statements*, FRS 112 *Disclosure of Interest in Other Entities* and FRS 113 *Fair Value Measurement*. RAP 7 (Revised June 2016) is applicable to unit trusts with annual periods beginning on or after 1 July 2016. The additional disclosure required by the Revised RAP 7 that is relevant to the Group has been adopted by the Group.

Applicable to financial statements for the year ending 30 September 2019

- (i) FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its financial statements for the year ending 30 September 2019. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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

2.2 New standards and interpretations not adopted (cont'd)

- (i) FRS 115 *Revenue from Contracts with Customers* (cont'd)

Potential impact on the financial statements

During the financial year, the Group completed its initial assessment of the impact on the Group's financial statements. Based on its initial assessment, the Group does not expect the impact on the financial statements from the adoption of this standard to be significant.

The Group plans to adopt the standard when it becomes effective for the Group on 1 October 2018 using the full retrospective approach.

- (ii) FRS 109 *Financial instruments*

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

Retrospective application is generally required. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 October 2018.

Potential impact on the financial statements

The Group does not expect a significant change to the measurement basis arising from the new classification and measurement model under FRS 109.

Loans and receivables currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.

For financial assets and liabilities currently held at fair value, the Group expects to continue measuring these assets and liabilities at fair value under FRS 109.

The Group is evaluating the approach to adopt in respect of recording expected impairment losses on trade receivables, which involves the Group reviewing its impairment loss estimation methodology to quantify the impact on the financial statements. Based on preliminary assessment, the Group does not expect a significant increase to the impairment allowance.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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

2.2 New standards and interpretations not adopted (cont'd)

The Group plans to adopt the standard when it becomes effective for the Group as at 1 October 2018 without restating comparative information.

Applicable to financial statements for the year ending 30 September 2020

(i) FRS 116 Leases

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use ("ROU") assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*; INT FRS 15 *Operating Leases – incentives*; and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Potential impact on the financial statements

The Group does not expect the impact on the financial statements to be significant.

The Group plans to adopt the standard when it becomes effective for the Group as at 1 October 2019. The Group will perform a detailed analysis of the standard, including the transition options and practical expedients in the coming financial year.

2.3 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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

2.3 Foreign currency (cont'd)

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.

2.4 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 Singapore Income Tax Act.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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

2.5 Basis of consolidation and investment in subsidiary

A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

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

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 in the Statements of Total Return. 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), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, 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. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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

2.6 Investment in associate and joint venture

An associate is an entity over which the Group has significant influence over the financial and operating policy decisions of the investee but does not have control or joint control of those policies. Significant influence is presumed to exist when the Group has 20% or more of the voting power of another entity.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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

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 sheets 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 accumulated impairment losses.

A list of the associate and joint venture is shown in Notes 7 and 8, respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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

2.7 Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. 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 of 5 years to 10 years.

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.

2.8 Intangible assets

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

Software is amortised over the estimated useful life of 5 years 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 embodies 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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

2.9 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.

Financial assets and liabilities are offset and the net amount presented in the Balance Sheets when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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

2.11 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 has expired.

2.12 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.

2.13 Impairment

(i) 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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

2.13 Impairment (cont'd)

(i) Impairment of non-financial assets (cont'd)

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.

(ii) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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

2.14 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 2.11.

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.

2.15 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 2.16(i).

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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

2.17 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 1.1.

(ii) Asset management fees

Asset management fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1.2.

(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 1.3.

2.18 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.

(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 subsidiary, associate and joint venture 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.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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

2.18 Taxation (cont'd)

(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, who are not acting in the capacity of a trustee, 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;
- (iv) an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145);
- (v) 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
- (vi) 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 (iv) above.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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

2.18 Taxation (cont'd)

(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.

2.19 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the Statements of Total Return using the effective interest method.

2.20 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 27, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.21 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.

2.22 Earnings per unit

The Group and the Trust present basic and diluted earnings per unit data for its units. Basic earnings per unit is calculated by dividing the total return by the weighted-average number of units outstanding during the year. Diluted earnings per unit is determined by adjusting the total return and the weighted-average number of ordinary units outstanding, for the effects of all dilutive potential units.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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

2.23 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.

3. INVESTMENT PROPERTIES

	Group and Trust	
	2017 \$'000	2016 \$'000
At beginning	2,509,000	2,464,000
Acquisition of investment property	39,328	–
Capital expenditure	23,317	16,056
	2,571,645	2,480,056
Surplus on revaluation taken to Statements of Total Return	96,455	28,944
At end	2,668,100	2,509,000

The investment properties owned by the Group and the Trust are set out in the Portfolio Statements on pages 128 to 130.

During the current financial year, the Trust completed the acquisition of 10 strata-titled retail units at Yishun 10 for a total consideration of \$39,328,456 (including transaction costs and stamp duties of \$1,200,956 directly attributable to the acquisition and acquisition fees paid to the Manager in units of \$377,500, representing 1% of the purchase consideration paid of \$37,750,000).

Bedok Point has been mortgaged as security for a \$70 million secured five-year term loan from DBS Bank Ltd (Note 14ai).

Anchorpoint has been mortgaged as security for a \$80 million secured five-year term loan from DBS Bank Ltd (Note 14aii).

YewTee Point has been mortgaged as security for a \$136 million secured five-year term loan from Oversea-Chinese Banking Corporation Limited and DBS Bank Ltd (Note 14aiii).

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

3. INVESTMENT PROPERTIES (CONT'D)

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, discount rates and terminal yields. 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 2017.

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
At 30 September 2017				
Non-financial assets				
Investment properties				
	—	—	2,668,100	2,668,100
At 30 September 2016				
Non-financial assets				
Investment properties				
	—	—	2,509,000	2,509,000

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

3. INVESTMENT PROPERTIES (CONT'D)

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 2017 \$'000	Valuation techniques	Key unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties	2,668,100	Capitalisation approach	Capitalisation rate	4.00% – 5.25% (2016: 5.25% – 5.75%)	The higher the rate, the lower the fair value.
		Discounted cash flow analysis	Discount rate	7.25% – 8.00% (2016: 7.50% – 8.00%)	The higher the rate, the lower the fair value.
			Terminal yield	4.25% – 5.75% (2016: 5.50% – 6.00%)	The higher the rate, the lower the fair value.
		Direct comparison method	Transacted prices	Nil (2016: Nil)	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;
- terminal yield reflects the uncertainty, functional/economic obsolescence and the risk associated with the investment properties; 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

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3. INVESTMENT PROPERTIES (CONT'D)

Level 3 fair value measurements (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	
	2017 \$'000	2016 \$'000
Surplus on revaluation	96,455	28,944
Amortisation of lease incentives	(2,056)	(537)
Surplus on revaluation recognised in Statements of Total Return	<u>94,399</u>	<u>28,407</u>

Direct operating expenses (including repairs and maintenance) arising from rental generating properties are disclosed on Note 19 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.

4. FIXED ASSETS

	Equipment, furniture and fittings	
	Group and Trust	
	2017 \$'000	2016 \$'000
Cost		
At beginning	357	360
Additions	24	23
Disposals	(90)	(26)
At end	<u>291</u>	<u>357</u>
Accumulated depreciation		
At beginning	271	255
Charge for the year	29	41
Disposals	(89)	(25)
At end	<u>211</u>	<u>271</u>
Carrying amount		
At beginning	<u>86</u>	<u>105</u>
At end	<u>80</u>	<u>86</u>

NOTES TO THE FINANCIAL STATEMENTS

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5 INTANGIBLE ASSETS

	Software Group and Trust	
	2017 \$'000	2016 \$'000
Cost		
At beginning	90	90
Additions	—	—
At end	90	90
Accumulated depreciation		
At beginning	42	24
Charge for the year	18	18
At end	60	42
Carrying amount		
At beginning	48	66
At end	30	48

6. INVESTMENT IN SUBSIDIARY

	Trust	
	2017 \$'000	2016 \$'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	
		2017 %	2016 %
FCT MTN Pte. Ltd. ⁽¹⁾	Singapore	100	100

(1) Audited by KPMG 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

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7. INVESTMENT IN ASSOCIATE

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Quoted units, at cost	74,584	67,806	74,584	67,806
Share of post-acquisition reserves				
– operations	3,002	3,598	–	–
– revaluation surplus	14,247	14,004	–	–
Translation difference	(20,466)	(19,049)	–	–
	71,367	66,359	74,584	67,806
Allowance for impairment	(6,759)	(6,759)	(9,976) ⁽¹⁾	(3,963)
	64,608	59,600	64,608	63,843
Fair value of investment based on published price quotation	58,846	64,511	58,846	64,511

Details of the associate are as follows:

Name of associate	Place of incorporation / business	Effective equity interest held by the Group and Trust	
		2017 %	2016 %
Hektar Real Estate Investment Trust	Malaysia	31.15 ⁽²⁾	31.17 ⁽³⁾

(1) As at 30 September 2017, as a result of change in fair value of the investment properties held by H-REIT, the Manager has assessed the recoverable amount of the Trust's interest in H-REIT for impairment. The allowance for impairment loss amounting to \$6,013,000 (2016: Nil) was recognised in respect of the Trust's investment in H-REIT taking into consideration the fair value of the underlying properties held by H-REIT and the liabilities to be settled. The recoverable amount was assessed based on net assets less costs to sell using the net asset value of H-REIT as at 30 September 2017.

(2) To be audited by BDO, Malaysia.

(3) 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.

In August 2017, the Trust subscribed its entitlement of 19,005,448 units in H-REIT for RM21.1 million. In September 2017, as part of the acquisition fee, H-REIT issued 360,000 new units to its manager, resulting in dilution of the Trust Unitholding to 31.15%.

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 2017, the Group has estimated the results of H-REIT for the quarter ended 30 September 2017 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% (2016: 10%) withholding tax in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

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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:

	2017 \$'000	2016 \$'000
Assets and liabilities⁽⁴⁾		
Non-current assets	353,057	364,872
Current assets	11,170	12,651
Total assets	<u>364,227</u>	<u>377,523</u>
Current liabilities	12,843	12,661
Non-current liabilities	163,421	169,186
Total liabilities	<u>176,264</u>	<u>181,847</u>
Results⁽⁵⁾		
Revenue	39,805	42,340
Expenses	(27,056)	(27,982)
Revaluation surplus/(deficit)	779	(13,374)
Total return for year	<u>13,528</u>	<u>984</u>

- (4) The "Assets and liabilities" is based on the latest available unaudited management accounts as at 30 June 2017 and 30 June 2016 respectively.
(5) The "Results" is for six months ended 30 June 2017 and 30 June 2016 respectively and pro-rated six month results from the audited financial statements for the period ended 31 December 2016 and 31 December 2015 respectively.

As at 30 September 2017, the associate's property portfolio comprises Subang Parade in Selangor, Mahkota Parade in Melaka, Wetex Parade and Segamat Central in Johor, Central Square and Landmark Central in Kedah.

8. INVESTMENT IN JOINT VENTURE

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Unquoted equity investment, at cost	1	1	1	1
Share of post-acquisition reserves				
– operations	242	234	–	–
	<u>243</u>	<u>235</u>	<u>1</u>	<u>1</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	
		2017 %	2016 %
Changi City Carpark Operations LLP	Singapore	43.68	43.68

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

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9. TRADE AND OTHER RECEIVABLES

	Group and Trust	
	2017 \$'000	2016 \$'000
Trade receivables	2,480	3,963
Allowance for doubtful receivables	(79)	(62)
Net trade receivables	2,401	3,901
Deposits	59	443
Prepayments	250	166
Amount due from related party (non-trade)	3	–
Amount due from joint venture (non-trade)	–	87
Loan arrangement fees	1,544	2,203
	4,257	6,800

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 \$2,401,000 (2016: \$3,901,000) 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	
	2017 \$'000	2016 \$'000
Trade receivables past due but not impaired:		
Less than 30 days	1,651	2,776
30 to 60 days	344	539
61 to 90 days	104	76
91 to 120 days	128	205
More than 120 days	174	305
	2,401	3,901

(ii) Trade receivables that are impaired

Trade receivables of the Group and the Trust 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	
	2017 \$'000	2016 \$'000
Trade receivables	79	62
Allowance for doubtful receivables	(79)	(62)
	–	–

NOTES TO THE FINANCIAL STATEMENTS

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9. TRADE AND OTHER RECEIVABLES (CONT'D)

- (ii) Trade receivables that are impaired (cont'd)

	Group and Trust	
	2017	2016
	\$'000	\$'000
Movement in allowance account:		
At beginning	62	61
Allowance for doubtful receivables recognised	118	38
Write back of allowance for doubtful receivables	(96)	(36)
Allowance utilised	(5)	(1)
At end	79	62

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	
	2017	2016
	\$'000	\$'000
Cash at bank and on hand	13,547	18,708

NOTES TO THE FINANCIAL STATEMENTS

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11. TRADE AND OTHER PAYABLES

	Group	Trust		
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Trade payables and accrued operating expenses	15,467	24,405	15,488	24,423
Amounts due to related parties (trade)	5,486	9,005	5,486	9,005
Deposits and advances	5,917	2,342	5,917	2,342
Interest payable	4,627	2,571	4,627	2,571
Other payables	59	36	59	36
Withholding tax	1,118	1,000	1,118	1,000
	32,674	39,359	32,695	39,377

Included in trade payables and accrued operating expenses is an amount due to the Trustee of \$70,231 (2016: \$67,487).

Included in amounts due to related parties are amounts due to the Manager of \$2,740,277 (2016: \$3,788,620) and the Property Manager of \$2,645,864 (2016: \$5,205,879) respectively. The amounts due to related parties are unsecured, interest free and payable within the next 3 months.

12. FINANCIAL DERIVATIVES

	Group and Trust	
	2017 \$'000	2016 \$'000
Derivative liabilities		
Interest rate swaps used for hedging		
– Non-current	317	–
– Current	–	601
	317	601
Financial derivatives as a percentage of net assets	(0.02%)	(0.03%)

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 30 September 2017, the Group has an interest rate swap contract with a total notional amount of \$80 million (2016: \$160 million). Under the contract, the Group pays fixed interest rate of 1.33% (2016: 1.08% to 1.78%).

The fair value of the interest rate swaps is determined using valuation technique as disclosed in Note 25(b). The Group does not apply hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS

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13. DEFERRED INCOME

	Group and Trust	
	2017 \$'000	2016 \$'000
Cost		
At beginning	1,978	2,888
Additions	–	–
Fully amortised	(1,616)	(910)
At end	362	1,978
Accumulated amortisation		
At beginning	1,402	1,580
Charge for the year	427	732
Fully amortised	(1,616)	(910)
At end	213	1,402
Net deferred income	149	576
This comprises:		
Current portion	134	427
Non-current portion	15	149
	149	576

14. INTEREST-BEARING BORROWINGS

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current liabilities				
Term loan (secured)	–	70,000	–	70,000
Term loan (unsecured)	–	90,000	–	90,000
Medium Term Notes (unsecured)	60,000	30,000	–	–
Loan from subsidiary (unsecured)	–	–	60,000	30,000
Short term loans (unsecured)	92,000	28,000	92,000	28,000
	152,000	218,000	152,000	218,000
Non-current liabilities				
Term loan (secured)	285,769	216,000	285,769	216,000
Term loan (unsecured)	60,000	60,000	60,000	60,000
Loan from subsidiary (unsecured)	–	–	299,771	240,000
Medium Term Notes (unsecured)	299,771	240,000	–	–
	645,540	516,000	645,540	516,000

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

14. INTEREST-BEARING BORROWINGS (CONT'D)

(a) Term loans (secured)

- (i) In December 2016, the Trust entered into a facility agreement with DBS Bank Ltd to refinance the secured term loan of \$70 million (the "\$70 million Secured Term Loan") for a tenure of three years.

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; and
- 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.

- (ii) In March 2016, the Trust entered into a facility agreement with DBS Bank Ltd for a secured five-year term loan of \$80 million (the "\$80 million Secured Term Loan").

The \$80 million Secured Term Loan is principally secured by the following:

- a mortgage over Anchorpoint;
- an assignment of the rights, benefits, title and interest of the Trust in, under and arising out of the insurances effected in respect of Anchorpoint; and
- 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 Anchorpoint.

- (iii) In June 2016, the Trust entered into a facility agreement with Oversea-Chinese Banking Corporation Limited and DBS Bank Ltd for a secured five-year term loan of \$136 million (the "\$136 million Secured Term Loan").

The \$136 million Secured Term Loan is principally secured by the following:

- a mortgage over YewTee 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 YewTee Point; and
- 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 YewTee Point.

NOTES TO THE FINANCIAL STATEMENTS

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14. INTEREST-BEARING BORROWINGS (CONT'D)

(b) Term loan (unsecured)

In 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 of which \$90 million had been repaid in April 2017. The outstanding unsecured term loan is repayable in June 2019.

(c) Medium Term Notes (unsecured) Programme

On 7 May 2009, the Group through its subsidiary, FCT MTN Pte Ltd ("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.

As at 30 September 2017, the aggregate balance of the Notes issued by the Group under the FCT MTN Programme amounted to \$360 million (2016: \$270 million), consisting of:

- (i) \$Nil (2016: \$30 million) Fixed Rate Notes which matured on 12 June 2017 and bear a fixed interest rate of 2.850% per annum paid semi-annually in arrear;
- (ii) \$70 million (2016: \$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 (2016: \$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;
- (iv) \$60 million (2016: \$60 million) 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;
- (v) \$50 million (2016: \$50 million) Fixed Rate Notes which mature on 21 June 2021 and bear a fixed interest rate of 2.760% per annum payable semi-annually in arrear;
- (vi) \$90 million (2016: \$ Nil) Fixed Rate Notes which mature on 3 April 2020 and bear a fixed interest rate of 2.365% per annum payable semi-annually in arrear; and
- (vii) \$30 million (2016: \$ Nil) Fixed Rate Notes which mature on 6 June 2022 and bear a fixed interest rate of 2.645% per annum payable semi-annually in arrear.

NOTES TO THE FINANCIAL STATEMENTS

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14. INTEREST-BEARING BORROWINGS (CONT'D)

(d) Multicurrency Debt (unsecured) Issuance Programme

On 8 February 2017, the Group established a \$3 billion Multicurrency Debt Issuance Programme ("Debt Issuance Programme"). Under the Debt Issuance Programme, the Issuers may, subject to compliance with all relevant laws, regulations and directives from time to time, issue notes (the "Notes") and perpetual securities (the "Perpetual Securities", and together with the Notes, the "Securities") in Singapore dollars or any other currency as may be agreed between the relevant dealers of the Programme and the Issuers.

Each series or tranche of Notes may be issued in various amounts and tenors, and may bear interest at fixed, floating, hybrid or variable rates as may be agreed between the relevant dealers of the Debt Issuance Programme and the relevant Issuer or may not bear interest. The Notes and the coupons of all series shall constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and shall at all times rank 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 the relevant Issuer.

As at 30 September 2017, no Note has been issued under this programme.

(e) Short term loans (unsecured)

The Trust has obtained unsecured credit facilities totalling \$140 million (2016: \$90 million). As at 30 September 2017, total borrowings drawn down by the Trust on these facilities amounted to \$92 million (2016: \$28 million).

15. 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	
	2017 \$'000	2016 \$'000
At beginning	19,049	20,167
Net effect of exchange loss/(gain) arising from		
translation of financial statements of foreign operations	1,417	(1,118)
At end	20,466	19,049

NOTES TO THE FINANCIAL STATEMENTS

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16. UNITS IN ISSUE

	Group and Trust	
	2017	2016
	No. of Units '000	No. of Units '000
Units in issue		
At beginning	919,369	916,840
Issue of Units		
– issued as satisfaction of asset management fees	2,889	2,529
– issued as satisfaction of acquisition fee	190	–
At end	922,448	919,369
Units to be issued		
– as asset management fees payable in Units	2,814	829
Total issued and issuable Units at end	925,262	920,198

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.

NOTES TO THE FINANCIAL STATEMENTS

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17. NET ASSET VALUE PER UNIT

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Net asset value per Unit is based on:				
Net assets	1,872,203	1,775,645	1,871,940	1,779,636
	'000	'000	'000	'000
Total issued and issuable Units (Note 16)	925,262	920,198	925,262	920,198

18. GROSS REVENUE

	Group and Trust	
	2017 \$'000	2016 \$'000
Gross rental income	161,587	162,969
Turnover rental income	8,694	9,141
Carpark income	4,168	4,484
Others	7,146	7,222
	181,595	183,816

19. PROPERTY EXPENSES

	Group and Trust	
	2017 \$'000	2016 \$'000
Property tax	15,623	15,707
Utilities	1,455	2,447
Maintenance	15,605	15,923
Property management fees	7,027	7,100
Marketing expenses	6,299	6,697
Allowance for doubtful receivables	118	38
Write back of allowance for doubtful receivables	(96)	(36)
Depreciation of fixed assets	29	41
Amortisation of intangible assets	18	18
Staff costs ⁽¹⁾	4,072	4,134
Carpark expenses	1,208	1,236
Others	679	659
	52,037	53,964

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

The Group and the Trust do not have any employees.

NOTES TO THE FINANCIAL STATEMENTS

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20. BORROWING COSTS

	Group and Trust	
	2017 \$'000	2016 \$'000
Interest expense	16,852	16,299
Amortisation of loan arrangement fees	781	888
	17,633	17,187

21. ASSET MANAGEMENT FEES

Asset management fees comprise \$8,017,214 (2016: \$7,716,381) of base fee and \$6,477,863 (2016: \$6,492,582) of performance fee computed in accordance with the fee structure as disclosed in Note 1.2 to the financial statements.

An aggregate of 4,874,255 (2016: 2,986,994) Units were issued or are issuable to the Manager as satisfaction of the asset management fees payable for the financial year ended 30 September 2017.

22. TAXATION

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Reconciliation of effective tax				
Net income	94,830	96,813	94,827	96,811
Income tax using Singapore tax rate of 17% (2016: 17%)	16,121	16,458	16,121	16,458
Non-tax deductible items	1,878	1,174	1,879	1,174
Income not subject to tax	709	667	709	667
Income exempt from tax	(18,708)	(18,299)	(18,709)	(18,299)
	—	—	—	—

NOTES TO THE FINANCIAL STATEMENTS

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23. EARNINGS PER UNIT

(i) Basic 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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Total return for year after tax	193,904	123,446	188,233	127,706
Weighted average number of Units in issue	921,429	918,181	921,429	918,181

(ii) Diluted earnings per Unit

In calculating diluted earnings per unit, the total return for the year and weighted average number of Units outstanding are adjusted for the effect of all dilutive potential units, as set out below:

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Total return for year after tax	193,904	123,446	188,233	127,706
Weighted average number of Units in issue	925,238	918,181	925,238	918,181

24. SIGNIFICANT RELATED PARTY TRANSACTIONS

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	
	2017 \$'000	2016 \$'000
Property management fees and reimbursement of expenses paid/payable to the Property Manager ⁽¹⁾	17,419	17,933
Reimbursement of expenses paid/payable to the Manager	52	43
Reimbursement of expenses/capital expenditure paid/payable to related companies of the Manager	136	33
Recovery of expenses paid on behalf of a related company of the Manager	–	(14)
Recovery of net income receivable from related companies of the Manager	–	(8)
Income from related companies of the Manager	(62)	(3)
Car park expenses paid/payable to the Joint Venture	33	32

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

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

25. 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
Group and Trust				
At 30 September 2017				
Financial liabilities				
Interest rate swaps	—	317	—	317
At 30 September 2016				
Financial liabilities				
Interest rate swaps	—	601	—	601

During the financial years ended 30 September 2017 and 2016, 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:

	2017 \$'000		2016 \$'000	
	Carrying amount	Fair value	Carrying amount	Fair value
Group and Trust				
Financial liabilities				
Interest-bearing borrowings (non-current)	645,540	656,450	516,000	521,788
Security deposits (non-current)	30,774	29,552	23,883	23,131
	676,314	686,002	539,883	544,919

(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, trade and other payables, current portion of security deposits and current portion of interest-bearing borrowings) 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 2017

26. 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 45.0% of the fund's depository property.

As at 30 September 2017, the Group's Aggregate Leverage stood at 29.0% (2016: 28.3%) 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 S&P Global Ratings and "Baa1" from Moody's Investors Service.

(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 tenants and monitors their balances on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with tenants. Credit risk is also mitigated by the rental deposits held for each of the tenants. 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 17.0% (2016: 14.0%) 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 local banks regulated by the MAS.

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

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

26. FINANCIAL RISK MANAGEMENT (CONT'D)

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

(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.

Sensitivity analysis for interest rate risk

It is estimated that a twenty five basis points increase in interest rate at the balance sheet date, with all other variables held constant, would decrease the Group's total return for the year and Unitholders' funds by approximately \$229,000 (2016: \$451,000) 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 \$230,000 (2016: \$451,000), 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 basis 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 \$665,000 (2016: \$690,000) 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 \$665,000 (2016: \$690,000), 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

26. FINANCIAL RISK MANAGEMENT (CONT'D)

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

(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.

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
As at 30 September 2017				
Group				
Trade and other payables	31,556	—	—	31,556
Derivative financial instruments	289	30	—	319
Security deposits	17,366	30,750	24	48,140
Interest-bearing borrowings	166,791	672,055	—	838,846
	216,002	702,835	24	918,861
Trust				
Trade and other payables	31,577	—	—	31,577
Derivative financial instruments	289	30	—	319
Security deposits	17,366	30,750	24	48,140
Interest-bearing borrowings	166,791	672,055	—	838,846
	216,023	702,835	24	918,882
As at 30 September 2016				
Group				
Trade and other payables	39,359	—	—	39,359
Derivative financial instruments	601	—	—	601
Security deposits	21,010	23,873	10	44,893
Interest-bearing borrowings	229,973	538,368	—	768,341
	290,943	562,241	10	853,194
Trust				
Trade and other payables	39,377	—	—	39,377
Derivative financial instruments	601	—	—	601
Security deposits	21,010	23,873	10	44,893
Interest-bearing borrowings	229,973	538,368	—	768,341
	290,961	562,241	10	853,212

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

27. 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 City North Wing and Yishun 10 Retail Podium, 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 2017

27. SEGMENT REPORTING (CONT'D)

(a) Business segments

	Causeway Point \$'000	Northpoint City North Wing and Yishun 10 Retail Podium \$'000	Anchor- point \$'000	YewTee Point \$'000	Bedok Point \$'000	Changi City Point \$'000	Group \$'000
2017							
<i>Revenue and expenses</i>							
Gross rental income	75,238	38,064	7,654	12,690	6,508	21,433	161,587
Others	9,485	3,965	867	1,758	830	3,103	20,008
Gross revenue	84,723	42,029	8,521	14,448	7,338	24,536	181,595
Segment net property income	65,539	29,742	4,633	10,049	3,663	15,932	129,558
Unallocated expenses *							(34,728)
Net income							94,830
Unrealised gain from fair valuation of derivatives							284
Share of results of associate							3,820
Share of results of joint venture							571
Surplus on revaluation of investment properties	46,447	38,419	1,278	5,921	(2,904)	5,238	94,399
Total return for the year							193,904

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

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

27. SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

	Causeway Point \$'000	Northpoint City North Wing \$'000	Anchor-point \$'000	YewTee Point \$'000	Bedok Point \$'000	Changi City Point \$'000	Group \$'000
2016							
<i>Revenue and expenses</i>							
Gross rental income	72,889	40,788	7,853	12,640	7,450	21,349	162,969
Others	10,133	4,174	875	1,703	884	3,078	20,847
Gross revenue	<u>83,022</u>	<u>44,962</u>	<u>8,728</u>	<u>14,343</u>	<u>8,334</u>	<u>24,427</u>	<u>183,816</u>
Segment net property income	<u>62,031</u>	<u>33,333</u>	<u>4,698</u>	<u>10,206</u>	<u>4,226</u>	<u>15,358</u>	<u>129,852</u>
Unallocated expenses*							(33,039)
Net income							<u>96,813</u>
Unrealised loss from fair valuation of derivatives							(1,896)
Share of results of associate							(416)
Share of results of joint venture							538
Surplus on revaluation of investment properties	32,408	(8,463)	3,031	2,019	(201)	(387)	<u>28,407</u>
Total return for the year							<u>123,446</u>

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

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

27. SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

	Causeway Point \$'000	Northpoint City and Yishun 10 Retail Podium \$'000	North Wing 10 Anchor- point \$'000	YewTee Point \$'000	Bedok Point \$'000	Changi City Point \$'000	Group \$'000
As at 30 September 2017							
<i>Assets and liabilities</i>							
Segment assets	1,193,153	775,139	106,112	179,612	106,946	322,735	2,683,697
Investment in associate							64,608
Investment in joint venture							243
Unallocated assets							2,317
Total assets							<u>2,750,865</u>
Segment liabilities	28,643	18,063	3,462	5,414	3,450	12,477	71,509
Unallocated liabilities							
– Trade and other payables							9,296
– Financial derivatives							317
– Interest-bearing borrowings							<u>797,540</u>
Total liabilities							<u>878,662</u>
<i>Other segmental information</i>							
Allowance for doubtful receivables	14	–	5	–	15	84	118
Write back of allowance for doubtful receivables	(35)	–	(5)	(2)	(5)	(49)	(96)
Amortisation of lease incentives	255	(1,801)	(64)	12	125	(583)	(2,056)
Depreciation of fixed assets	9	5	3	4	4	4	29
Amortisation of intangible assets	3	3	3	3	3	3	18
Fixed assets written off	–	–	–	–	1	–	1
Capital expenditure							
– Investment properties	807	60,280	258	91	29	1,180	62,645
– Fixed assets	–	10	5	4	1	4	24

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

27. SEGMENT REPORTING (CONT'D)

(a) Business segments (cont'd)

	Causeway Point \$'000	Northpoint City North Wing \$'000	Anchor-point \$'000	YewTee Point \$'000	Bedok Point \$'000	Changi City Point \$'000	Group \$'000
As at 30 September 2016							
<i>Assets and liabilities</i>							
Segment assets	1,147,132	675,130	104,611	173,850	109,916	314,786	2,525,425
Investment in associate						59,600	
Investment in joint venture						235	
Unallocated assets						9,217	
Total assets							<u>2,594,477</u>
Segment liabilities	30,064	21,012	3,847	5,693	4,526	11,382	76,524
Unallocated liabilities							
– Trade and other payables						8,308	
– Interest-bearing borrowings						734,000	
Total liabilities							<u>818,832</u>
<i>Other segmental information</i>							
Allowance for doubtful receivables	12	–	19	–	5	2	38
Write back of allowance for doubtful receivables	(13)	–	(19)	–	–	(4)	(36)
Amortisation of lease incentives	417	(955)	56	26	30	(111)	(537)
Depreciation of fixed assets	15	6	4	5	6	5	41
Amortisation of intangible assets	3	3	3	3	3	3	18
Capital expenditure							
– Investment properties	1,009	14,509	25	7	230	276	16,056
– Fixed assets	11	2	2	–	6	2	23

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

28. COMMITMENTS

	Group and Trust	
	2017 \$'000	2016 \$'000
Capital expenditure contracted but not provided for	12,617	33,016

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

	Group and Trust	
	2017 \$'000	2016 \$'000
Receivable:		
Within 1 year	156,572	129,906
After 1 year but within 5 years	204,917	132,673
After 5 years	1,091	163
	362,580	262,742

29. 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.

30. SUBSEQUENT EVENTS

On 25 October 2017, the Manager declared a distribution of \$27,480,000 to Unitholders in respect of the period from 1 July 2017 to 30 September 2017.

On 27 October 2017, the Trust issued 2,813,931 new Units at a price of \$2.1289 per Unit in payment of 70% of its Manager's base management fees for the quarter ended 30 September 2017 and performance management fees for the year ended 30 September 2017.

On 8 November 2017, FCT MTN Pte. Ltd., a wholly-owned subsidiary of the Trust, issued 7-year fixed rate notes in aggregate principal amount of \$70.0 million at 2.77 per cent, under the FCT MTN Programme.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

31. FINANCIAL RATIOS

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

	Group	
	2017 %	2016 %
Expenses to weighted average net assets ⁽¹⁾ :		
– including performance component of asset management fees	0.96	0.90
– excluding performance component of asset management fees	0.60	0.53
Portfolio turnover rate ⁽²⁾	—	—

(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 taxation.

(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 UNITHOLDINGS

ISSUED AND FULLY PAID-UP UNITS

There were 925,262,216 Units (voting rights: one vote per Unit) outstanding as at 24 November 2017.

There is only one class of Units.

The market capitalisation was S\$2,045 million based on closing unit price of S\$2.21 on 24 November 2017.

TOP TWENTY UNITHOLDERS AS AT 24 NOVEMBER 2017

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	37.79
2	CITIBANK NOMINEES SINGAPORE PTE LTD	136,544,813	14.76
3	HSBC (SINGAPORE) NOMINEES PTE LTD	104,970,143	11.34
4	DBS NOMINEES (PRIVATE) LIMITED	99,054,337	10.71
5	FRASERS CENTREPOINT ASSET MANAGEMENT LTD	37,632,216	4.07
6	RAFFLES NOMINEES (PTE) LIMITED	35,477,304	3.83
7	DBSN SERVICES PTE. LTD.	28,359,095	3.06
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	13,576,100	1.47
9	NTUC FAIRPRICE CO-OPERATIVE LTD	7,695,000	0.83
10	CIMB SECURITIES (SINGAPORE) PTE. LTD.	5,568,471	0.60
11	BPSS NOMINEES SINGAPORE (PTE.) LTD.	5,119,852	0.55
12	DB NOMINEES (SINGAPORE) PTE LTD	4,452,815	0.48
13	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,251,849	0.24
14	CHAN WAI KHEONG	1,924,000	0.21
15	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,845,300	0.20
16	YAP CHONG HIN GABRIEL	1,740,000	0.19
17	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	1,532,500	0.17
18	UOB KAY HIAN PRIVATE LIMITED	1,372,000	0.15
19	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,369,500	0.15
20	NG SAY BAN	1,350,000	0.15
Total		841,506,295	90.95

UNITHOLDINGS OF DIRECTORS OF THE MANAGER AS AT 21 OCTOBER 2017

Number of FCT Units held		
	Direct Interest	Deemed Interest
Mr Soh Kim Soon	100,000	-
Mr Christopher Tang Kok Kai	50,000	620,000
Dr Cheong Choong Kong	140,300	-

STATISTICS OF UNITHOLDINGS

SUBSTANTIAL UNITHOLDERS AS AT 24 NOVEMBER 2017

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	37.79%	–	–	349,671,000	37.79%
Frasers Centrepoint Limited ⁽¹⁾	–	–	387,303,216	41.86%	387,303,216	41.86%
Thai Beverage Public Company Limited ⁽²⁾	–	–	387,303,216	41.86%	387,303,216	41.86%
International Beverage Holdings Limited ⁽³⁾	–	–	387,303,216	41.86%	387,303,216	41.86%
InterBev Investment Limited ⁽⁴⁾	–	–	387,303,216	41.86%	387,303,216	41.86%
Siriwana Company Limited ⁽⁵⁾	–	–	387,303,216	41.86%	387,303,216	41.86%
Maxtop Management Corp. ⁽⁶⁾	–	–	387,303,216	41.86%	387,303,216	41.86%
Risen Mark Enterprise Ltd. ⁽⁷⁾	–	–	387,303,216	41.86%	387,303,216	41.86%
Golden Capital (Singapore) Limited ⁽⁸⁾	–	–	387,303,216	41.86%	387,303,216	41.86%
MM Group Limited ⁽⁹⁾	–	–	387,303,216	41.86%	387,303,216	41.86%
TCC Assets Limited ⁽¹⁰⁾	–	–	387,303,216	41.86%	387,303,216	41.86%
Charoen Sirivadhanabhakdi ⁽¹¹⁾	–	–	387,303,216	41.86%	387,303,216	41.86%
Khunying Wanna Sirivadhanabhakdi ⁽¹²⁾	–	–	387,303,216	41.86%	387,303,216	41.86%
Schroder Investment Management Group ⁽¹³⁾	–	–	54,385,200	5.88%	54,385,200	5.88%

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).

STATISTICS OF UNITHOLDINGS

SUBSTANTIAL UNITHOLDERS AS AT 24 NOVEMBER 2017 (CONT'D)

- (5) Siriwana Company Limited ("SCL") holds a greater than 20% interest in ThaiBev;
– ThaiBev holds a 100% direct interest in IBHL;
– IBHL holds a 100% direct interest in 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.
SCL 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) Maxtop Management Corp. ("MMC") together with Risen Mark Enterprise Ltd. ("RM") and Golden Capital (Singapore) Limited ("GC") collectively holds a greater than 20% interest in ThaiBev;
– ThaiBev holds a 100% direct interest in IBHL;
– IBHL holds a 100% direct interest in 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.
MMC 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) RM together with MMC and GC collectively holds a greater than 20% interest in ThaiBev;
– ThaiBev holds a 100% direct interest in IBHL;
– IBHL holds a 100% direct interest in 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.
RM 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) GC together with MMC and RM collectively holds a greater than 20% interest in ThaiBev;
– ThaiBev holds a 100% direct interest in IBHL;
– IBHL holds a 100% direct interest in 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.
GC 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).
- (9) MM Group Limited ("MM") holds a 100% direct interest in each of MMC, RM and GC;
– MMC, RM and GC collectively holds a greater than 20% interest in ThaiBev;
– ThaiBev holds a 100% direct interest in IBHL;
– IBHL holds a 100% direct interest in 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.
MM 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).
- (10) 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).
- (11) 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).
- (12) 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).
- (13) Based on information provided by Schroder Investment (Singapore) Ltd. on 27 November 2017.

STATISTICS OF UNITHOLDINGS

DISTRIBUTION OF HOLDINGS

Size of Holdings	Number of Unitholders	%	Number of Units	%
1 – 99	16	0.25	226	0.00
100 – 1,000	776	12.21	666,805	0.07
1,001 – 10,000	4,195	65.99	20,596,930	2.23
10,001 – 1,000,000	1,350	21.24	62,491,960	6.75
1,000,001 and above	20	0.31	841,506,295	90.95
Total	6,357	100.00	925,262,216	100.00

LOCATION OF UNITHOLDERS

Country	Number of Unitholders	%	Number of Units	%
Singapore	6,059	95.31	920,866,613	99.53
Malaysia	207	3.26	3,452,200	0.37
Others	91	1.43	943,403	0.10
Total	6,357	100.00	925,262,216	100.00

FREE FLOAT

Based on information made available to the Manager as at 27 November 2017, approximately 58.1% 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
Frasers Centrepoint Limited and its subsidiaries or associate		
– Asset management fees	14,495	–
– Acquisition fees	378	–
– Property management fees*	4,743	–
– Reimbursement of expenses*	1,322	–
HSBC Institutional Trust Services (Singapore) Limited		
– Trustee's fees	414	–

* During the year, a property management agreement with Frasers Centrepoint Property Management Services Pte Ltd (the "Property Manager") for Yishun 10 Retail Podium has been entered for a tenure of 5 years into commencing 16 November 2016. The fees and expenses reimbursable to the Property Manager pursuant to the property management agreement are estimated at \$270,000.

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 24 to 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 2017, an aggregate of 922,448,285 Units were in issue. On 27 October 2017, the Trust issued 2,813,931 new Units to the Manager as Manager's base management fees for the quarter ended 30 September 2017 and performance management fees for the year ended 30 September 2017.

NON-DEAL ROADSHOW EXPENSES

Non-deal roadshow expenses of \$44,657 (2016: \$37,020) were incurred during the year ended 30 September 2017.

NOTICE OF ANNUAL GENERAL MEETING



(CONSTITUTED IN THE REPUBLIC OF SINGAPORE PURSUANT TO A TRUST DEED DATED 5 JUNE 2006
(AS AMENDED AND RESTATED))

NOTICE IS HEREBY GIVEN that the 9th Annual General Meeting of the unitholders of FRASERS CENTREPOINT TRUST ("FCT", and the unitholders of FCT, "Unitholders") will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Tuesday, 23 January 2018 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 2017.

Resolution (2)

2. To re-appoint KPMG LLP ("KPMG") as Auditors of FCT to hold office until the conclusion of the next Annual General Meeting of FCT, and to authorise the Manager to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolution, 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 at the time such Units are issued),

NOTICE OF ANNUAL GENERAL MEETING

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 shall 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);
- (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 is authorised to 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.

NOTICE OF ANNUAL GENERAL MEETING

To consider and, if thought fit, to pass the following Extraordinary Resolution, with or without any modifications:

Resolution (4)

4. That:

- (a) approval be and is hereby given to amend the Trust Deed to include provisions regarding electronic communications of notices and documents to Unitholders in the manner set out in Annex A of the appendix to the Notice of Annual General Meeting (the "**Appendix**") dated 22 December 2017 (the "**Proposed Electronic Communications Trust Deed Supplement**"); and
- (b) the Manager 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 or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of FCT to give effect to the Proposed Electronic Communications Trust Deed Supplement.

Frasers Centrepoint Asset Management Ltd.

(Company Registration No: 200601347G)

As manager of Frasers Centrepoint Trust

Catherine Yeo

Company Secretary

Singapore, 22 December 2017

NOTES:

- (1) A Unitholder who is not a relevant intermediary entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in the Unitholder' stead. 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 and vote at the meeting 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 in the proxy form 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.

NOTICE OF ANNUAL GENERAL MEETING

- (3) The instrument appointing a proxy or proxies (a form is enclosed) must be deposited with the company secretary of the Manager at the office of FCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, not less than 72 hours before the time appointed for holding the meeting.

EXPLANATORY NOTE:

Resolution 3

The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this Annual General Meeting until the earliest of (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 laws and regulations or the Trust Deed to be held, whichever is earlier, or (iii) the date on which such authority is revoked or varied by the Unitholders in a 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), with a sub-limit of 20% for issues other than on a *pro rata* basis to Unitholders.

For the purpose of determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units at the time 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.

Resolution 4

In connection with the amendments to the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), companies are allowed to send notices and documents electronically to their shareholders with the express, deemed or implied consent (the "**Deemed Consent Regime**" and the "**Implied Consent Regime**", respectively) of the shareholders if the constitution of the company provides for it and the specified modes of electronic communications are set out in the constitution of the company (the "**Companies Act Electronic Communications Amendments**"). The SGX-ST has recently amended the listing rules of the SGX-ST (the "**Listing Rules**") to align the Listing Rules with the Companies Act Electronic Communications Amendments, with issuers allowed to transmit certain types of notices and documents to shareholders (or Unitholders, in the case of a listed real estate investment trust ("**REIT**") like FCT) electronically with express, deemed or implied consent of shareholders.

Although FCT is not bound by the Companies Act, it is nonetheless bound by the Listing Rules as a listed REIT. Accordingly, the Manager proposes to amend the Trust Deed to adopt certain provisions of the Listing Rules to implement the Implied Consent Regime and the Deemed Consent Regime and allow for such electronic transmission of notices and documents in relation to FCT.

(See the Appendix in relation to the Proposed Electronic Communications Trust Deed Supplement for further details.)

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 22 December 2017.

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 failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of FCT to be held at 10.00 a.m. on Tuesday, 23 January 2018 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*
ROUTINE BUSINESS			
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 2017		
2.	To re-appoint KPMG LLP as Auditors of FCT to hold office until the conclusion of the next Annual General Meeting, and to authorise the Manager to fix their remuneration		
SPECIAL BUSINESS			
3.	To authorise the Manager to issue Units and to make or grant convertible instruments		
4.	To approve the Proposed Electronic Communications Trust Deed Supplement.		

* 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 _____ 2017/2018

Signature(s) of Unitholder(s)/Common Seal
IMPORTANT: PLEASE READ NOTES TO THE PROXY FORM

Total number of Units held (Note 5)

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 and vote at the meeting 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 and vote at the meeting 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 office of FCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, 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. A corporation which is a Unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
 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
Frasers Centrepoint Asset Management Ltd.
(as manager of Frasers Centrepoint Trust)
c/o Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

CORPORATE INFORMATION

FRASERS CENTREPOINT TRUST

Registered Address

HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay #13-02, HSBC Building
Singapore 049320
Website address: www.fct.sg

TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay #03-01, HSBC Building
Singapore 049320
Phone: (65) 6658-6667

AUDITOR

KPMG LLP
Partner-in-charge: Ms Karen Lee Shu Pei
Appointed 21 January 2016
16 Raffles Quay, #22-00 Hong Leong Building
Singapore 048581
Phone: (65) 6213-3388
Fax: (65) 6225-0984
Website address: www.kpmg.com.sg

BANKERS

Citibank N.A.
DBS Bank Ltd
Oversea-Chinese Banking Corporation Ltd

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place, #32-01 Singapore Land Tower
Singapore 048623
Phone: (65) 6536-5355
Fax: (65) 6536-1360

THE MANAGER

Registered Address

Frasers Centrepoint Asset Management Ltd
438 Alexandra Road, #21-00 Alexandra Point
Singapore 119958
Phone: (65) 6276-4882
Fax: (65) 6272-8776

DIRECTORS OF THE MANAGER

Mr Philip Eng Heng Nee

Chairman, Non-Executive (Non-Independent)

Dr Chew Tuan Chiong

Chief Executive Officer (Non-Independent)

Dr Cheong Choong Kong

Non-Executive (Lead Independent Director)

Mr Ho Chai Seng

Non-Executive (Independent)

Mr Simon Ho Chee Hwee

Non-Executive (Independent)

Mr Soh Kim Soon

Non-Executive (Independent)

Mr Christopher Tang Kok Kai

Non-Executive (Non-Independent)

AUDIT COMMITTEE

Mr Ho Chee Hwee, Simon (Chairman)

Dr Cheong Choong Kong

Mr Philip Eng Heng Nee

Mr Ho Chai Seng

Mr Soh Kim Soon

NOMINATING AND REMUNERATION COMMITTEE

Mr Soh Kim Soon (Chairman)

Dr Cheong Choong Kong

Mr Ho Chai Seng

Mr Ho Chee Hwee, Simon

Mr Christopher Tang Kok Kai

COMPANY SECRETARY

Ms Catherine Yeo



FRASERS CENTREPOINT ASSET MANAGEMENT LTD.

As Manager of Frasers Centrepoint Trust
Company Registration Number: 200601347G

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