

# SUSTAINED **GROWTH**

Annual Report 2014



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## FINANCIAL HIGHLIGHTS IN 2014

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Frasers Centrepoint Trust delivered another strong set of results with new-highs in DPU, earnings and NAV.

## A B O U T F R A S E R S C E N T R E P O I N T T R U S T

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

FCT's current portfolio comprises Causeway Point, Northpoint, Changi City Point, YewTee Point, Bedok Point and Anchorpoint. With combined appraised value of S\$2.4 billion as at 30 September 2014, FCT's malls enjoy wide captive markets, good connectivity and high occupancy. FCT also receives steady overseas returns via its 31% strategic stake in Hektar REIT.

FCT is focused on increasing shareholder value by pursuing organic, enhancement and acquisition growth strategies. With proactive lease management initiatives, FCT is well-

placed to achieve sustainable rental growth. To unlock the full potential of its assets, FCT continues to enhance existing assets to maximise their performance. The potential acquisitions of new assets will help FCT gain greater scale and drive further income growth for unitholders.

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



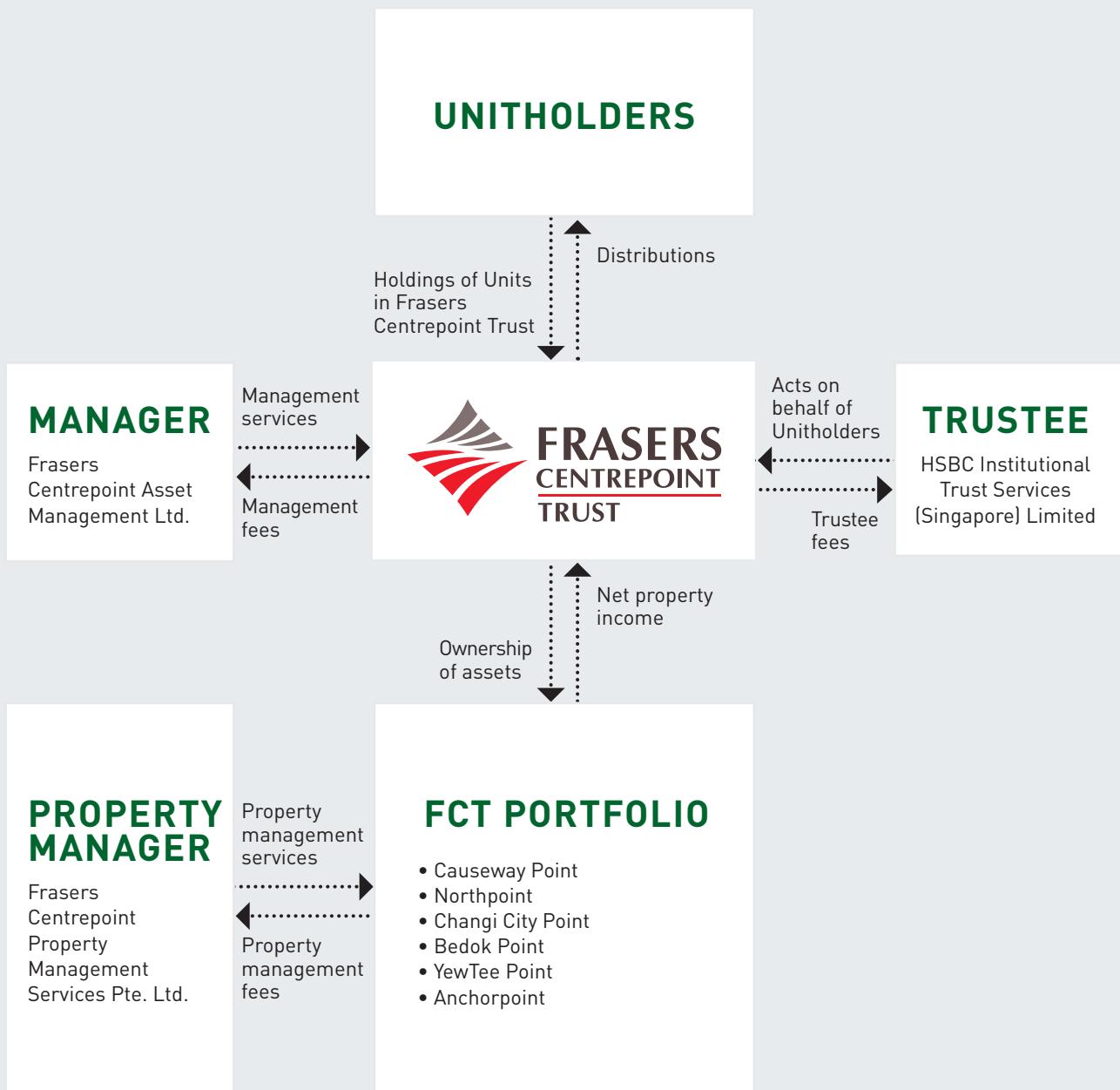
### O U R V I S I O N

- Our vision is to be "Your Malls of Choice" to our stakeholders: Tenants, Shoppers and Investors.
- We aim to be a fair and value-adding landlord to our Tenants.
- We aspire to create and offer a vibrant and exciting shopping experience to meet the expectations of our Shoppers.
- We endeavour to be the REIT of choice affording stable, sustainable and growing distributions to our Investors.

### O U R M I S S I O N

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

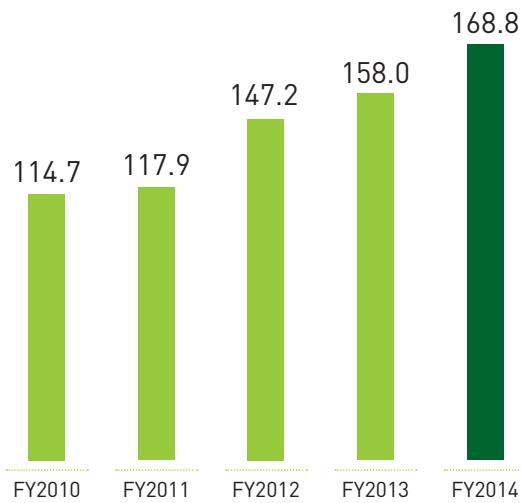
## STRUCTURE OF FRASERS CENTREPOINT TRUST



PERFORMANCE AT A GLANCE

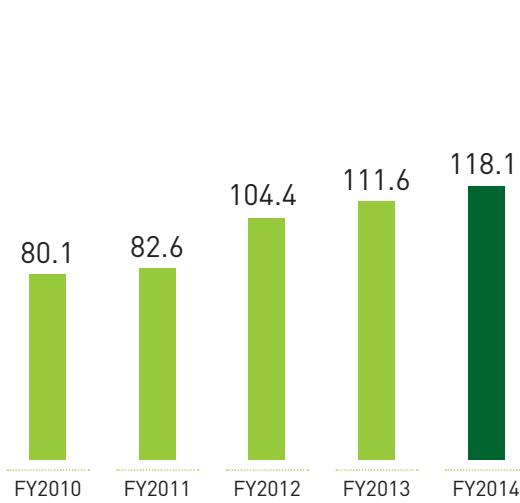
GROSS REVENUE  
(\$ MILLION)

+6.8%



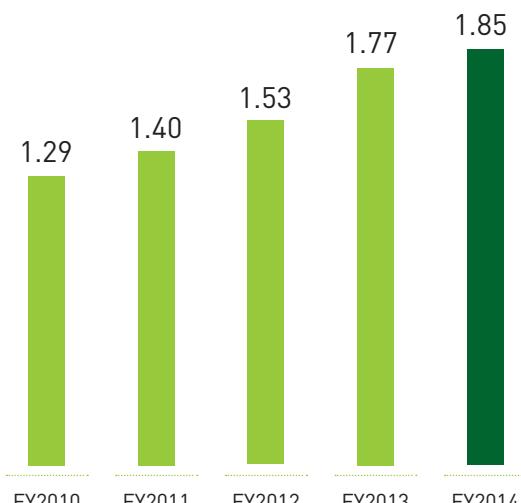
NET PROPERTY INCOME  
(\$ MILLION)

+5.8%



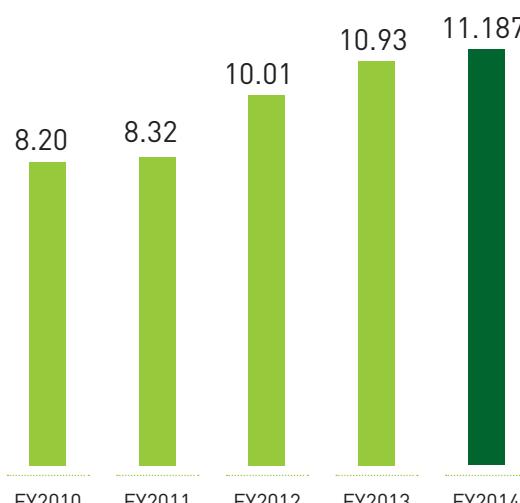
NET ASSET VALUE PER UNIT  
(\$)

+4.5%



DISTRIBUTION PER UNIT  
(¢)

+2.4%

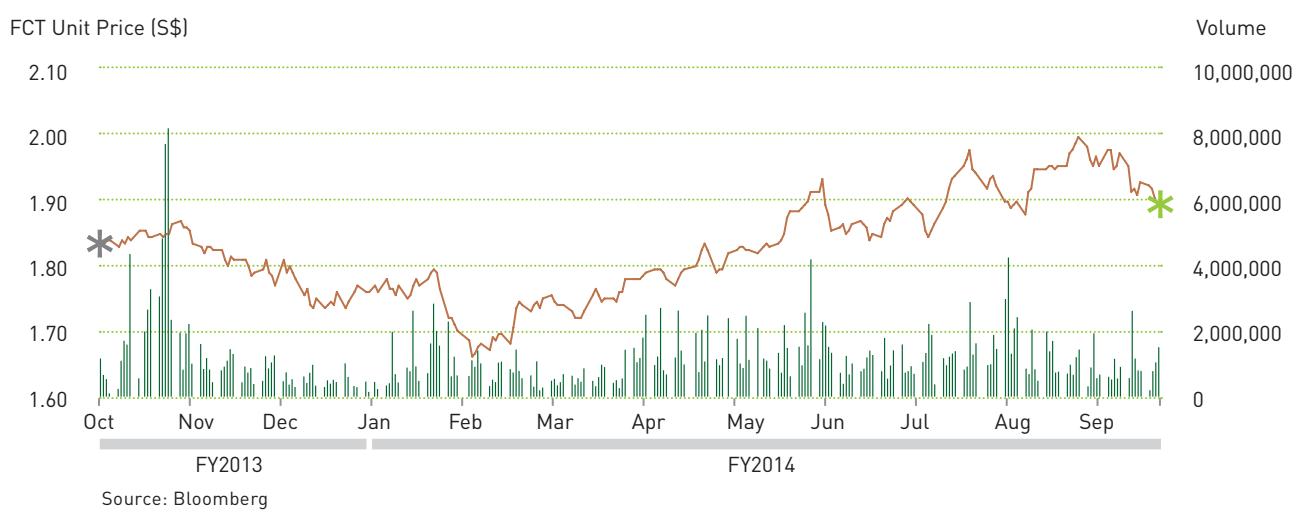


## PERFORMANCE AT A GLANCE

### 5-YEAR FINANCIAL HIGHLIGHTS

	FY2010	FY2011	FY2012	FY2013	FY2014
<b>SELECTED INCOME STATEMENT AND DISTRIBUTION DATA</b>					
Gross Rent (\$'000)	100,349	103,644	131,280	140,329	149,453
Other revenue (\$'000)	14,389	14,240	15,923	17,630	19,301
<b>Gross Revenue (\$'000)</b>	<b>114,738</b>	<b>117,884</b>	<b>147,203</b>	<b>157,959</b>	<b>168,754</b>
<b>Net property income (\$'000)</b>	<b>80,050</b>	<b>82,618</b>	<b>104,430</b>	<b>111,590</b>	<b>118,096</b>
<b>Distributable income (S\$'000)</b>	<b>59,177</b>	<b>64,375</b>	<b>82,348</b>	<b>90,131</b>	<b>95,442</b>
<b>SELECTED BALANCE SHEET DATA</b>					
Total Assets (\$ million)	1,516.2	1,786.8	1,917.1	2,134.5	2,521.8
Total Borrowings (\$ million)	460.0	559.0	577.0	589.0	739.0
Net Assets (\$ million)	989.3	1,151.9	1,263.0	1,462.4	1,698.7
Value of portfolio properties (\$ million)	1,439.0	1,697.0	1,816.0	2,019.5	2,400.0
<b>KEY FINANCIAL INDICATORS</b>					
Distribution per Unit (cents)	8.20	8.32	10.01	10.93	11.187
Net asset Value per Unit (\$)	1.29	1.40	1.53	1.77	1.85
Ratio of Total Borrowings to Total Assets (Gearing in %)	30.3	31.3	30.1	27.6	29.3
Interest Coverage (times)	4.43	4.62	5.56	6.15	6.20

### FCT UNIT PRICE PERFORMANCE (1 OCTOBER 2013 - 30 SEPTEMBER 2014)



\* Opening price on 1 October 2013: \$1.845 \* Closing price on 30 September 2014: \$1.885

High price on 29 August 2014, S\$2.00 Low Price on 4 February 2014, S\$1.66 Average daily traded volume 1.2 million

LETTER TO UNITHOLDERS



**DEAR UNITHOLDERS,**

We are pleased to present Frasers Centrepoint Trust (FCT or the Trust)'s Annual Report 2014 for the financial year ended 30 September 2014 (FY2014).

**EIGHTH CONSECUTIVE YEAR OF DPU GROWTH AND RECORD EARNINGS**

FCT has delivered another strong set of results for the year with new-highs in distribution per unit (DPU), earnings and net asset value (NAV) per unit. DPU for FY2014 was 11.187 cents, an increase of 2.4% over the 10.93 cents achieved in the previous year. This is the eighth consecutive year of DPU growth since FCT's listing, which further affirms FCT's strategy in sustaining steady unitholders' return and growth through asset acquisitions, asset enhancement initiatives and organic means.

Gross revenue for FY2014 increased 6.8% year-on-year to \$168.8 million and net property income was up 5.8% to \$118.1 million, both new-highs for FCT. The growth in revenue and net property income was driven by contribution from Changi City Point which FCT acquired on 16 June 2014, growth from step-up rents from current leases as well as better rental rates achieved for new and renewed leases signed during the year. Net property income margin for the portfolio eased slightly to 70%, from 71% in the previous year, as property

expenses increased. Our two largest malls, Causeway Point and Northpoint, continued to perform well. Net property income of Causeway Point and Northpoint grew 4% and 2% year-on-year, respectively, and the net property income margin for both malls held steady at about 72%.

The operating performance of FCT's portfolio was healthy with overall portfolio occupancy at 99% and average rental reversion for the year at 6.5%. Our portfolio tenant sales improved by 0.6% year-on-year despite a decline in shopper traffic, with shoppers spending more on food & beverages and on dining at restaurants and food courts. The sales performance for other trades such as fashion, healthcare and services were more muted, and this was in-line with the subdued trend noted in the Singapore Retail Sales Index excluding automobile sales during the year under review.

**SUCCESSFUL COMPLETION OF THE ACQUISITION OF CHANGI CITY POINT**

The Trust completed the acquisition of Changi City Point, FCT's largest post-IPO addition, on 16 June 2014. Valued at \$305 million, the acquisition was funded by a combination of new equity through placement of new FCT units and bank borrowings. We were delighted with the strong investor support for the placement exercise, which was four times oversubscribed on the back of strong demand from new and existing Asian and European institutional investors. The

## LETTER TO UNITHOLDERS

resultant issue price of \$1.835 per new unit represented a tight 2.5% discount to the adjusted volume-weighted average price. This is a strong testament to investors' confidence in FCT and its growth strategy. The addition of Changi City Point is DPU-accretive and it further strengthens FCT's ability to continue to deliver steady performance.

### FCT'S FINANCIAL POSITION REMAINS STRONG

FCT's financial position remains strong with gearing level at 29.3% as at 30 September 2014. Total assets grew by \$387.3 million or 18% to \$2.52 billion, from \$2.13 billion a year ago. This is mainly attributed to the addition of Changi City Point to the portfolio and the recognition of \$69.5 million net surplus on revaluation of FCT's properties. NAV per unit of FCT stood at \$1.85 as at 30 September 2014, compared to \$1.77 a year ago. Our all-in average cost of borrowings remained stable at 2.5% and the weighted-average debt maturity of FCT as at 30 September 2014 was 2.5 years. Our risk exposure to interest rate volatility in the near-term remains low, given that substantial portion of our borrowings are on fixed rates, or have been swapped to fixed rates. FCT continues to enjoy good credit standings with our lenders and credit rating agencies and we will continue to explore various capital markets strategies that optimise our capital structure.

### LEASE RENEWALS AND CHANGI CITY POINT TO CONTRIBUTE TO GROWTH IN FY2015

About 39% of the portfolio's leases by gross rental income (GRI) will be due for renewal in the financial year 2015. Several malls, including Causeway Point and Northpoint, will see a significant portion of their leases due for renewal. These two malls are the best performing malls in FCT's portfolio and they enjoy robust leasing demand. We are confident that these two malls will be able to achieve healthy rental reversions that will contribute to the growth of FCT in FY2015.

Changi City Point will add its first full-year contribution to FCT in FY2015. The mall has delivered performance that met the forecast since the acquisition. The mall is embarking on its first lease renewal cycle. We will be taking this opportunity to optimise the tenant-mix of the mall to better cater to the growing but eclectic catchment around the Expo MRT station. Our shoppers comprise the growing office crowd, visitors to Expo events, nearby residents, as well as the soon-to-be-opened Singapore University of Technology and Design.

Longer-term growth catalysts include potential acquisition of retail assets from the Sponsor, Frasers Centrepoint Limited. These include existing malls and greenfield developments in the Sponsor's portfolio which can potentially be acquired by FCT in the future. In addition to these assets, FCT is also seeking other asset acquisition opportunities in Singapore and overseas. Going forward, we will continue to pursue our strategy of growth through organic and acquisitive means.

### GOOD INVESTOR RELATIONS AND RESEARCH COVERAGE

We recognise the importance of good investor relations in the competitive global capital markets and we invest appreciable amount of time and resources to continue to improve in this aspect. Through the years, we continue to build on FCT's track record as a growing REIT with steady returns, good financial performance, corporate governance and disclosures. This has attracted increasing interests from investors and research analysts, contributing to FCT's improved trading liquidity and profile among investors. We met with more than 300 investors in FY2014, 12% up from the previous year, through non-deal roadshows, conferences and meetings. FCT is also well-covered by the equity research analysts; it is currently covered by 16 analysts with a predominantly positive view on the stock.

### OUTLOOK

The Monetary Authority of Singapore (MAS) said in October that it expects Singapore's economy to grow between 2.5% and 3.5 per cent for the whole of 2014, and that this pace of growth is likely to continue into 2015. MAS also said that the labour market is expected to remain tight in the near-term and businesses are likely to continue to face higher manpower costs.

While concerns persist over manpower shortage and slowing retail sales growth, the rising average household income and low unemployment rate will continue to underpin non-discretionary expenditure, which will benefit FCT's well-located suburban malls. Barring any unforeseen circumstances, we expect FCT's performance to remain sustainable in FY2015.

### ACKNOWLEDGEMENTS

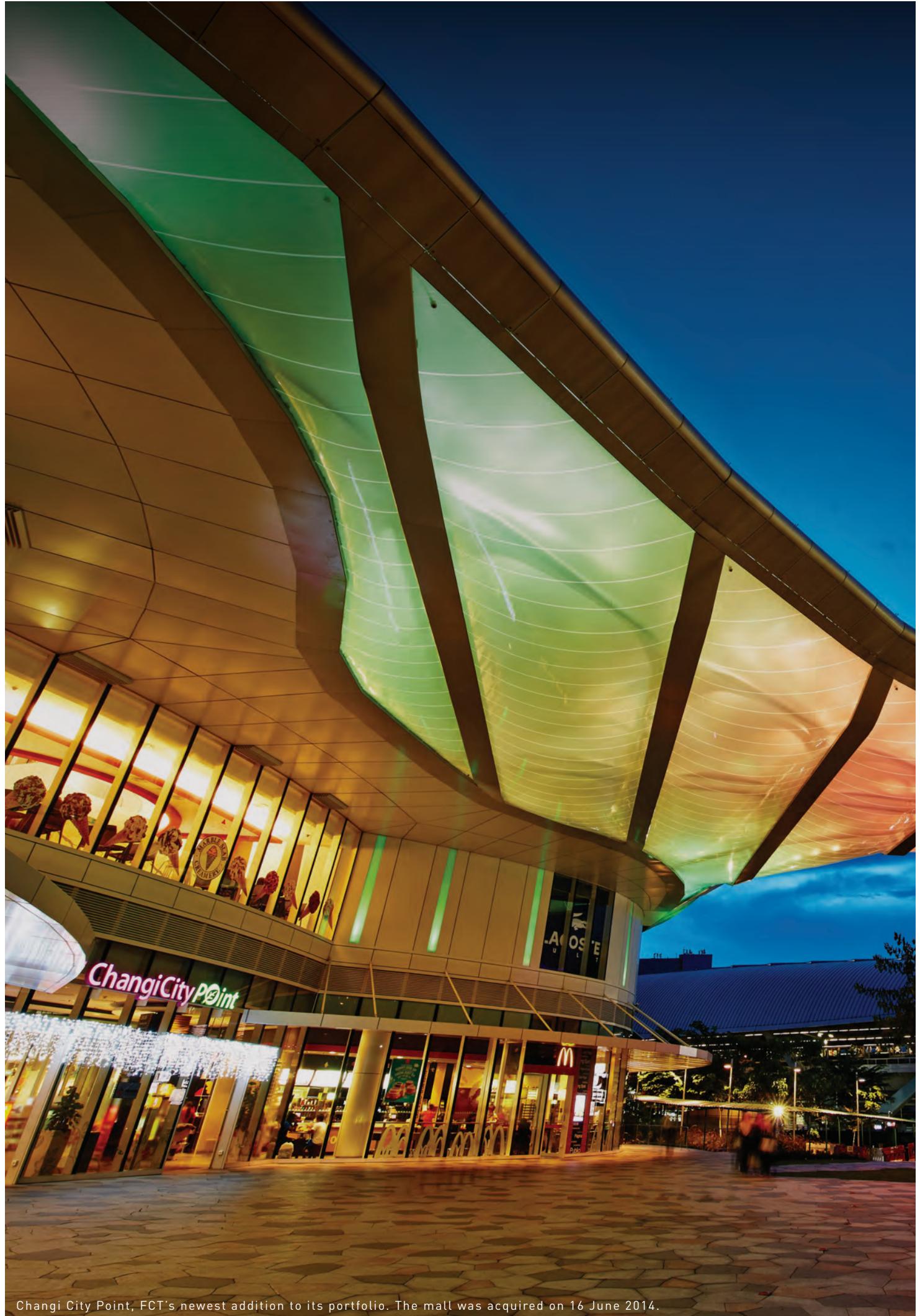
Mr Anthony Cheong stepped down from the Board of Directors as non-executive director and as a member of the Audit Committee on 30 September 2014. He relinquished his appointment as Company Secretary of the Manager on 30 June 2014. Mr Cheong served as a director and company secretary of the Manager since the inception of FCT in July 2006. On behalf of the Board, we would like to thank Mr Cheong for his contributions, dedication and invaluable counsel to the Board and the Trust.

We would like to express gratitude to our fellow members of the Board for their stewardship and wisdom that has enabled the Trust to continue to gain growth momentum. We would also like to thank the management and staff for their dedication and excellent work. Finally, we thank our Unitholders, business partners, tenants and shoppers for their continued support for FCT.

Thank you.

MR PHILIP ENG  
Chairman

DR CHEW TUAN CHIONG  
Chief Executive Officer



Changi City Point, FCT's newest addition to its portfolio. The mall was acquired on 16 June 2014.



## GROWTH WITH GREATER INCOME DIVERSIFICATION

As we grow our portfolio through acquisition of new assets, we also achieve greater income diversification that strengthens our ability to continue to deliver steady performance.



C O R P O R A T E I N F O R M A T I O N

**FRASERS CENTREPOINT TRUST**

**REGISTERED ADDRESS**

HSBC Institutional Trust Services  
(Singapore) Limited  
21 Collyer Quay #10-02  
HSBC Building  
Singapore 049320

**WEBSITE ADDRESS**

[www.fct.sg](http://www.fct.sg)

**TRUSTEE**

HSBC Institutional Trust Services  
(Singapore) Limited  
21 Collyer Quay #03-01  
HSBC Building  
Singapore 049320  
Phone: (65) 6658-6906  
Fax: (65) 6534-5526

**AUDITOR**

Ernst & Young LLP  
Partner-in-charge: Mr Nagaraj Sivaram  
(since financial year 2012)  
One Raffles Quay  
Level 18 North Tower  
Singapore 048583  
Phone: (65) 6535-7777  
Fax: (65) 6532-7662

**BANKERS**

Citibank N.A.  
DBS Bank Ltd  
Oversea-Chinese Banking  
Corporation Ltd  
Standard Chartered Bank

**UNIT REGISTRAR**

Boardroom Corporate & Advisory  
Services Pte Ltd  
50 Raffles Place  
#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**

Independent Non-Executive Chairman

**Dr Chew Tuan Chiong**

CEO and Executive Director

**Mr Anthony Cheong Fook Seng<sup>1</sup>**

Non-Executive Director

**Mr Chia Khong Shoong**

Non-Executive Director

**Mr Bobby Chin Yoke Choong**

Independent Non-Executive Director

**Mr Lim Ee Seng**

Non-Executive Director

**Mr Soh Kim Soon**

Independent Non-Executive Director

**Mr Christopher Tang Kok Kai**

Non-Executive Director

**AUDIT COMMITTEE**

Mr Bobby Chin Yoke Choong (Chairman)

Mr Anthony Cheong Fook Seng<sup>1</sup>

Mr Philip Eng Heng Nee<sup>2</sup>

Mr Soh Kim Soon

**COMPANY SECRETARY**

Mr Piya Treruangrachada

<sup>1</sup> Mr Anthony Cheong Fook Seng resigned from the Board as director and member of the Audit Committee on 30 September 2014.

<sup>2</sup> Mr Philip Eng Heng Nee has been appointed a member of the Audit Committee on 30 September 2014.

## FINANCIAL YEAR 2014 IN BRIEF

	<b>DECEMBER 2013</b>	FCT MTN Pte Ltd (FCT MTN), a wholly-owned subsidiary of HSBC Institutional Trust Services, (the trustee of FCT) issued S\$60 million 2.535% Medium Term Notes due 2017 under FCT's S\$1 billion Multicurrency Medium Term Note Programme		<b>MAY 2014</b>	FCT convened Extraordinary General Meeting (EGM) in connection with the acquisition of Changi City Point. All resolutions tabled at the EGM were duly passed
	<b>JANUARY 2014</b>	FCT announced gross revenue for 1Q14 was up 5% year-on-year and DPU rose 4% to 2.50 cents		<b>JUNE 2014</b>	FCT raised S\$161.5 million in gross proceeds from the placement of 88 million New Units at an Issue Price of S\$1.835 per New Unit
	<b>APRIL 2014</b>	FCT convened its fifth Annual General Meeting on 21 January 2014. All resolutions as set out in the Notice of AGM were duly passed		<b>JULY 2014</b>	FCT completes the acquisition of Changi City Point, the third largest mall in its portfolio of six malls
	<b>OCTOBER 2014</b>	FCT announced gross revenue for 2Q14 was up 2.9% year-on-year and DPU was up 7% to 2.88 cents.		<b>NOVEMBER 2014</b>	FCT reported 3Q14 gross revenue was up 3.1% year-on-year and DPU was up 6.0% to 3.022 cents.
		FCT announced the proposed acquisition of Changi City Point for S\$305 million			FCT achieved strong performance for FY2014. Full year revenue increased 16.1% year-on-year and DPU rose 2.4% to 11.187 cents. It was also the eighth consecutive year of DPU growth since FCT's listing.

## INVESTOR RELATIONS

### OPEN AND TRANSPARENT COMMUNICATIONS

Frasers Centrepoint Asset Management Ltd (**FCAM**), as Manager of Frasers Centrepoint Trust (**FCT**), is committed to maintaining open and transparent communications with its unitholders and the investment community. FCAM provides factual and timely disclosure on all material information concerning FCT. General information on FCT including annual reports, portfolio information and investor presentations are updated regularly on FCT's website. All news releases and company announcements are also available on the SGX-ST website.

### ACTIVE ENGAGEMENT WITH INSTITUTIONAL AND RETAIL INVESTORS

Senior management of FCAM meets regularly with FCT's investors and analysts at conferences (both overseas and local), one-on-one meetings, quarterly post-results luncheons and non-deal roadshows to apprise them of FCT's corporate developments and financial performance. During the year under review, FCT participated in overseas non-deal investor roadshows to Europe, Japan, Thailand and investor conferences hosted by major financial institutions. The management also participated in investment forums such as the SGX Sector Connect and the Invest Fair 2014 to outreach to retail investors.



Management representative from FCAM giving a presentation at the SGX Sector Connect on 15 August 2014. (Photo Credit: SGX)

### ANNUAL GENERAL MEETING (AGM) AND EXTRAORDINARY GENERAL MEETING (EGM)

The AGM and EGM are important channels for communication between the board of directors, management of FCAM and the unitholders of FCT. FCT convened its 5th AGM on 21 January 2014 and an EGM in connection with the acquisition of Changi City Point on 29 May 2014. The voting for all resolutions at the AGM and EGM were conducted via electronic polls. All resolutions tabled at the AGM and EGM were duly passed and the results of the polls were announced on the SGX and FCT websites on the same day of the events.

### INVESTOR CONFERENCES AND NON-DEAL ROADSHOWS

#### Singapore

- Morgan Stanley 12th Annual Asia Pacific Summit
- Nomura ASEAN All Access 2014
- The Bank of America Merrill Lynch ASEAN Star Conference
- MayBank KimEng Invest ASEAN Conference
- Citi ASEAN Investor Conference
- DBS Pulse of Asia Conference 2014
- Macquarie ASEAN Conference
- UBS ASEAN Conference 2014
- SGX Sector Connect
- Invest Fair 2014

## INVESTOR RELATIONS

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### **Overseas**

- Citi/DBS Bank Non-Deal Roadshow (Hong Kong, Singapore)
- DBS-SGX Bangkok REIT Non-Deal Roadshow (Bangkok, Thailand)
- UBS Tokyo Non-Deal Roadshow (Japan)
- The Bank of America Merrill Lynch Global Real Estate Conference (New York, USA)
- CLSA London Access and Europe Non-Deal Roadshow (Europe)
- Citi Asia Pacific Property Conference 2014 (Hong Kong)

The management met or spoke with 307 institutional investors FY2014, compared to 273 investors in FY2013. The investors generally view FCT favourably because of its established track record in distribution growth, stability, good growth prospects, attractive total return, good corporate governance and transparent management.

As at 28 November 2014, the Sponsor group (comprising Frasers Centrepoint Limited and FCAM) held 41.26% of the total FCT issued units. The remaining 58.74% were held by institutional and retail investors. There were 5,854 CDP-registered unitholders of FCT and an additional 685 investors who held their units under their CPF-Investment accounts.

### **ACCOLADES**

Mr Chen, FCT's Head of Investor Relations and Research, was named one of the 3 winners for Best IR Professional for the Property Category (Sell-side) in Institutional Investor's 2014 All-Asia Executive Team.

### **COVERAGE BY EQUITY RESEARCH HOUSES**

During the year under review, there were 16 equity research firms which provided equity research coverage on FCT. The research firms were (in alphabetical order):

1. Bank of America-Merrill Lynch
2. BNP Paribas
3. CLSA
4. Credit Suisse
5. CIMB Research
6. Citi Investment Research
7. Daiwa Capital Markets
8. DBS Vickers Securities
9. DMG & Partners Securities
10. HSBC
11. J.P. Morgan
12. OCBC Investment Research
13. Religare Institutional Research
14. Standard Chartered Bank
15. UBS
16. UOB Kay Hian Research

### FY2015

#### FINANCIAL CALENDAR\*

Date	Activity
23 January	Annual General Meeting
23 January	1Q FY2015 Results Announcement
End February	1Q FY2015 Distribution Payment
22 April	2Q FY2015 Results Announcement
End May	2Q FY2015 Distribution Payment
22 July	3Q FY2015 Results Announcement
End August	3Q FY2015 Distribution Payment
21 October	4Q FY2015 Results Announcement
End November	4Q FY2015 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](http://www.boardroomlimited.com)



The atrium of Causeway Point, the largest mall in FCT's portfolio.



## SUSTAINED GROWTH

FCT has grown from strength to strength over the last eight years. Going forward, FCT will continue to leverage on its strength in asset management to optimise returns from its existing assets, execute asset enhancement initiatives to keep its assets competitive and appeal to shoppers. It will also continue to seek growth opportunities through acquisition of new assets.



B O A R D O F D I R E C T O R S



**MR PHILIP ENG HENG NEE, 68**  
CHAIRMAN, NON-EXECUTIVE AND  
INDEPENDENT DIRECTOR



**DR CHEW TUAN CHIONG, 56**  
EXECUTIVE AND  
NON-INDEPENDENT DIRECTOR

**Date of appointment as Director**  
3 April 2006

**Length of service as Director (as at 30 September 2014)**  
8 years 6 months

**Board committee served on**  
Nil

**Academic & Professional Qualifications**

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

**Present Directorships (as at 30 September 2014)**

*Listed companies*

- Ezra Holdings Limited
- Frasers Centrepoint Limited
- mDR Limited (Non-Executive Chairman)
- PT Adira Dinamika Multi Finance, Tbk (Commissioner)
- The Hour Glass Limited

*Others*

- Hektar Asset Management Sdn Bhd
- Heliconia Capital Management Private Limited
- KK Women's and Children's Hospital Pte Ltd
- NTUC Income Insurance Cooperative Limited
- Singapore Health Services Pte Ltd
- Vanda 1 Investments Pte Ltd

**Major appointments (other than Directorships)**

- Singapore's Non-Resident High Commissioner to Canada

**Past Directorships in listed companies held over the preceding 3 years (from 01 October 2011 to 30 September 2014)**

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

**Others**

- Mr Philip Eng spent 23 years with the Jardine Cycle & Carriage Group before retiring in February 2005 as Group Managing Director

**Date of appointment as Director**  
14 July 2010

**Length of service as Director (as at 30 September 2014)**  
4 years 2 months

**Board committee served on**  
Nil

**Academic & Professional Qualifications**

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

**Present Directorships (as at 30 September 2014)**

*Listed companies*

Nil

*Others*

- OpenNet Pte Ltd
- CityNet Infrastructure Management Pte Ltd
- Frasers Property Australia Pty Ltd
- Hektar Asset Management Sdn Bhd

**Major appointments (other than Directorships)**

- Chief Executive Officer, Frasers Centrepoint Asset Management Ltd

**Past Directorships in listed companies held over the preceding 3 years (from 01 October 2011 to 30 September 2014)**

Nil

**Others**

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

## BOARD OF DIRECTORS



**MR ANTHONY CHEONG FOOK SENG, 60**  
EXECUTIVE AND  
NON-INDEPENDENT DIRECTOR



**MR CHIA KHONG SHOONG, 43**  
NON-EXECUTIVE AND  
NON-INDEPENDENT DIRECTOR

**Date of appointment as Director**  
27 January 2006

**Length of service as Director (as at 30 September 2014)<sup>1</sup>**  
8 years 8 months

**Board committee served on**  
• Audit Committee (Member)

**Academic & Professional Qualifications**

- Member, Institute of Chartered Accountants in England & Wales
- Fellow Member, Institute of Singapore Chartered Accountants

**Present Directorships (as at 30 September 2014)**

*Listed companies*

- Fraser & Neave Holdings Bhd

*Others*

- Fraser and Neave Limited Group

**Major appointments (other than Directorships)**

- Group Company Secretary of Fraser and Neave, Limited
- Acting Chief Executive Officer, Times Publishing Group (up to 30 September 2014)

**Past Directorships in listed companies held over the preceding 3 years (from 01 October 2011 to 30 September 2014)**

- Gemdale Properties and Investment Corporation Limited (formerly known as Frasers Property (China) Limited)

**Others**

Nil

**Date of appointment as Director**  
1 September 2009

**Length of service as Director (as at 30 September 2014)**  
5 years 1 month

**Board committee served on**  
Nil

**Academic & Professional Qualifications**

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

**Present Directorships (as at 30 September 2014)**

*Listed companies*

Nil

*Others*

- Frasers Centrepoint Asset Management (Commerical) Ltd, the Manager of Frasers Commerical Trust

**Major appointments (other than Directorships)**

- Frasers Centrepoint Limited (Chief Financial Officer)

**Past Directorships in listed companies held over the preceding 3 years (from 01 October 2011 to 30 September 2014)**

- Gemdale Properties and Investment Corporation Limited

**Others**

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

<sup>1</sup> Mr Anthony Cheong Fook Seng resigned from the Board on 30 September 2014. Mr Cheong's resignation was pursuant to the planned cessation and handing over consequent to the separate listing of FCL on the SGX-ST.

B O A R D O F D I R E C T O R S



**MR BOBBY CHIN YOKE CHOONG, 63**  
NON-EXECUTIVE AND  
NON-INDEPENDENT DIRECTOR



**MR LIM EE SENG, 63**  
NON-EXECUTIVE AND  
NON-INDEPENDENT DIRECTOR

**Date of appointment as Director**  
3 April 2006

**Length of service as Director (as at 30 September 2014)**  
8 years 6 months

**Board committee served on**  
• Audit Committee (Chairman)

**Academic & Professional Qualifications**

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

**Present Directorships (as at 30 September 2014)**

*Listed companies*

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

*Others*

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

**Major appointments (other than Directorships)**

- Council of Presidential Advisers (Member)

**Past Directorships in listed companies held over the preceding 3 years (from 01 October 2011 to 30 September 2014)**

- Neptune Orient Lines Limited
- Oversea-Chinese Banking Corporation Limited

**Others**

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

**Date of appointment as Director**  
27 January 2006

**Length of service as Director (as at 30 September 2014)**  
8 years 8 months

**Board committee served on**

- Former Chairman of the Board from 1 July 2008 to 23 April 2009

**Academic & Professional Qualifications**

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

**Present Directorships (as at 30 September 2014)**

*Listed companies*

Nil

*Others*

- Frasers Centrepoint Asset Management (Commercial) Limited
- Frasers Hospitality Trust Management Pte Ltd
- Frasers Hospitality Asset Management Pte Ltd
- Frasers Australand Pty Ltd
- Australand Holdings Limited
- Australand Property Limited
- Australand Investments Limited

**Major appointments (other than Directorships)**

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

**Past Directorships in listed companies held over the preceding 3 years (from 01 October 2011 to 30 September 2014)**

- Gemdale Properties and Investment Corporation Limited

**Others**

- Awarded Public Service Medal, Singapore
- Former Board member of the Building and Construction Authority of Singapore (2005 to 2009)
- Former Council member of the Singapore Chinese Chamber of Commerce and Industry (2000 to 2004)
- Previously Managing Director of MCL Land Limited (1996 to 2004)
- Previously General Manager of the property division of First Capital Corporation Limited

## BOARD OF DIRECTORS



**MR SOH KIM SOON, 68**  
NON-EXECUTIVE AND  
INDEPENDENT DIRECTOR



**MR CHRISTOPHER TANG KOK KAI, 53**  
NON-EXECUTIVE AND  
NON-INDEPENDENT DIRECTOR

**Date of appointment as Director**  
23 March 2006

**Length of service as Director (as at 30 September 2014)**  
8 years 6 months

**Board committee served on**  
• Audit Committee (Member)

**Academic & Professional Qualifications**

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

**Present Directorships (as at 30 September 2014)**

*Listed companies*  
• EnGro Corporation Limited

*Others*

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

**Major appointments (other than Directorships)**

- Chairman of ORIX Investment and Management Private Limited

**Past Directorships in listed companies held over the preceding 3 years (from 01 October 2011 to 30 September 2014)**

Nil

**Others**

- Previously Senior Managing Director of DBS Bank

**Date of appointment as Director**  
27 January 2006

**Length of service as Director (as at 30 September 2014)**  
8 years 8 months

**Board committee served on**  
Nil

**Academic & Professional Qualifications**

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

**Present Directorships (as at 30 September 2014)**

*Listed companies*  
Nil

*Others*

- Frasers Centrepoint Asset Management (Commercial) Limited
- Hektar Asset Management Sdn Bhd
- Republic Polytechnic (Member of the Board of Governors)
- REIT Association of Singapore (Member of the Executive Committee)

**Major appointments (other than Directorships)**

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

**Past Directorships in listed companies held over the preceding 3 years (from 01 October 2011 to 30 September 2014)**

- Gemdale Properties and Investment Corporation Limited

**Others**

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

## TRUST MANAGEMENT TEAM

FRASERS CENTREPOINT ASSET MANAGEMENT LTD



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

### **DR CHEW TUAN CHIONG**

CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

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

Building Maintenance and Management from Ngee Ann Technical College and Management Studies from Singapore Institute of Management. She obtained her Bachelor of Science (Honours) degree in Real Estate Management from Oxford Brookes University.

### **MR ALEX CHIA**

HEAD, INVESTMENT

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

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

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

### **MS TAY HWEE PIO**

FINANCIAL CONTROLLER

Hwee Pio is responsible for the financial, taxation, treasury and compliance functions of Frasers Centrepoint Trust. She has over 20 years of financial experience in the real estate industry. Prior to joining FCT, Hwee Pio was based in Shanghai for 10 years, of which she was the financial controller for Frasers Centrepoint Limited's business operations in China since year 2006. Before joining Frasers Centrepoint Limited, Hwee Pio held financial positions at Keppel Land, Guocoland and KPMG.

Hwee Pio is a Singapore Chartered Accountant (CA) with the Institute of Singapore Chartered Accountants and she is a Fellow with the Association of Chartered Certified Accountants.

### **MS LIM POH TIN**

GENERAL MANAGER AND HEAD,  
ASSET MANAGEMENT

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

Poh Tin has more than 25 years of experience in real estate asset and property management. She holds Diplomas in

### **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

### FRASERS CENTREPOINT PROPERTY MANAGEMENT SERVICES



From left to right: Mr Edmund Tan, Mr Chia Shee Liang, Ms Jill Ng and Ms See San San

#### **MR CHIA SHEE LIANG** GENERAL MANAGER

Shee Liang, who has more than 20 years of experience in the real estate sector, leads the Property Management team in managing the portfolio of retail properties of Frasers Centrepoint Limited (FCL) Group. Shee Liang spent 17 years working overseas in China, Hong Kong, Taipei and Indonesia, specialising in retail management and consultancies. Prior to joining FCL, Shee Liang was head of Property Management with Savills, Singapore. He has extensive hands on experience in leading and coordinating shopping centres and mixed development that comprises retail, residential, hotel and office, from conceptual planning stage to pre and post operational stages of the development process. The sizes of projects ranged from 50,000 to 200,000 sqm. Shee Liang obtained his B.Sc (Estate Management) from National University of Singapore.

#### **MS SEE SAN SAN** HEAD, LEASING

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

#### **MS JILL NG** HEAD, ADVERTISING & PROMOTIONS

Jill has 14 years of experience in sales and marketing in the field of information technology, event management and mall management. Prior to joining Frasers Centrepoint she was part of the development marketing team for a greenfield retail mall. She also led Marketing Communications at Singapore's largest suburban mall where she spearheaded branding, loyalty, service excellence and promotions. Jill has a Degree in Business Administration from Macquarie University and a Diploma in Hospitality Management from Temasek Polytechnic.

#### **MR EDMUND TAN** HEAD, RETAIL DESIGN MANAGEMENT

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

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

## COMMUNITY ENGAGEMENT

### CONTRIBUTING TO THE COMMUNITY

Our malls actively support community events for charitable and social causes. Our mall and property management teams work regularly with the community and charitable organisations as well as government agencies to provide the venue and support for the organisation of charitable and social events. The events which we supported this year include the Arts Exhibition for Very Special Arts Singapore, the Family Monopoly Challenge and activities for the elderly and underprivileged in the communities.

### FRASERS CENTREPOINT MALL'S FAMILY MONOPOLY CHALLENGE

The popular board game Monopoly went life-sized at Family Monopoly Challenge organised by Frasers Centrepoint Malls. The event, which stretched over a month from 23 May to 29 June 2014, was organized to raise funds for the Care & Share Movement under the Community Chest and to support the International Year of the Family. Many families, under the care of the Family Service Centres supported by the Community Chest, were invited to participate in this highly interactive and fun-filled game.

Minister for Social and Family Development, Mr Chan Chun Sing, also joined in the fun for a charitable round of the game with the participating families at Causeway Point on 25 May 2014. The Family Monopoly Challenge event raised proceeds of S\$31,800 which went to the Community Chest in support of needy families.



Minister for Social and Family Development, Mr Chan Chun Sing lent his support to the Family Monopoly Challenge at Causeway Point.

### REACHING OUT TO THOSE IN NEED

Our malls hosted several groups of the elderly and underprivileged in their communities. Causeway Point hosted the Forever Friends shows for 55 children from three homes/orphanages – Melrose Home, Sunbeam Place and Pertapis Children's Home. These children were also treated to dinner at Pasta Mania and a make-a-bear workshop. Causeway Point treated 30 needy families from the North-West CDC to lunch with two local celebrities, Calvin Soh and Taufik Batisah.

Anchorpoint worked with Privileged Enterprise Group to host performances and activities for the elderly from various nursing homes and elderly homes, and sponsored 100 mini hampers for the elderly.

### VERY SPECIAL ARTS EXHIBITION AT CHANGI CITY POINT

Very Special Arts Singapore (VSA Singapore) held its annual arts exhibition 2014 at Changi City Point on 15 – 21 August 2014. VSA Singapore is a charity organisation which provides people with disabilities opportunities to access the arts for rehabilitation and social integration. The Very Special Arts exhibition is a showcase of a diverse range of magnificent artworks by the artists with disabilities. Changi City Point sponsors the VSA Singapore the venue for their exhibition annually. Changi City Point was recently awarded 2014 Arts Supporter Award by the National Arts Council, for its support for VSA Singapore and the arts.



Mr Daniel Tan, an artist from VSA Singapore, poses with his water colour painting at the exhibition (Photo credit: K Jen Photography)



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**FINANCIAL  
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## OPERATIONS & FINANCIAL REVIEW

### OPERATIONS REVIEW

#### Lease Renewals in FY2014

During the year in review, a total of 212 leases, which accounted for 260,632 square feet or 24.0% of FCT's total net lettable area (the **NLA**), were renewed with an average rental reversion of 6.5% (FY2013: 7.7%). Rental reversion refers to the variance between the average rental rate of the renewed leases and the preceding expired leases which were contracted typically 3 years ago. All malls,

with the exception of Bedok Point, recorded positive rental reversions of between 6.5% and 17.7% for the year.

The average occupancy cost for the portfolio for the 12-month period between October 2013 and September 2014 was 16.4% (excluding Changi City Point which was acquired on 16 June 2014). The occupancy cost is the ratio of gross rent to the tenant's turnover.

#### Summary of Lease Renewals from 1 October 2013 to 30 September 2014

PROPERTY	Number of lease renewals	Aggregate NLA of renewed leases (sq ft)	Renewed NLA as percentage of property's NLA	Average rental reversion positive/(negative)
Causeway Point	82	153,975	37.0%	11.3%
Northpoint	41	36,287	15.4%	6.6%
Changi City Point*	1	172	0.1%	17.7%
Bedok Point	46	41,012	49.6%	(15.4)%
YewTee Point	18	8,138	11.0%	9.9%
Anchorpoint	24	21,048	29.7%	6.5%
<b>FCT Portfolio</b>	<b>212</b>	<b>260,632</b>	<b>24.0%</b>	<b>6.5%</b>

\* For the period from 16 June to 30 September 2014.



THE OPERATING PERFORMANCE OF FCT'S PORTFOLIO WAS HEALTHY WITH OVERALL PORTFOLIO OCCUPANCY AT 99% AND AVERAGE RENTAL REVERSION FOR THE YEAR AT 6.5%

## OPERATIONS & FINANCIAL REVIEW

### **Lease Expiry Profile**

The lease expiry profiles for FCT portfolio and for the respective malls from FY2015 to FY2019 are presented in the tables below. Our leases have average lease duration of 3 years. Certain key or anchor tenants may be offered longer tenure depending on the lease structure. The lease expiry profile is relatively well-staggered with leases accounting for 39.4% and 26.4% of FCT's Gross Rental Income (the GRI) due for renewals in FY2015 and FY2016, respectively.

The aggregate NLA of the leases in FCT portfolio which are due for renewal in FY2015 is 392,349 square feet. Causeway Point and Northpoint, the two largest malls in FCT portfolio, together account for 242,086 square feet or 62% of the total NLA due for renewals in FY2015.

As at 30 September 2014, the weighted average lease expiry of FCT portfolio stood at 1.43 years by NLA, and 1.40 years by GRI.

### **Lease Expiry Profile of FCT Portfolio and by Property as at 30 September 2014**

FCT PORTFOLIO	FY2015	FY2016	FY2017	FY2018	FY2019
Number of Leases expiring	299	210	209	8	1
NLA of expiring leases as % of the portfolio's total leased area	36.5%	27.2%	31.1%	4.9%	0.3%
Total NLA of expiring leases (sq ft)	392,349	292,319	333,671	52,879	2,877
GRI of expiring leases as % of the portfolio's GRI	39.4%	26.4%	31.1%	2.5%	0.6%
CAUSEWAY POINT	FY2015	FY2016	FY2017	FY2018	FY2019
Number of Leases expiring	78	58	88	3	-
Expiries as % mall's total leased area	25.5%	25.4%	38.4%	10.7%	0.0%
Total NLA of expiring leases (sq ft)	106,095	105,524	159,324	44,424	-
GRI of expiring leases as % of the mall's GRI	32.0%	23.5%	39.9%	4.5%	0.0%
NORTHPOINT	FY2015	FY2016	FY2017	FY2018	FY2019
Number of Leases expiring	81	47	42	3	1
Expiries as % mall's total leased area	58.1%	21.1%	17.8%	1.8%	1.2%
Total NLA of expiring leases (sq ft)	135,991	49,464	41,624	4,109	2,877
GRI of expiring leases as % of the mall's GRI	50.8%	25.7%	19.8%	1.5%	2.3%
BEDOK POINT	FY2015	FY2016	FY2017	FY2018	FY2019
Number of Leases expiring	16	12	24	1	-
Expiries as % mall's total leased area	30.2%	17.4%	48.9%	3.5%	0.0%
Total NLA of expiring leases (sq ft)	24,506	14,156	39,727	2,818	-
GRI of expiring leases as % of the mall's GRI	33.5%	19.2%	45.4%	1.9%	0.0%

## OPERATIONS & FINANCIAL REVIEW

CHANGI CITY POINT	FY2015	FY2016	FY2017	FY2018	FY2019
Number of Leases expiring	64	52	19	-	-
Expiries as % mall's total leased area	32.1%	43.5%	24.4%	0.0%	0.0%
Total NLA of expiring leases (sq ft)	65,186	88,339	49,417	-	-
GRI of expiring leases as % of the mall's GRI	37.9%	41.0%	21.1%	0.0%	0.0%

YEWTEE POINT	FY2015	FY2016	FY2017	FY2018	FY2019
Number of Leases expiring	41	20	15	-	-
Expiries as % mall's total leased area	53.3%	18.7%	28.0%	0.0%	0.0%
Total NLA of expiring leases (sq ft)	37,901	13,292	19,935	-	-
GRI of expiring leases as % of the mall's GRI	54.5%	20.4%	25.1%	0.0%	0.0%

ANCHORPOINT	FY2015	FY2016	FY2017	FY2018	FY2019
Number of Leases expiring	19	21	21	1	-
Expiries as % mall's total leased area	32.7%	31.0%	34.1%	2.2%	0.0%
Total NLA of expiring leases (sq ft)	22,670	21,544	23,644	1,528	-
GRI of expiring leases as % of the mall's GRI	28.2%	31.8%	38.4%	1.6%	0.0%

### Leases with Gross Turnover rent and Step-up clauses

Nearly all our leases include step-up clauses that provide for annual rental increment of between 1% and 2% during the lease term. In addition, 95% of the occupied leases include Gross Turnover rent (**GTO**) clauses, which the tenants would pay between 0.5% and 1% of their sales as

part of the gross rent under the lease agreements. The aggregate GTO as a percentage of FCT's gross revenue was approximately 5% for the year under review, this is unchanged from FY2013.

### Percentage of Occupied Leases with GTO and Step-up clauses

	FY2014	FY2013	Change
With GTO clause	95.3%	94.0%	+1.3%-point
With step-up clause	99.2%	99.2%	No Change

### Mall Occupancy

Average portfolio occupancy as at 30 September 2014 stood at 98.9%. Excluding Changi City Point which was acquired on 16 June 2014, the average portfolio occupancy was 99.1%, which was 0.7%-point higher than a year ago. The

better occupancy was attributed to the improvement in occupancy at Anchorpoint and YewTee Point. The occupancy at Causeway Point and Northpoint remained stable at above 99% in the year under review.

## OPERATIONS & FINANCIAL REVIEW

### **Occupancy by Property**

PROPERTY	As at 30 September 2014	As at 30 September 2013	Increase
Causeway Point	99.8%	99.5%	0.3%-point
Northpoint	99.4%	99.3%	0.1%-point
Changi City Point <sup>(1)</sup>	97.9%	-	-
Bedok Point	98.2%	96.7%	1.5%-point
YewTee Point	96.6%	92.7%	3.9%-point
Anchorpoint	97.8%	96.9%	0.9%-point
<b>Total FCT portfolio</b>	<b>99.1%</b> (excluding CCP) <b>98.9%</b> (including CCP)	<b>98.4%</b>	<b>0.7%-point</b>

(1) Changi City Point (CCP) was acquired on 16 June 2014.

### **Shopper Traffic**

The total shopper traffic in FY2014, excluding Changi City Point which was acquired on 16 June 2014, was 83.5 million (FY2013: 87.5 million), a decrease of 4.6% year-on-year. The shopper traffic at Changi City Point for the 3 months ended September 2014 was 2.69 million.

All the malls showed decline in shopper traffic in the year under review, compared with the same period a year ago. The decline in shopper traffic could be attributed to the

combination of factors including the increase of 3.5% in overall private retail space from 44.3 million square feet in Q3 2013 to 45.8 million square feet in Q3 2014<sup>1</sup>; the growth of e-commerce (online purchases) as an alternative shopping avenue; and the increase in residents' expenditure abroad as a proportion of their private consumption expenditure<sup>2</sup>, helped by the strong Singapore dollar and attractive travel packages offered by low cost carriers.

### **Shopper Traffic by Property (Million)**

PROPERTY	FY2014	FY2013	Decrease
Causeway Point	22.4	23.4	(4.3)%
Northpoint	40.3	41.7	(3.3)%
Bedok Point	5.3	6.6	(19.7)%
YewTee Point	11.7	11.8	(0.8)%
Anchorpoint	3.8	4.0	(5.0)%
<b>Total FCT portfolio, excluding Changi City Point</b>	<b>83.5</b>	<b>87.5</b>	<b>(4.6)%</b>

1 DTZ Debenham Tie Leung (SEA). Retail Property Market Overview, Singapore, 4 November 2014. PDF file.

2 The Residents' Expenditure Abroad as a percentage of Private Consumption Expenditure has increased from 17.5% in 2010 to 18.9% in 2013. Department of Statistics, Ministry of Trade and Industry, Singapore. Yearbook of Statistics Singapore 2014. Web. 1 November 2014. Department of Statistics, Ministry of Trade and Industry.  
[http://www.singstat.gov.sg/publications/publications\\_and\\_papers/reference/yearbook\\_2014/yos2014.pdf](http://www.singstat.gov.sg/publications/publications_and_papers/reference/yearbook_2014/yos2014.pdf)

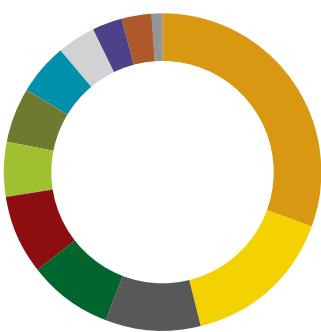
## OPERATIONS & FINANCIAL REVIEW

### Trade Sector Analysis

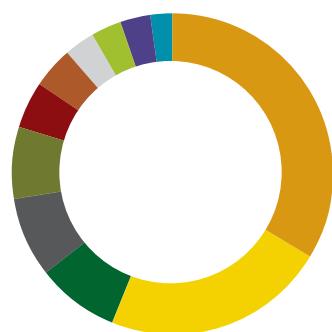
FCT's diversified portfolio comprises 11 major trade sectors of which Food & Restaurants and Fashion were the dominant trade sectors. Food & Restaurants accounted for 30.7% of FCT's total NLA as at 30 September 2014, compared to 28.4% a year ago. Correspondingly, the GRI contribution from Food & Restaurants has also increased to 33.8% of FCT's total GRI as at 30 September 2014, from 32.2%

a year ago. The increase in the proportion of Food and Restaurant in the trade mix was mainly attributed to the inclusion of Changi City Point in the portfolio. Food and Restaurants trade sector accounted for about 40% of Changi City Point total NLA, which is higher than the average of the FCT portfolio.

**Trade Sector's NLA as Percentage of FCT's Total NLA**



**Trade Sector's Gross Rental Income (GRI) as Percentage of FCT's Total GRI**



## OPERATIONS & FINANCIAL REVIEW

### Top 10 tenants by Gross Rental Income (GRI)

The top ten largest tenants in FCT's portfolio collectively accounted for 22.0% of the total GRI as at 30 September 2014 (30 September 2013: 22.1%). Our largest tenant, Cold Storage Singapore (1983) Pte Ltd, the operator of

Cold Storage supermarkets, the Guardian Pharmacy and 7-Eleven stores in FCT malls, accounted for 5.1% of the portfolio GRI in FY2014.

### Top 10 Tenants by Gross Rental Income as at 30 September 2014

TENANT	TRADE SECTOR	GRI %
Cold Storage Singapore (1983) Pte Ltd <sup>1</sup>	Supermarket	5.1%
Metro (Private) Limited <sup>2</sup>	Departmental Store	3.0%
Courts (Singapore) Limited	Household	2.6%
Copitiam Pte Ltd <sup>3</sup>	Food & Restaurants	2.2%
Koufu Pte Ltd	Food & Restaurants	2.1%
Food Republic Pte Ltd	Food & Restaurants	1.6%
Watson's Personal Care Stores Pte Ltd	Beauty, Hair, Cosmetics, Personal Care	1.4%
NTUC FairPrice Co-operative Ltd <sup>4</sup>	Supermarket	1.4%
McDonald's Restaurants Pte Ltd	Food & Restaurants	1.3%
Aspial Corporation Ltd <sup>5</sup>	Fashion	1.3%
<b>TOTAL (Top 10)</b>		<b>22.0%</b>

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

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

3 Operator of the Kopitiam food courts

4 Includes leases for NTUC FairPrice and NTUC Healthcare (Unity)

5 Include leases for Lee Hwa Jewellery, CITIGEMS, Goldheart Jewellery and Maxi-Cash

## FINANCIAL REVIEW

### Performance comparison between FY2014 and FY2013

Gross revenue for the year ended 30 September 2014 was \$168.8 million, an increase of \$10.8 million or 6.8% over the corresponding period last year. The increase was mainly contributed by increase in contribution from Causeway Point and the addition of Changi City Point to the portfolio on 16 June 2014.

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 6.5% over the expiring leases.

Property expenses for the year ended 30 September 2014 totalled \$50.7 million, an increase of \$4.3 million or 9.2%

from the corresponding period last year. Increase was mainly due to higher maintenance expenses, as well as the addition of Changi City Point to the portfolio on 16 June 2014.

Hence, net property income was \$118.1 million, which was S\$6.5 million or 5.8% higher than the corresponding period last year.

Non-property expenses net of interest income of \$33.0 million was \$2.3 million higher than the corresponding period last year due to higher borrowing costs and higher Manager's management fees arising from improvement in net property income and the increase in total assets.

## OPERATIONS & FINANCIAL REVIEW

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Total return included:

- (i) unrealised gain of \$3.9 million arising from fair valuation of interest rate swaps for the hedging of interest rate in respect of \$301 million of the mortgage loans;
- (ii) surplus on revaluation of the Properties of \$69.5 million; and
- (iii) share of associate's results from operations of \$5.0 million and from revaluation surplus of \$1.5 million.

Income available for distribution for the year ended 30 September 2014 was \$95.4 million, which was \$5.3 million higher compared to the corresponding period in the preceding financial year.

Distribution per unit for FY2014 grew 2.4% year-on-year to a new-high of 11.187 cents.

### **Financial Highlights (\$'000)**

FINANCIAL YEAR ENDED 30 SEPTEMBER	FY2014	FY2013	Increase
Gross rent	149,453	140,329	6.5%
Other revenue	19,301	17,630	9.5%
<b>Gross revenue</b>	<b>168,754</b>	<b>157,959</b>	<b>6.8%</b>
Property expenses	(50,658)	(46,369)	9.2%
<b>Net property income</b>	<b>118,096</b>	<b>111,590</b>	<b>5.8%</b>

### **Distribution Statements (\$'000)**

FINANCIAL YEAR ENDED 30 SEPTEMBER	FY2014	FY2013	Increase
<b>Net Income</b>	<b>85,139</b>	<b>80,916</b>	<b>5.2%</b>
Net tax adjustments	5,727	4,772	20.0%
Distribution from Associate	4,576	4,443	3.0%
Income available for distribution	95,442	90,131	5.9%
<b>Distribution to Unitholders</b>	<b>95,442</b>	<b>90,131</b>	<b>5.9%</b>

### **Distribution Per Unit (Cents)**

FINANCIAL YEAR ENDED 30 SEPTEMBER	FY2014	FY2013	Increase
First quarter (1 Oct – 31 Dec)	2.50	2.40	4.2%
Second quarter (1 Jan – 31 Mar)	2.88	2.70	6.7%
Third quarter (1 Apr – 30 Jun)	3.022	2.85	6.0%
Fourth quarter (1 Jul – 30 Sep)	2.785	2.98	*(6.5)%
<b>Full Year (1 Oct – 30 Sep)</b>	<b>11.187</b>	<b>10.93</b>	<b>2.4%</b>

\* Fourth quarter FY2013 (1 July – 30 September 2013) DPU included 0.35 cents of retained cash from earlier quarters. If this retained cash was excluded, the DPU for Fourth quarter FY2014 would be 5.9% higher than fourth quarter FY2013.

## OPERATIONS & FINANCIAL REVIEW

### Total Assets and Net Assets Value per unit

As at 30 September 2014, the total assets of FCT stood at \$2.52 billion, an increase of 18.3% from \$2.13 billion a year ago. This resulted from the addition of Changi City Point (acquired on 16 June 2014) and the recognition of \$69.5 million of net surplus on revaluation of FCT's properties.

FCT's net assets as at 30 September 2014 stood at \$1.70 billion, an increase of \$236.3 million or 16.2% compared to a year ago. Correspondingly, the net asset value (NAV) of FCT increased to \$1.85 per unit from \$1.77 a year ago.

### Net Asset Value Per Unit

AS AT	30 Sep 2014	30 Sep 2013
NAV per unit	\$1.85 <sup>(a)</sup>	\$1.77 <sup>(b)</sup>

- (a) Computed based on 915,779,232 units, comprising (i) 915,415,215 units in issue as at 30 September 2014; and (ii) 364,017 units issuable to the Manager in October 2014 at an issue price of S\$1.9085 per unit, in satisfaction of 20% of the management fee payable to the Manager for the quarter ended 30 September 2014.
- (b) Computed based on 824,704,435 units, comprising (i) 824,382,795 units in issue as at 30 September 2013; and (ii) 321,640 units issued to the Manager in October 2013 at an issue price of S\$1.8515 per unit, in satisfaction of 20% of the management fee payable to the Manager for the quarter ended 30 September 2013.

### Appraised Value of Properties\*

PROPERTY	Valuation @30.09.2014 (\$ million)	Valuation @30.09.2013 (\$ million)	Revaluation Surplus/(Deficit) (\$ million)	Capitalisation Rate <sup>(a)</sup>	
				2014	2013
Causeway Point	1,058.0	1,006.0	52.0	5.35%	5.35%
Northpoint	655.0	638.0	17.0	5.25%	5.25%
Bedok Point	120.0	128.5	(8.5)	5.50%	5.50%
YewTee Point	168.0	161.0	7.0	5.50%	5.60%
Anchorpoint	93.0	86.0	7.0	5.50%	5.45%
Changi City Point	306.0	305.0 <sup>(b)</sup>	1.0	5.70%	NA
<b>Total</b>	<b>2,400.0</b>	<b>2,324.5</b>	<b>75.5</b>		
Less: Adjustments for capital expenditure, acquisition fee and related expenses			(7.5)		
Add: Adjustments for amortisation of rental incentives			1.5		
<b>Net Revaluation Surplus</b>			<b>69.5</b>		

\* The properties were valued by one of Jones Lang LaSalle Property Consultants Pte Ltd, Knight Frank Pte Ltd or Colliers International Consultancy & Valuation (Singapore) Pte Ltd on 30 Sep 2014. Valuation methods used include: capitalisation approach, discounted cash flows analysis and direct comparison method in determining the fair values of the properties. Annual valuations are required by the Code on Collective Investment Schemes.

(a) As indicated by property valuers.  
(b) Valuation as at acquisition date on 16 June 2014.

## OPERATIONS & FINANCIAL REVIEW

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### Financial Performance Review by Property

#### Gross Revenue by Property (\$'000)

FINANCIAL YEAR ENDED 30 SEPTEMBER	FY2014	FY2013	Increase/ (Decrease)
Causeway Point	78,233	75,128	4.1%
Northpoint	49,491	48,804	1.4%
Bedok Point	10,805	12,242	(11.7)%
YewTee Point	13,738	13,156	4.4%
Anchorpoint	8,663	8,629	0.4%
Changi City Point	<sup>(a)</sup> 7,824	-	NM
<b>Total FCT</b>	<b>168,754</b>	<b>157,959</b>	<b>6.8%</b>

NM: not meaningful.

(a) Changi City Point was acquired on 16 June 2014. The revenue for Changi City Point is for the period 16 June 2014 to 30 September 2014.

#### Property Expenses by Property (\$'000)

FINANCIAL YEAR ENDED 30 SEPTEMBER	FY2014	FY2013	Increase/ (Decrease)
Causeway Point	21,752	20,595	5.6%
Northpoint	13,512	13,461	0.4%
Bedok Point	4,573	4,877	(6.2)%
YewTee Point	4,174	3,485	19.8%
Anchorpoint	3,986	3,951	0.9%
Changi City Point	<sup>(b)</sup> 2,661	-	NM
<b>Total FCT</b>	<b>50,658</b>	<b>46,369</b>	<b>9.2%</b>

NM: not meaningful.

(b) Changi City Point was acquired on 16 June 2014. The property expenses for Changi City Point is for the period 16 June 2014 to 30 September 2014.

## OPERATIONS & FINANCIAL REVIEW

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### **Net Property Income by Property (\$'000)**

FINANCIAL YEAR ENDED 30 SEPTEMBER	FY2014	FY2013	Increase/ (Decrease)
Causeway Point	56,481	54,533	3.6%
Northpoint	35,979	35,343	1.8%
Bedok Point	6,232	7,365	(15.4)%
YewTee Point	9,564	9,671	(1.1)%
Anchorpoint	4,677	4,678	0.0%
Changi City Point	{c}5,163	–	NM
<b>Total FCT</b>	<b>118,096</b>	<b>111,590</b>	<b>5.8%</b>

NM: not meaningful.

(c) Changi City Point was acquired on 16 June 2014. The net property income for Changi City Point is for the period 16 June 2014 to 30 September 2014.

Causeway Point, Northpoint, YewTee Point and Anchorpoint registered positive growth in revenue in the year under review, mainly through step-up rentals, positive rental reversions, higher rentals from new leases signed and growth in other revenue including turnover rent and car park income. Bedok Point registered 11.7% decline in revenue, due to lower average mall occupancy during the first nine months of FY2014 when the mall was undergoing addition and alteration works for new tenants as well as a decrease in average rental for renewed and new leases signed. Changi City Point, which was acquired on 16 June 2014, contributed \$7.8 million in revenue for the period 16 June 2014 to 30 September 2014.

There was a 9.2% increase in property expenses due to higher maintenance expenses in general and the addition of Changi City Point (acquired on 16 June 2014). Expenses

at Bedok Point was 6.2% lower year-on-year due mainly to lower property tax and utilities expense. YewTee Point saw a 19.8% year-on-year increase in property expense, due mainly to a one-off contribution of maintenance fund amounting to \$335,000 to the sub-MCST 3516 in the fourth quarter of FY2014. There was no such contribution in the previous year.

Causeway Point and Northpoint registered healthy NPI growth of 3.6% and 1.8%, respectively, in FY2014. The net property income of Anchorpoint was comparable to the previous year. However Bedok Point and YewTee Point saw year-on-year decline of 15.4% and 1.1%, respectively. The decline at Bedok Point was due mainly to the decline in the gross revenue while the decline at YewTee Point was due mainly to the one-off contribution of maintenance fund aforementioned.

## CAPITAL RESOURCES

### OVERVIEW

Frasers Centrepoint Asset Management (**FCAM**), as Manager (**Manager**) of Frasers Centrepoint Trust (**FCT**), continues to maintain a prudent financial structure and adequate financial flexibility to ensure that it has access to capital resources at competitive cost. FCAM proactively manages FCT's cash flows, financial position, debt maturity profile, cost of funds, interest rates exposure and overall liquidity position. FCAM monitors and maintains a level of cash and cash equivalents deemed adequate by management to meet its operational needs. It also maintains an amount of available banking facilities deemed sufficient by management with several reputable banks to ensure FCT has access to diversified sources of bank borrowings.

### SOURCES OF FUNDING

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

As at 30 September 2014, FCT has a total capacity of \$1,514 million from its sources of funding, of which \$739 million or 48.8% has been utilised. The following table summarises the capacity and the amount utilised for each of the sources of funding:

### CREDIT RATINGS

FCT has corporate credit ratings from Standard & Poor's Rating Services (**S&P**) and Moody's Investors Service (**Moody's**). S&P has given FCT a corporate rating of "BBB+" with a stable outlook and Moody's has given FCT a corporate credit rating of "Baa1" with a stable outlook. In addition, S&P has also given a "BBB+" credit rating for FCT's multicurrency Medium Term Notes Programme (**MTN Programme**).

### DEBT PROFILE

The Manager, on 12 December 2013, issued S\$60 million 2.535% Medium Term Notes (**Notes**) due 2017 under FCT's existing MTN programme. The proceeds from this issue was utilised to refinance the S\$60 million 2.8% Notes which matured on 24 January 2014.

FCT's total gross borrowings stood at S\$739 million at 30 September 2014, of which \$95 million of borrowing (about 13% of total borrowing) will mature in the next 12 months. The total borrowings comprised \$334 million in secured bank borrowings, \$150 million unsecured bank borrowings and \$255 million in unsecured Notes.

FCT's gearing stood at 29.3% as at 30 September 2014. The interest cover for the year ended 30 September 2014 was 6.20 times.

The weighted average debt maturity was 2.5 years as at 30 September 2014.

SOURCES OF FUNDING	Type	Capacity	Amount Utilised	Utilised (%)
Revolving credit facility	Unsecured	\$30 million	Nil	0.0%
Medium Term Note Programme	Unsecured	\$1,000 million	\$255 million	25.5%
Bank borrowings	Secured	\$484 million	\$484 million	100.0%
<b>Total</b>		<b>\$1,514 million</b>	<b>\$739 million</b>	<b>48.8%</b>

## CAPITAL RESOURCES

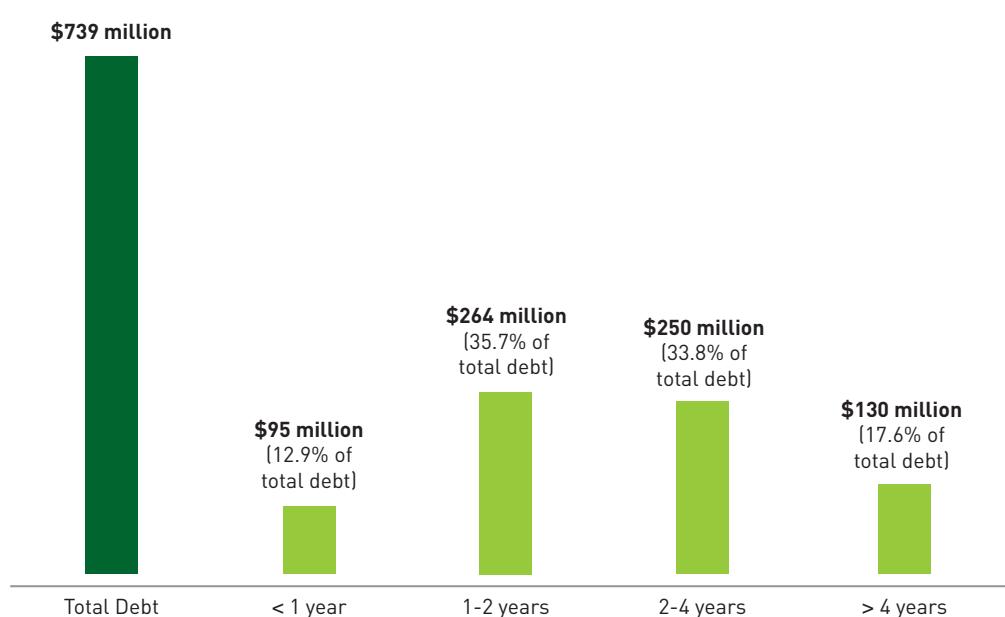
### DEBT PROFILE

FINANCIAL YEAR ENDED 30 SEPTEMBER	2014	2013
Total Borrowings	\$739 million	\$589 million
Gearing <sup>1</sup>	29.3%	27.6%
Interest Cover	6.20 times	6.15 times
Average cost of borrowing	2.51%	2.73%
Average Debt Maturity	2.5 years	2.85 years

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

### DEBT MATURITY PROFILE AS AT 30 SEPTEMBER 2014

TIMEFRAME	Amount Due (\$ million)	As % of Total Borrowings
< 1 year	95.0	12.9%
1-2 years	264.0	35.7%
2-4 years	250.0	33.8%
> 4 years	130.0	17.6%
<b>Total Borrowings</b>	<b>739.0</b>	<b>100.0%</b>



## RISK MANAGEMENT

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

### RISK MANAGEMENT FRAMEWORK

ERM reporting is facilitated through a web-based Corporate Risk Scorecard system which enables the reporting of risks and risk status using a common platform in a consistent and cohesive manner.

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

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

### RISK UPDATE

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

FCAM also seeks to benchmark its ERM programme against industry best practices and standards. In assessing areas for improvement and how the ERM processes and practices can be strengthened, reference was made to the best practices in risk management including those set out in the Code of Corporate Governance 2012 and the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council in May 2012.

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

### KEY RISKS IN FINANCIAL YEAR 2013/2014

#### Operational Risk

FCAM has established and strictly adheres to a set of standard operating procedures designed to identify, monitor, report and manage the operational risks associated with the day-to-day management and maintenance of FCT malls. These procedures and guidelines are regularly reviewed and benchmarked against industry best practices to ensure relevance and

effectiveness. Insurances are also in place to mitigate losses resulting from unforeseen events. BCPs are regularly tested for their effectiveness.

#### Human Capital Risk

FCAM has in place a career planning and development system and conducts regular remuneration and benefits benchmarking to attract and retain appropriate talent for the business.

#### Liquidity Risk

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

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

#### Investment Risk

As FCT grows its investment portfolio via the acquisition of new properties and other forms of permitted investments, all investment opportunities are subject to a disciplined and rigorous appraisal process. All investment proposals are evaluated based on a comprehensive set of investment criteria including alignment with FCT's investment mandate, asset quality, expected returns, sustainability of asset performance and future growth potential, and having due regard to market conditions and outlook.

#### Interest Rate Risk

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

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

#### Credit Risk

FCAM has established credit limits for tenants and monitors their debt levels on an ongoing basis. Credit evaluations are performed before lease agreements are entered into with tenants. Credit risk is also mitigated by collecting rental deposits from the tenants. Cash and fixed deposits are placed with regulated financial institutions.

#### Compliance Risk

FCT is subject to relevant laws and regulations including the Listing Manual of the Singapore Exchange Securities Trading Limited, the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the tax rulings issued by the Inland Revenue Authority of Singapore with regard to the taxation of FCT and its Unitholders. Any changes to these regulations may affect FCT's operations and results.

FCAM has in place policies and procedures to facilitate compliance with applicable laws and regulations. Management keeps abreast of latest developments in relevant laws and regulations through training and attending talks and briefings.

# RETAIL PROPERTY MARKET OVERVIEW

BY DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD.  
4 NOVEMBER 2014

## 1.0 MACRO-ECONOMIC OVERVIEW

## 1.1 GDP Growth and Inflation

After growing by 3.9% in 2013, Singapore's economy expanded at a more moderate pace. According to the Ministry of Trade and Industry (MTI), real Gross Domestic Product (GDP) grew by 4.8% y-o-y in Q1 2014 and 2.4% y-o-y in Q2 2014. Meanwhile, advance estimates from the MTI saw GDP growth in Q3 2014 at 2.4%.

Growth was supported primarily by the services producing industries, particularly the finance & insurance and business services sectors. The wholesale and retail trade sector, a key demand driver for retail space, also contributed significantly to economic growth, though its performance was relatively mixed (3.8% and 1.7% y-o-y growth in Q1 and Q2 2014 respectively).

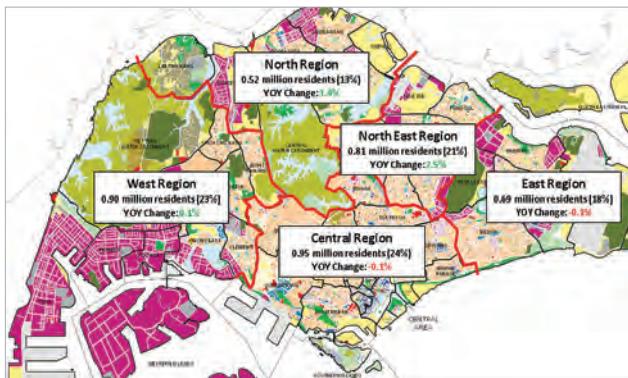
Headline inflation was moderate, registering a 1.4% increase in Jan-Sep 2014 from Jan-Sep 2013. This was lower than the 2.4% y-o-y increase in 2013. The y-o-y inflation in Jan-Sep 2014 was largely driven by healthcare (3.3%), food (2.9%) and education & stationery (2.9%).

## 1.2 Population and Employment

Singapore's total population was 5.47 million as at June 2014, reflecting a y-o-y growth of 1.3%, lower than the average annual growth of 2.6% from 2004 to 2013. Of the total population, 71% (3.87 million) are residents<sup>1</sup>, while the remaining 29% (1.60 million) are non-residents.

**Figure 1.1** highlights the resident population distribution in Singapore based on the Urban Redevelopment Authority (URA)'s planning boundaries. Resident population in the North East and North Planning Regions saw sizeable y-o-y increases as at June 2014 due to the completion of new residential developments including public housing. This underpinned the demand for retail space in these suburban regions.

**Figure 1.1: Resident Population in Singapore (June 2014)**



Source: DOS, IIBA, DTZ Consulting & Research, November 2014

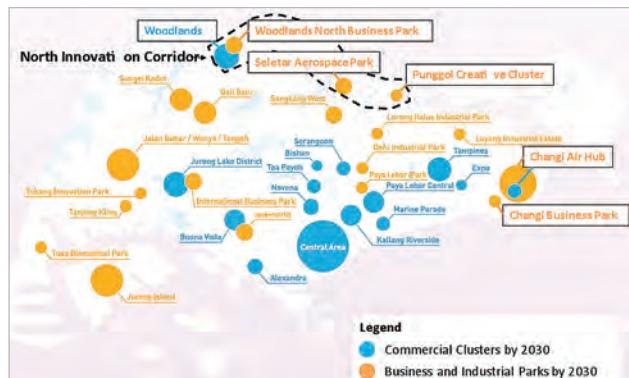
Overall unemployment remained low at 2.0% as at June 2014, with job openings continuing to outnumber job seekers. Total employment also grew by 27,700 in Q2 2014, though this was slightly lower than the 28,300 increase in Q1 2014.

### **1.3 Key Government Plans and Policies**

The following plans highlight the growth opportunities and prospects for the retail industry:

- **Population White Paper 2013** – Singapore’s population is projected to reach 5.8 to 6.0 million by 2020 and 6.5 to 6.9 million by 2030. The government projects total population growth rate to be around 1.3% - 1.6% per annum from 2010 to 2020 and 1.1% - 1.4% from 2020 to 2030. These projections are expected to result in increased demand for retail space.
  - **Ministry of National Development (MND) Land Use Plan 2013** – Strategies to provide the physical capacity to sustain a high quality living environment include doubling the Mass Rapid Transit (MRT) network to about 360km by 2030 through five new MRT lines as well as 40 more new bus services. This will benefit retail developments that are close/ have direct connectivity to MRT stations.
  - **Urban Redevelopment Authority (URA) Master Plan 2014** – There was a strong emphasis on decentralisation, with plans to grow existing and new commercial and industrial clusters in the suburban areas ([Figure 1.2](#)). Notable strategies include the development of the North Coast Innovation Corridor, which will see the expansion of Woodlands Regional Centre into a major commercial hub as well as the expansion of Changi Business Park.

## **Figure 1.2: Commercial and Industrial Clusters by 2030**



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Source: URA, DTZ Consulting & Research, November 2014

Yishun is also expected to be rejuvenated, with upcoming major future developments such as Northpoint City, an integrated mixed-use development with an air-conditioned bus interchange, residences, retail and a community club.

- **Budget 2014** – Budget 2014 continued to focus on productivity growth and innovation as well as managing foreign workforce growth.

1 Resident population comprises Singapore citizens and permanent residents.

## RETAIL PROPERTY MARKET OVERVIEW

BY DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD.  
4 NOVEMBER 2014

### 1.4 Household Expenditure and Retail Sales

According to the Household Expenditure Survey 2012/13 by the Department of Statistics Singapore (DOS), average household expenditure, a reflection of household retail spending, grew at 4.4% per annum between 2007/08 and 2012/13, higher than the 2.6% annual growth between 2002/03 and 2007/08. The increase in household expenditure was partly due to households consuming better quality and higher-end products and services.

However, household expenditure growth moderated in the recent quarters, as private consumption expenditure has been growing at a slower pace, moderating from 3.9% y-o-y in Q3 2012 to 1.3% y-o-y in Q2 2014.

Following the increase of 0.9% in 2013, nominal retail sales (excluding motor vehicles) continued to grow by 0.1% y-o-y in Q1 2014. However, it contracted by 1.1% y-o-y in Q2 2014.

The slower retail sales growth over the recent years can be partially attributed to more residents spending abroad<sup>2</sup>, more affordable international travel and e-retailing. Amid the strengthening SGD and a decline in Mainland Chinese visitors since H1 2014, the recent weak tourism performance also contributed to the contraction in retail sales.

On a positive note, retail sales at department stores, supermarkets and F&B, which are typically the major trades for suburban malls, continued to grow by 2.6%, 0.1% and 4.4% respectively in Q2 2014 (on a y-o-y basis).

### 1.5 Outlook

Global economic performance is expected to pick up in 2014, underpinned by more optimistic economic growth expectations in the US and a reduced pace of fiscal consolidation in the Eurozone. However, some uncertainties in the US and China as well as Singapore's labour constraints may pose some risks to recovery.

Consumer confidence and retail sales in Singapore are expected to be lukewarm in 2014 due to the overall market uncertainties, with growth in labour-intensive industries being weighed down by labour constraints. Notwithstanding, this situation is likely to improve in 2015 as the economy restructures towards more value-added growth. According to Oxford Economics (OE), nominal retail sales are expected to return to growth (3.0%) in 2015.

According to the MTI, Singapore's economy is expected to grow by 2.5% to 3.5% in 2014. Going into 2015, OE expects the economy to perform more positively, with real GDP growing by 3.5%.

2 This is reflected by 16% of private consumption expenditure (including non-residents' expenditure) being accounted by residents' expenditure abroad in 2013, compared with the 14% in 2007.

### 2.0 PRIVATE RETAIL PROPERTY MARKET<sup>3</sup>

#### 2.1 Retail Industry Trends

**Growing presence of international retailers** – Despite intensifying competition among retailers locally and regionally, Singapore continues to attract international retailers. Many international brands (including new-to-market brands) continue to set up stores in Singapore, while those already in Singapore have been expanding not only in the popular Orchard/Scotts Road, but in the Suburban Areas.

**Rise in suburban shopping** – With the continuous improvement in quality of shopping experience in suburban shopping centres, shoppers are spending increasingly more time at suburban shopping centres. This is likely to continue as suburban shopping centres continue to attract new-to-market and international brands.

**Shoppers are increasingly more discerning** – According to the Household Expenditure Survey 2012/13, expenditure patterns among households reflect lifestyles changes and consumption of higher quality products and services.

**More people are dining out** – The Household Expenditure Survey showed that food serving services accounted for 64% of the expenditure on food in 2012/13, up from 62% in 2007/08. Notably, the share of spending in restaurants increased from 27% to 35% over the same period.

**Increase in non-shop<sup>4</sup> retail trades such as F&B** – In line with the lifestyle changes, non-shop retail trades such as F&B, entertainment and health & fitness have become a critical component for retail. According to the URA's Q3 2014 statistics, non-shop trades in the Suburban Areas comprise about 51% of retail space.

**Rise in technology in marketing and retailing** – From grocery shopping to high-street fashion, shoppers are increasingly relying on technology for information and purchasing. The rise of omni-channel retailing increases the pressure for retailers to be up-to-date in their stock and ensure that the brick-and-mortar retail experience is comparable or better than the e-retail experience to attract shoppers.

3 This report focuses on retail space held by the private sector. According to the URA, the private sector refers to individuals, organisations or companies registered with the Accounting and Corporate Regulatory Authority. It includes clan associations and other organisations registered under the Societies Act, Charities Act, Cooperative Societies Act, etc.

4 Retail property statistics from the URA from 2004 to 2011 are based on shop space, which is defined as space used or intended to be used for any trade where the primary purpose is the sale of goods by retail, for example, provision shop, take-away food shop, departmental store. Space used for the provision of services, such as tailoring, barber/beauty salon, photographic and medical services are also included. With effect from Q1 2014, the URA's coverage of the retail property market was expanded to include non-shop retail uses i.e., F&B, entertainment and health & fitness and will be referenced as retail space. This is only applicable for figures from 2012 onwards.

## RETAIL PROPERTY MARKET OVERVIEW

BY DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD.  
4 NOVEMBER 2014

### 2.2 Existing Supply<sup>5</sup>

Private retail stock in Singapore increased by 3.5% y-o-y from 44.3 million sq ft in Q3 2013 to 45.8 million sq ft in Q3 2014. Of the total retail stock, majority (49%, 22.7 million sq ft) was in the Suburban Areas, followed by 34% (15.6 million sq ft) in the Other City Areas and 17% (7.6 million sq ft) in Orchard/Scotts Road.

Supply since Q3 2013 was largely led by new completions in the Suburban Areas e.g., Westgate (410,000 sq ft<sup>6</sup>), Bedok Mall (220,000 sq ft) and OneKM (204,000 sq ft).

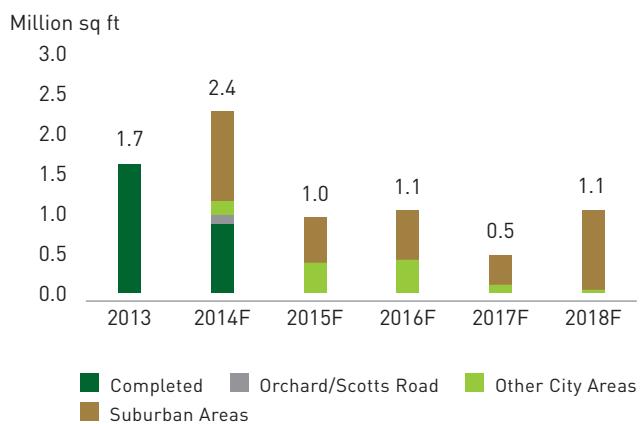
While there was some new supply from Orchard/Scotts Road and Other City Areas since 2013, the projects were smaller in scale compared with the Suburban Areas and mainly from redevelopment/refurbishment projects e.g., orchardgateway, One Raffles Place and Suntec City Mall.

### 2.3 Potential Supply

Ample new supply of private retail space is expected to complete from Q4 2014 to 2018 (5.2 million sq ft), which is about 11% of islandwide stock as at Q3 2014.

Including the completions in Q1 to Q3 2014, about 2.4 million sq ft of retail space will complete in year 2014, higher than the 1.7 million sq ft in 2013 (Figure 2.1). New supply in 2014 is also higher than the 1.1 million sq ft<sup>7</sup> annual average over the past decade.

**Figure 2.1: Retail New Supply (2013 to 2018)**



Majority of the pipeline supply from Q4 2014 to 2018 is in the Suburban Areas (76%, 3.9 million sq ft), followed by 22% (1.1 million sq ft) in the Other City Areas. Meanwhile,

5 Retail supply, demand and occupancy figures in this report are based on URA's statistics.

6 Supply and demand figures are in Net Lettable Area, unless stated otherwise.

7 DTZ's estimate.

potential supply in Orchard/Scotts Road (3%, 138,000 sq ft) is very limited.

Key pipeline projects till 2015 are highlighted in Table 2.1.

**Table 2.1: Selected Retail Developments in the Pipeline**

DEVELOPMENT	LOCATION	ESTIMATED NLA (SQ FT)
<b>Q4 2014</b>		
268 Orchard Road	Orchard/Scotts Road	122,000
Capitol Piazza	Other City Areas	133,000
Big Box (Warehouse Retail)	Suburban Areas	400,000
Eastpoint Mall	Suburban Areas	200,000
The Seletar Mall	Suburban Areas	188,000
Fairprice Hub	Suburban Areas	130,000
Paya Lebar Square	Suburban Areas	95,000
Alexandra Central (Strata-titled for sale)	Suburban Areas	35,000
<b>2015</b>		
OUE Downtown 1	Other City Areas	155,000
Additions & alterations to Marina Square and shopping mall extension at Raffles Boulevard	Other City Areas	150,000
South Beach	Other City Areas	60,000
Waterway Point	Suburban Areas	370,000
The Promenade @ Pelikat (strata-titled for sale)	Suburban Areas	58,000
Additions & alterations at Tampines Mall	Suburban Areas	27,500

Source: URA, DTZ Consulting & Research, November 2014

Potential supply in the Suburban Areas is mainly in growth areas earmarked by the government e.g., Big Box at Jurong Lake District, Waterway Point at Punggol and Paya Lebar Square at Paya Lebar Central. Notably, Big Box is the largest project in the pipeline supply from Q4 2014 to 2015 for the Suburban Areas. It is developed under the Economic Development Board's Warehouse Retail Scheme introduced in 2004, which allows industrial land to be used for retail and warehousing.

## RETAIL PROPERTY MARKET OVERVIEW

BY DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD.  
4 NOVEMBER 2014

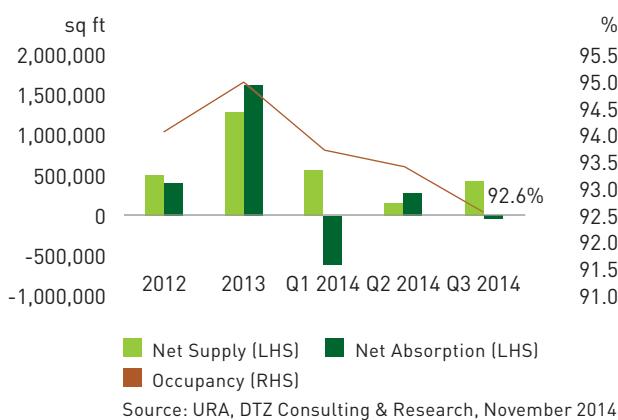
The pipeline supply in the Suburban Areas from 2015 to 2017 is expected to be moderate, comprising mainly mid-sized shopping malls e.g., the new EastPoint Mall (200,000 sq ft), The Seletar Mall (188,000 sq ft) and Hillion Mall (168,000 sq ft) which are located at relatively under-served residential areas. Going forward, 2018 will see two major suburban retail projects, namely Changi Airport's Project Jewel and Northpoint City at Yishun.

Meanwhile, the government released a 3.9 ha commercial site at Paya Lebar Road for sale on the Confirmed List of the H2 2014 GLS Programme, with a potential to generate a maximum of 40,000 sq m (430,556 sq ft) of retail Gross Floor Area (GFA). This site is expected to facilitate the development of Paya Lebar Central into a commercial node.

### 2.4 Demand and Occupancy

Following the robust demand in 2013 (1.6 million sq ft) which was driven by the completion of fully- or almost-fully committed suburban malls e.g., Jem (584,000 sq ft), Bedok Mall (220,000 sq ft) and Westgate (410,000 sq ft), islandwide retail space demand came under some pressure in Q1 to Q3 2014. On the back of a more challenging operating environment, some retailers vacated their spaces e.g., Franc Franc's closure of its outlets in Singapore and PARCO vacating its space at Millena Walk. As a result, net absorption in Q1 to Q3 2014 was -355,200 sq ft (Figure 2.2).

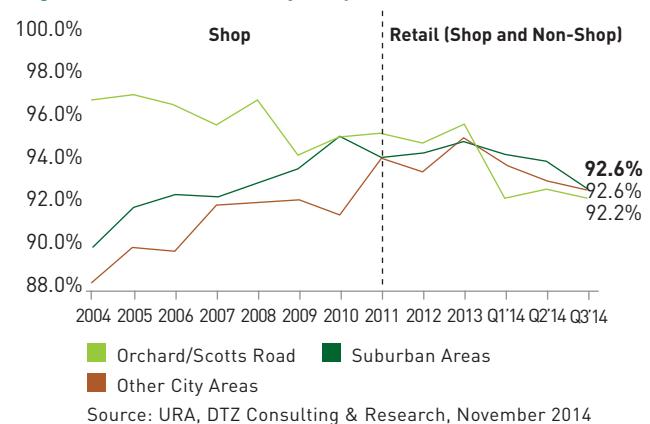
**Figure 2.2: Net Supply, Net Absorption and Occupancy**



Net supply<sup>8</sup> (1.2 million sq ft) remained positive amid negative net absorption<sup>9</sup> in Q1 to Q3 2014. As a result, islandwide retail occupancy fell from 95.0% in Q4 2013 to 92.6% in Q3 2014.

On a positive note, occupancy in the Suburban Areas remained relatively resilient compared with Orchard/Scotts Road, declining by 2.2%-points from 94.8% in Q4 2013 to 92.6% in Q3 2014 (Figure 2.3). This was moderate compared with the decline in Orchard/Scotts Road, which fell by 3.4%-points over the same period. This reflected the strong position of suburban malls, which benefit from the growing population catchments in the suburban regions.

**Figure 2.3: Retail Occupancy**

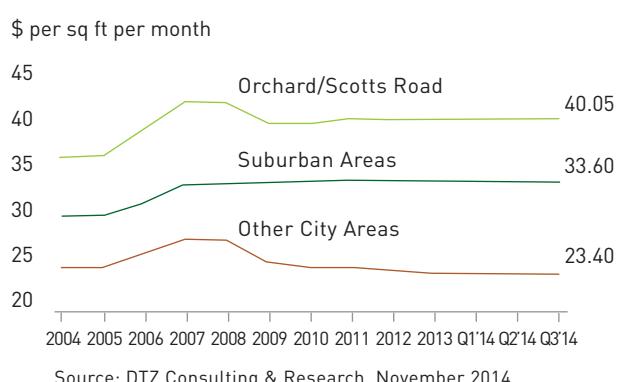


### 2.5 Rents

Weaker retail sales growth, consumer sentiments and tighter labour market conditions since 2013, have generally weighed down on rental growth. Amid the increased availability of retail space, landlords have become more flexible on rents by providing various incentives in their rental packages.

Average prime first-storey fixed gross retail rents in the Suburban Areas were relatively resilient, declining marginally by 0.3% y-o-y to \$33.60 per sq ft per month in Q3 2014, while those in Orchard/Scotts Road remained unchanged at \$40.05 per sq ft (Figure 2.4). Meanwhile, rents in the Other City Areas fell the most in Q3 2014 (0.3% y-o-y).

**Figure 2.4: Average Prime First-Storey Retail Fixed Gross Rents**



<sup>8</sup> Net supply is new supply less retail space that is undergoing refurbishment and/or redevelopment.

<sup>9</sup> Net absorption is the change in the total occupied or let floor space over a specified period of time, either positive or negative.

## RETAIL PROPERTY MARKET OVERVIEW

BY DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD.  
4 NOVEMBER 2014

### 2.6 Outlook

Retail rentals in Singapore are generally expected to hold up for the rest of 2014, though overall prospects were impacted by declining tenant sales at some shopping malls. Retailers also continue to be cost-conscious as they grapple with the rising business costs, amid the labour crunch. Meanwhile, the retail market is expected to improve in 2015, in view that the economy is expected to perform better as well as the pipeline supply in the year being more moderate.

Retail rents in the Suburban Areas are expected to be relatively stable in 2015. While majority of the potential supply is located in the Suburban Areas, most of the pipeline suburban malls have achieved high pre-commitment rates (from 70% to over 90%), reflecting retailers' interest in expanding their presence in the suburban regions. This is expected to help support rentals.

Bolstered by their substantial primary catchments, many suburban malls are popular among retailers seeking to expand their presence into the suburban regions. For example, some high-profile brands such as Coach and Swedish fashion brand Cos have already established their presence in suburban malls.

Suburban retail spaces, which are in close proximity or integrated with transport nodes such as Northpoint and Causeway Point, are expected to remain at the forefront of the market. Such developments are also likely to experience stronger rental growth prospects.

### 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.

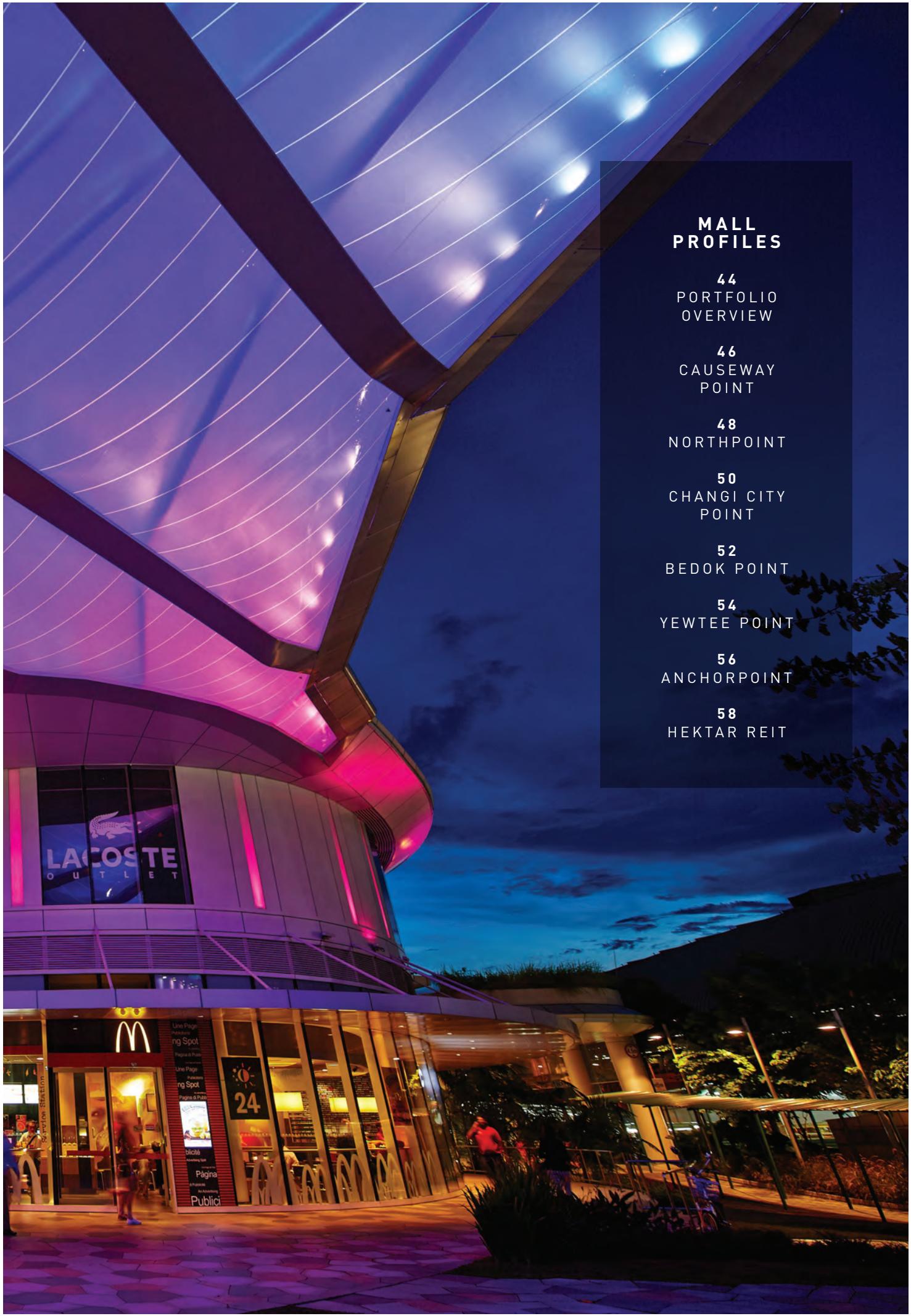
The forward statements in this report are based on our expectations and forecasts for the future. These statements should be regarded as our assessment of the future, based on certain assumptions on variables which are subject to changing conditions. Changes in any of these variables may significantly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

DTZ gives no assurance that the forecasts and forward statements in this report will be achieved and undue reliance should not be placed on them.

DTZ Debenham Tie Leung (SEA) Pte Ltd or persons involved in the preparation of this report disclaims all responsibility and will accept no liability to any other party. Neither the whole nor any part, nor reference thereto may be published in any document, statement or circular, nor in any communications with third parties, without our prior written consent of the form or context in which it will appear.





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HEKTAR REIT

F C T P O R T F O L I O S U M M A R Y

AS AT 30 SEP 2014



**CAUSEWAY POINT**

**Net Lettable Area<sup>1</sup>**  
416,581 square feet

**Number of Leases**  
227

**Title**  
99 years leasehold  
commencing 30/10/95  
(80 years remaining)

**Appraised Value**  
\$1,058 million

**As % of Portfolio**  
44.1%

**Gross Revenue  
(\$'000)**  
\$78,233

**Net Property Income  
(\$'000)**  
\$56,481

**Occupancy rate**  
99.8%

**Key Tenants by  
gross rental income**  
Metro, Courts, Cold Storage,  
Cathay Cineplexes, Food  
Republic, Uniqlo

**Annual Shopper Traffic**  
22.4 million

**Connectivity**  
Woodlands MRT station  
& bus interchange

**NORTHPOINT**

**Net Lettable Area<sup>1</sup>**  
235,850 square feet

**Number of Leases**  
174

**Title**  
99 years leasehold  
commencing 1/4/90  
(75 years remaining)

**Appraised Value**  
\$655 million

**As % of Portfolio**  
27.3%

**Gross Revenue  
(\$'000)**  
\$49,491

**Net Property Income  
(\$'000)**  
\$35,979

**Occupancy rate**  
99.4%

**Key Tenants by  
gross rental income**  
Kopitiam, Harvey Norman,  
Cold Storage, Popular  
Bookstore, OCBC Bank

**Annual Shopper Traffic**  
40.3 million

**Connectivity**  
Yishun MRT station  
& bus interchange

**CHANGI CITY POINT**

**Net Lettable Area<sup>1</sup>**  
207,239 square feet

**Number of Leases**  
135

**Title**  
60 years leasehold  
commencing 30/4/09  
(55 years remaining)

**Appraised Value**  
\$306 million

**As % of Portfolio**  
12.7%

**Gross Revenue  
(\$'000)**  
\$7,824<sup>2</sup>

**Net Property Income  
(\$'000)**  
\$5,163<sup>2</sup>

**Occupancy rate**  
97.9%

**Key Tenants by  
gross rental income**  
Cold Storage, Gain City,  
Nike and Challenger

**Annual Shopper Traffic**  
2.69<sup>3</sup> million

**Connectivity**  
Expo MRT station

1 Net lettable area as stated in valuation reports dated 30 September 2014 for the respective assets.

2 For the period 16 June 2014 to 30 September 2014.

3 Shopper traffic was for 3 months period between July and September 2014. Changi City Point was acquired on 16 June 2014.

## F C T P O R T F O L I O S U M M A R Y

AS AT 30 SEP 2014



### BEDOK POINT

**Net Lettable Area<sup>1</sup>**  
82,713 square feet

**Number of Leases**  
53

**Title**  
99 years leasehold  
commencing 15/3/78  
(62 years remaining)

**Appraised Value**  
\$120 million

**As % of Portfolio**  
5.0%

**Gross Revenue**  
(\$'000)  
\$10,805

**Net Property Income**  
(\$'000)  
\$6,232

**Occupancy rate**  
98.2%

**Key Tenants by**  
**gross rental income**  
Harvey Norman, K Box,  
Sushi-Tei, Mind Stretcher,  
SSiksin Korea BBQ

**Annual Shopper Traffic**  
5.3 million

**Connectivity**  
Bedok MRT station  
& bus interchange

### YEWTEE POINT

**Net Lettable Area<sup>1</sup>**  
73,670 square feet

**Number of Leases**  
76

**Title**  
99 years leasehold  
commencing 3/1/06  
(90 years remaining)

**Appraised Value**  
\$168 million

**As % of Portfolio**  
7.0%

**Gross Revenue**  
(\$'000)  
\$13,738

**Net Property Income**  
(\$'000)  
\$9,564

**Occupancy rate**  
96.6%

**Key Tenants by**  
**gross rental income**  
NTUC FairPrice, Koufu,  
Watson's, Challenger, Xin  
Wang Hong Kong Cafe, West  
Co'z Cafe

**Annual Shopper Traffic**  
11.7 million

**Connectivity**  
YewTee MRT station  
& bus stop

### ANCHORPOINT

**Net Lettable Area<sup>1</sup>**  
70,989 square feet

**Number of Leases**  
62

**Title**  
Freehold

**Appraised Value**  
\$93 million

**As % of Portfolio**  
3.9%

**Gross Revenue**  
(\$'000)  
\$8,663

**Net Property Income**  
(\$'000)  
\$4,677

**Occupancy rate**  
97.8%

**Key Tenants by**  
**gross rental income**  
Cold Storage, Gyu-Kaku,  
Koufu,  
Xin Wang Hong Kong cafe

**Annual Shopper Traffic**  
3.8 million

**Connectivity**  
Near Queenstown MRT  
station & bus stop

## MALL PROFILE

### CAUSEWAY POINT



#### MALL PROFILE

Causeway Point is the largest mall in Woodlands, one of Singapore's most populous residential estates. It is conveniently located next to the Woodlands regional bus interchange and the Woodlands MRT station, which serves 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 \$78.2 million in FY2014, up 4.1 % from \$75.1 million for the same period a year ago.

Causeway Point has won the prestigious Platinum Award in the BCA's GreenMark program for its host of environmental-friendly features that reduces its energy consumption and carbon footprint. The mall has also received multiple accolades in 2014 including: Safety & Security Watch Group (Individual) 2014 from the Jurong Police Division and SCDF, and the Excellent Service Award 2014 – Gold Award.

#### Property Description

<b>Description</b>	Seven retail levels (including one basement level) and seven car park levels (B2, B3 and 2nd - 6th levels)
<b>Address</b>	1 Woodlands Square Singapore 738099
<b>Net lettable area</b>	416,581 sq ft <sup>1</sup>
<b>Car park lots</b>	843
<b>Title</b>	99 years leasehold w.e.f 30 Oct 1995
<b>Year acquired by FCT</b>	2006
<b>Market valuation</b>	\$1,058 million as at 30 Sep 2014
<b>Annual shopper traffic</b>	22.4 million (Oct 2013 – Sep 2014)
<b>Senior Centre Manager:</b>	Ms Molly Lim
<b>Assistant Centre Manager:</b>	Ms June Tan
<b>Building Manager:</b>	Mr Fong Yew Kay
<b>Key tenants</b>	Metro, Courts, Cold Storage, Cathay Cineplexes, Food Republic, Uniqlo

<sup>1</sup> As indicated in the valuation report for Causeway Point, dated 30 September 2014, by Knight Frank Pte. Ltd.

#### Mall Performance Highlights

Financial Year ended 30 September	FY2014	FY2013	Increase/ (Decrease)
Gross Revenue (\$'000)	78,233	75,128	4.1%
Property Expenses (\$'000)	21,752	20,595	5.6%
Net Property Income (\$'000)	56,481	54,533	3.6%
Occupancy	99.8%	99.5%	0.3%-point
Shopper Traffic (million)	22.4	23.4	(4.3)%

## MALL PROFILE

### Top Tenants

As at 30 September 2014, Causeway Point has a total of 227 leases, excluding vacancy. The key tenants include Metro, Courts, Cold Storage supermarket, Food Republic and Cathay Cineplexes. The top ten tenants contributed collectively, 32.8% (FY2013: 32.4%) of the mall's total Gross Rental Income (**GRI**).

Top 10 Tenants (by GRI) at Causeway Point as at 30 September 2014	As % of mall's GRI
Metro (Private) Limited <sup>(a)</sup>	7.2%
Courts (Singapore) Limited	6.1%
Cold Storage Singapore (1983) Pte Ltd <sup>(b)</sup>	5.0%
Food Republic Pte Ltd	3.9%
Cathay Cineplexes Pte Ltd	2.3%
Uniqlo (Singapore) Pte Ltd	2.2%
McDonald's Restaurants Pte Ltd	1.7%
Aspial Corporation Ltd <sup>(c)</sup>	1.5%
Bagus Management Pte Ltd	1.5%
Esprit Retail Pte Ltd	1.4%
<b>Total</b>	<b>32.8%</b>

(a) Includes leases for Metro departmental store and Clinique Service Centre

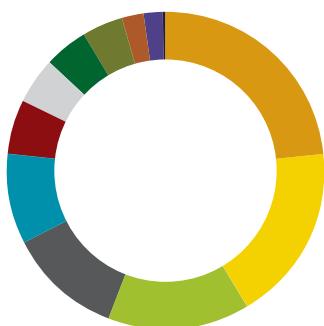
(b) Includes leases for Cold Storage, Guardian Pharmacy and 7-Eleven stores

(c) Include leases for Lee Hwa Jewellery, CITIGEMS and Goldheart Jewellery

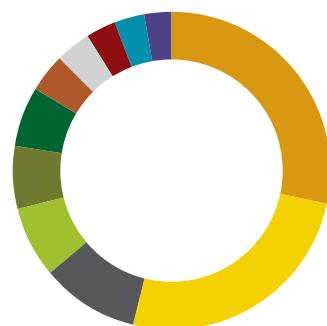
### Tenancy Mix

In terms of trade sectors, Food & Restaurants remained the top GRI contributor to the mall at 28.6%, (FY2013: 28.8%), followed by Fashion at 25.4% (FY2013: 25.7%). The detailed breakdown of the trade mix by NLA and by GRI is presented in charts below.

**Trade Mix by Net Lettable Area (NLA)  
as percentage of FCT's Total NLA  
as at 30 September 2014**



**Trade Sector's Gross Rental Income (GRI)  
as percentage of FCT's Total GRI  
as at 30 September 2014**



### Trade Classifications

Food & Restaurants	23.4%
Fashion	18.1%
Department Store	14.4%
Household	11.7%
Leisure/Entertainment	9.2%
Supermarket	5.7%
Books, Music, Art & Craft, Hobbies	4.5%
Services/Education	4.5%
Beauty, Hair, Cosmetics, Personal Care	4.2%
Healthcare	2.2%
Sports Apparels & Equipment	1.9%
Vacant	0.2%
<b>TOTAL</b>	<b>100.0%</b>

### Trade Classifications

Food & Restaurants	28.6%
Fashion	25.4%
Household	10.1%
Department Store	7.1%
Beauty, Hair, Cosmetics, Personal Care	6.5%
Services/Education	6.2%
Healthcare	3.8%
Books, Music, Art & Craft, Hobbies	3.6%
Supermarket	3.2%
Leisure/Entertainment	2.9%
Sports Apparels & Equipment	2.6%
<b>TOTAL</b>	<b>100.0%</b>

## MALL PROFILE

### NORTHPOINT



#### Property Description

<b>Description</b>	Six retail levels (including two basement levels) and three levels of car park (B1 - B3)
<b>Address</b>	930 Yishun Avenue 2, Northpoint Singapore 769098
<b>Net lettable area</b>	235,850 sq ft <sup>1</sup>
<b>Car park lots</b>	236
<b>Title</b>	99 years leasehold w.e.f 1 Apr 1990
<b>Year acquired by FCT</b>	2006 (Northpoint 1), 2010 (Northpoint 2)
<b>Market valuation</b>	\$655 million as at 30 Sep 2014
<b>Annual shopper traffic</b>	40.3 million (Oct 2013 – Sep 2014)
<b>Centre Manager:</b>	Ms Cynthia Ng
<b>Key tenants</b>	Kopitiam, Harvey Norman, Cold Storage, Popular Bookstore, OCBC Bank

<sup>1</sup> As indicated in the valuation report for Northpoint, dated 30 September 2014, by Jones Lang LaSalle Property Consultants Pte. Ltd.

#### MALL PROFILE

Northpoint, opened in 1992, is Singapore's pioneer suburban retail mall. The mall is located in the central of the populous Yishun estate.

The mall offers six retail levels of shopping (including two basement levels). It is connected to the Yishun bus interchange and is also linked to the Yishun MRT Station via a direct underground pedestrian underpass. Northpoint consistently attracts high shopper traffic flow from the surrounding residential estate and schools. Shopper traffic in FY2014 was 40.3 million or an average of 3.4 million per month, one of the highest among suburban malls in Singapore.

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

Northpoint received the Singapore Service Class Award (2012 - 2015) awarded by Spring Singapore and the Excellent Service Award 2014 – Silver Award in 2014.

#### Mall Performance Highlights

Financial Year ended 30 September	FY2014	FY2013	Increase/ (Decrease)
Gross Revenue (\$'000)	49,491	48,804	1.4%
Property Expenses (\$'000)	13,512	13,461	0.4%
Net Property Income (\$'000)	35,979	35,343	1.8%
Occupancy	99.4%	99.3%	0.1%-point
Shopper Traffic (million)	40.3	41.7	(3.3)%

## MALL PROFILE

### Top Tenants

As at 30 September 2014, Northpoint has a total of 174 leases, excluding vacancy. The key tenants include Kopitiam, Harvey Norman, Cold Storage, Popular Bookstore and OCBC Bank. The top ten tenants contributed collectively, 29.7% (FY2013: 29.7%) of the mall's total Gross Rental Income (GRI).

Top 10 Tenants (by GRI) at Northpoint as at 30 September 2014	As % of mall's GRI
Copitiam Pte Ltd <sup>(a)</sup>	6.6%
Cold Storage Singapore (1983) Pte Ltd <sup>(b)</sup>	5.9%
Aspial Corporation Ltd <sup>(c)</sup>	2.5%
Pertama Merchandising Pte Ltd <sup>(d)</sup>	2.5%
United Overseas Bank Ltd	2.4%
Overseas-Chinese Banking Corporation Ltd	2.3%
Popular Book Company Pte Ltd	2.0%
Suki Sushi Pte Ltd	1.9%
Malayan Banking Berhad	1.9%
G2000 Apparel (S) Pte Ltd	1.7%
<b>Total</b>	<b>29.7%</b>

(a) Operates the Kopitiam food court at Northpoint

(b) Includes leases for Cold Storage, Guardian Pharmacy and 7-Eleven stores

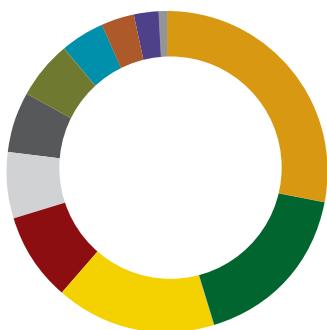
(c) Include leases for CITIGEMS, Goldheart Jewellery and Maxi-Cash

(d) Operates the Harvey Norman store at Northpoint

### Tenancy Mix

In terms of trade sectors, Food & Restaurants was the top GRI contributor to the mall at 31.9%, (FY2013: 31.7%), followed by Fashion at 27.4% (FY2013: 27.7%). The detailed breakdown of the trade mix by NLA and by GRI is presented in charts below.

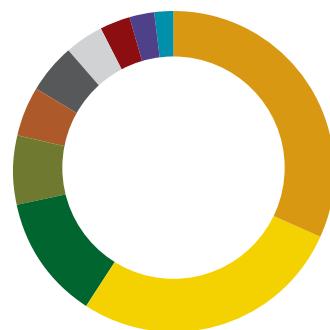
**Trade Mix by Net Lettable Area (NLA)  
as percentage of FCT's Total NLA  
as at 30 September 2014**



#### Trade Classifications

Food & Restaurants	28.1%
Services/Education	17.4%
Fashion	16.1%
Supermarket	8.8%
Books, Music, Art & Craft, Hobbies	6.6%
Household	6.2%
Beauty, Hair, Cosmetics, Personal Care	5.7%
Leisure/Entertainment	4.5%
Healthcare	3.5%
Sports Apparels & Equipment	2.5%
Vacant	0.6%
<b>TOTAL</b>	<b>100.0%</b>

**Trade Sector's Gross Rental Income (GRI)  
as percentage of FCT's Total GRI  
as at 30 September 2014**



#### Trade Classifications

Food & Restaurants	31.9%
Fashion	27.4%
Services/Education	12.3%
Beauty, Hair, Cosmetics, Personal Care	7.1%
Healthcare	5.0%
Household	4.9%
Books, Music, Art & Craft, Hobbies	4.0%
Supermarket	2.9%
Sports Apparels & Equipment	2.5%
Leisure/Entertainment	1.9%
<b>TOTAL</b>	<b>100.0%</b>

## MALL PROFILE

### CHANGI CITY POINT



#### Property Description

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 sq ft <sup>1</sup>
Car park lots	627 <sup>2</sup>
Title	60 years leasehold w.e.f 30 Apr 2009
Year acquired by FCT	2014
Market valuation	\$306 million as at 30 Sep 2014
Annual shopper traffic	23.2 million (Jul 2014 – Sep 2014) <sup>3</sup>
Senior Centre Manager: Assistant Centre Manager: Building Manager:	Ms Emily Fong Ms Nicole Ho Mr Siow Chen Fatt
Key tenants	Cold Storage, Gain City, Nike and Challenger

- 1 As indicated in the valuation report for Changi City Point, dated 30 September 2014, by Knight Frank Pte. Ltd.
- 2 The car park lots are shared between Changi City Point, Capri By Fraser and ONE@Changi City.
- 3 The acquisition of Changi City Point was completed on 16 June 2014.

#### MALL PROFILE

Changi City Point is a three-storey retail mall (with one basement) located in Changi Business Park, next to the Singapore Expo MRT station and near Singapore's largest convention and exhibition venue, The Singapore Expo.

Frasers Centrepoint Trust acquired Changi City Point for \$305 million on 16 June 2014. The mall 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. The key tenants at the mall are Cold Storage Supermarket, Gain City, Challenger; restaurants including Tung Lok Signatures, Table Manners; and many outlet stores such as Nike, Adidas and Hush Puppies. Families can also enjoy the landscaped rooftop garden that also features a wet and dry children's playground.

Changi City Point was awarded the 2014 Arts Supporter Award by the National Arts Council and the Excellent Service Award 2014 – Gold Award in 2014.

#### Mall Performance Highlights

For period: 16 June 2014 to 30 September 2014*	FY2014
Gross Revenue (\$'000)	7,824
Property Expenses (\$'000)	2,661
Net Property Income (\$'000)	5,163
Occupancy	97.9%
Shopper Traffic (million) for 3-month period between 1 July and 30 September 2014	2.69

\* The acquisition of Changi City Point was completed on 16 June 2014.

## MALL PROFILE

### Top Tenants

As at 30 September 2014, Changi City Point has a total of 135 leases, excluding vacancy. The key tenants include Koufu, Cold Storage supermarket, Gain City and Nike. The top ten tenants contributed collectively, 33.1% of the mall's total Gross Rental Income (**GRI**).

Top 10 Tenants (by GRI) at Changi City Point as at 30 September 2014	As % of mall's GRI
Koufu Pte Ltd	7.9%
Cold Storage Singapore (1983) Pte Ltd <sup>[a]</sup>	7.0%
Gain City Best-Electric Pte Ltd	4.4%
Copitiam Pte Ltd <sup>[b]</sup>	3.4%
NIKE Singapore Pte Ltd	1.9%
D & N Singapore Pte Ltd <sup>[c]</sup>	1.9%
Tung Lok Millennium Pte Ltd	1.7%
Redina Trading Pte Ltd (Hush Puppies Outlet)	1.7%
Challenger Technologies Limited	1.7%
RE & S Enterprise Pte Ltd (Ichiban Sushi)	1.5%
<b>Total</b>	<b>33.1%</b>

(a) Includes the leases for Cold Storage, Guardian Pharmacy and 7-Eleven Store

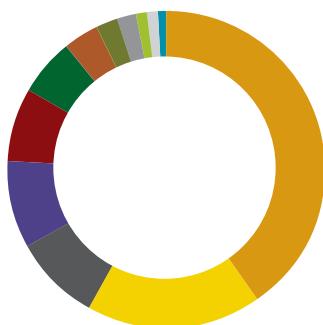
(b) Operator of the Bagus food court at Changi City Point

(c) Includes the leases for Spaghetti Goemon and The Asian Kitchen

### Tenancy Mix

In terms of trade sectors, Food & Restaurants was the top GRI contributor to the mall at 44.1%, followed by Fashion at 19.7%. The detailed breakdown of the trade mix by NLA and by GRI is presented in charts below.

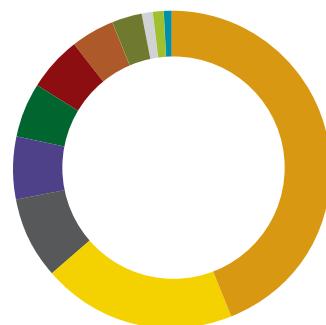
**Trade Mix by Net Lettable Area (NLA)  
as percentage of FCT's Total NLA  
as at 30 September 2014**



#### Trade Classifications

Food & Restaurants	40.4%
Fashion	17.9%
Household	8.9%
Sports Apparels & Equipment	8.8%
Supermarket	7.4%
Services/Education	5.8%
Healthcare	3.7%
Beauty, Hair, Cosmetics, Personal Care	2.1%
Vacant	2.1%
Department Store	1.1%
Books, Music, Art & Craft, Hobbies	1.0%
Leisure/Entertainment	0.8%
<b>TOTAL</b>	<b>100.0%</b>

**Trade Sector's Gross Rental Income (GRI) as  
percentage of FCT's Total GRI  
as at 30 September 2014**



#### Trade Classifications

Food & Restaurants	44.1%
Fashion	19.7%
Household	8.5%
Sports Apparels & Equipment	6.2%
Services/Education	5.6%
Supermarket	5.4%
Healthcare	4.4%
Beauty, Hair, Cosmetics, Personal Care	3.3%
Books, Music, Art & Craft, Hobbies	1.1%
Department Store	1.0%
Leisure/Entertainment	0.7%
<b>TOTAL</b>	<b>100.0%</b>

## MALL PROFILE

### BEDOK POINT



#### MALL PROFILE

Bedok Point has five retail levels (including one basement level) and one basement car park. The mall is located in the town centre of Bedok, which is one of the largest residential estates in Singapore by population. The mall is well-served by the nearby Bedok MRT station and the Bedok bus interchange.

The mall offers an exciting array of restaurants, food outlets, entertainment, retail and service offerings, schools and enrichment centres that makes it an attractive destination for families, students and PMEBs (Professionals, Managers, Executives and Businessmen) around the precinct. The shops and outlets at Bedok Point include anchor tenants Harvey Norman and K Box, Challenger, Sushi Tei, Ssiksin Korea BBQ, Mind Stretcher, The Learning Lab and Paradise Inn, among others. Total shopper traffic to the mall in FY2014 was 5.3 million.

Bedok Point was awarded the BCA Green Mark Gold Award in 2014.

#### Property Description

<b>Description</b>	Five retail levels (including one basement level) and one basement car park
<b>Address</b>	799 New Upper Changi Road Singapore 467351
<b>Net lettable area</b>	82,713 sq ft <sup>1</sup>
<b>Car park lots</b>	76
<b>Title</b>	99 years leasehold w.e.f 15 Mar 1978
<b>Year acquired by FCT</b>	2011
<b>Market valuation</b>	\$120 million as at 30 Sep 2014
<b>Annual shopper traffic</b>	5.3 million (Oct 2013 – Sep 2014)
<b>Centre Manager:</b>	Ms Angela Wu Zhuo Hui
<b>Senior Building Executive:</b>	Mr Woo Mun Hoa
<b>Key tenants</b>	Harvey Norman, K Box, Sushi Tei, Mind Stretcher, Ssiksin Korea BBQ

<sup>1</sup> As indicated in the valuation report for Bedok Point, dated 30 September 2014, by Jones Lang LaSalle Consultants Pte. Ltd.

#### Mall Performance Highlights

Financial Year ended 30 September	FY2014	FY2013	Increase/ (Decrease)
Gross Revenue (\$'000)	10,805	12,242	(11.7)%
Property Expenses (\$'000)	4,573	4,877	(6.2)%
Net Property Income (\$'000)	6,232	7,365	(15.4)%
Occupancy	98.2%	96.7%	1.5%-point
Shopper Traffic (million)	5.3	6.6	(19.7)%

## MALL PROFILE

### Top Tenants

As at 30 September 2014, Bedok Point has a total of 52 leases, excluding vacancy. The key tenants include Pertama Merchandising (operator of Harvey Norman), Paradise Group, K Box Karaoke, Sushi Tei, Korea Buffet (operator of Ssiksin) and Mind Stretcher. The top 10 tenants contributed collectively, 48.7% (FY2013: 36.5%) of the mall's total Gross Rental Income (**GRI**).

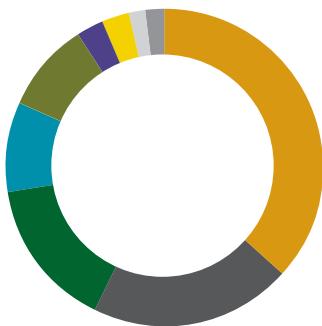
Top 10 Tenants (by GRI) at Bedok Point as at 30 September 2014	As % of mall's GRI
Pertama Merchandising Pte Ltd	8.2%
Paradise Group Holdings Pte Ltd <sup>(a)</sup>	8.1%
K Box (Bedok Central) Pte Ltd	7.0%
Sushi-Tei Pte Ltd	5.0%
Korea Buffet Pte Ltd (Ssiksin)	4.3%
Louisiana QSR Pte Ltd	3.4%
Mind Stretcher Learning Centre Ltd	3.3%
Pastamatrix International Pte Ltd (Pastamania)	3.2%
Starbucks Coffee Singapore Pte Ltd	3.1%
Creative Eateries Pte Ltd	3.1%
<b>Total</b>	<b>48.7%</b>

(a) Includes leases for Kung Fu Paradise and Paradise Inn

### Tenancy Mix

In terms of trade sectors, Food & Restaurants was the top GRI contributor to the mall at 46.2%, (FY2013: 46.4%), followed by Household at 13.1% (FY2013: 4.6%). The detailed breakdown of the trade mix by NLA and by GRI is presented in charts below.

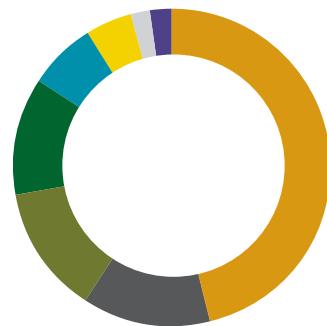
**Trade Mix by Net Lettable Area (NLA)  
as percentage of FCT's Total NLA  
as at 30 September 2014**



#### Trade Classifications

Food & Restaurants	36.8%
Household	20.6%
Services/Education	15.2%
Leisure/Entertainment	9.3%
Beauty, Hair, Cosmetics, Personal Care	9.2%
Sports Apparels & Equipment	2.7%
Fashion	2.6%
Books, Music, Art & Craft, Hobbies	1.8%
Vacant	1.8%
<b>TOTAL</b>	<b>100.0%</b>

**Trade Sector's Gross Rental Income (GRI)  
as percentage of FCT's Total GRI  
as at 30 September 2014**



#### Trade Classifications

Food & Restaurants	46.2%
Household	13.1%
Beauty, Hair, Cosmetics, Personal Care	13.0%
Services/Education	12.0%
Leisure/Entertainment	7.0%
Fashion	4.7%
Books, Music, Art & Craft, Hobbies	2.0%
Sports Apparels & Equipment	2.0%
<b>TOTAL</b>	<b>100.0%</b>

## MALL PROFILE

### YEWTEE POINT



#### Property Description

<b>Description</b>	Two retail levels (including one basement level) and one basement car park
<b>Address</b>	21 Choa Chu Kang North 6 Singapore 689578
<b>Net lettable area</b>	73,670 sq ft <sup>1</sup>
<b>Car park lots</b>	83*
<b>Title</b>	99 years leasehold w.e.f 3 Jan 2006
<b>Year acquired by FCT</b>	2010
<b>Market valuation</b>	\$168.0 million as at 30 Sep 2014
<b>Annual shopper traffic</b>	11.7 million (Oct 2013 – Sep 2014)
<b>Centre Manager:</b>	Ms Jazmine Lim
<b>Senior Building Executive:</b>	Mr Patrick Loh
<b>Key tenants</b>	NTUC FairPrice, Koufu, Watson's, Challenger, Xin Wang Hong Kong Cafe, West Co'z Cafe

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

1 As indicated in the valuation report for YewTee Point, dated 30 September 2014, by Colliers International Consultancy & Valuation [Singapore] Pte. Ltd.

#### MALL PROFILE

YewTee Point has two retail levels (including one basement level). The mall is located in Yew Tee, a housing estate within a major residential precinct Choa Chu Kang, north-west of Singapore. YewTee Point is served by the adjacent Yew Tee MRT station and public bus services.

YewTee Point's key tenants include NTUC FairPrice, Koufu Food Court, Watson's, Challenger, Xin Wang Hong Kong Café and West Co'z Café, among others. It draws shoppers from the private apartments located above the mall (YewTee Residence), the YewTee housing estate, schools, military camp and the nearby industrial estate. Total shopper traffic to the mall in FY2014 was 11.7 million.

YewTee Point was awarded the Singapore Service Class Award (2012 - 2015) by Spring Singapore and the Excellent Service Award 2014 – Silver Award in 2014.

#### Mall Performance Highlights

Financial Year ended 30 September	FY2014	FY2013	Increase/ (Decrease)
Gross Revenue (\$'000)	13,738	13,156	4.4%
Property Expenses (\$'000)	4,174	3,485	19.8%
Net Property Income (\$'000)	9,564	9,671	(1.1)%
Occupancy	96.6%	92.7%	3.9%-point
Shopper Traffic (million)	11.7	11.8	[0.8]%

## MALL PROFILE

### Top Tenants

As at 30 September 2014, YewTee Point has a total of 76 leases, excluding vacancy. The key tenants include NTUC FairPrice, Koufu (operator of food court), Watson's, among others. The top 10 tenants contributed collectively, 49.7% (FY2013: 51.1%) of the mall's total Gross Rental Income (**GRI**).

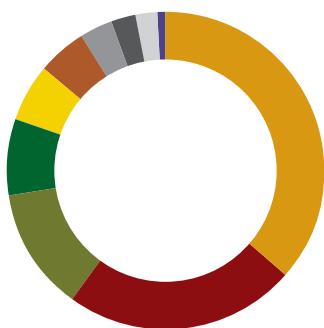
Top 10 Tenants (by GRI) at YewTee Point as at 30 September 2014	As % of mall's GRI
NTUC FairPrice Co-operative Ltd <sup>(a)</sup>	19.4%
Koufu Pte Ltd	10.0%
Kentucky Fried Chicken Management Pte Ltd	3.6%
Watson's Personal Care Stores Pte Ltd	3.6%
Shakura Pigmentation Pte Ltd	2.6%
West Co'z Cafe Pte Ltd	2.2%
OldTown Singapore Pte Ltd	2.2%
XWS Pte Ltd (Xin Wang HK Café)	2.1%
Pastamatrix International Pte Ltd (Pastamania)	2.0%
BreadTalk Pte Ltd (ToastBox)	2.0%
<b>Total</b>	<b>49.7%</b>

(a) Includes leases for NTUC FairPrice and NTUC Healthcare (Unity)

### Tenancy Mix

In terms of trade sectors, Food & Restaurants was the top GRI contributor to the mall at 37.7%, (FY2013: 34.1%), followed by Supermarket at 17.9% (FY2013: 18.5%). The detailed breakdown of the trade mix by NLA and by GRI is presented in charts below.

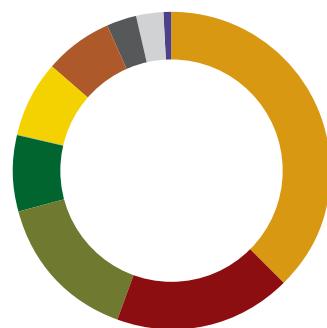
**Trade Mix by Net Lettable Area (NLA)  
as percentage of FCT's Total NLA  
as at 30 September 2014**



#### Trade Classifications

Food & Restaurants	36.7%
Supermarket	23.5%
Beauty, Hair, Cosmetics, Personal Care	12.7%
Services/Education	7.7%
Fashion	5.9%
Healthcare	4.9%
Vacant	3.4%
Household	2.5%
Books, Music, Art & Craft, Hobbies	2.2%
Sports Apparels & Equipment	0.5%
<b>TOTAL</b>	<b>100.0%</b>

**Trade Sector's Gross Rental Income (GRI)  
as percentage of FCT's Total GRI  
as at 30 September 2014**



#### Trade Classifications

Food & Restaurants	37.7%
Supermarket	17.9%
Beauty, Hair, Cosmetics, Personal Care	15.3%
Services/Education	7.9%
Fashion	7.7%
Healthcare	6.9%
Household	3.0%
Books, Music, Art & Craft, Hobbies	3.0%
Sports Apparels & Equipment	0.6%
<b>TOTAL</b>	<b>100.0%</b>

## MALL PROFILE

### ANCHORPOINT



#### Property Description

<b>Description</b>	Two retail levels (including one basement level) and an adjacent a two-storey restaurant building
<b>Address</b>	368 and 370 Alexandra Road Singapore 159952/159953
<b>Net lettable area</b>	70,989 sq ft <sup>1</sup>
<b>Car park lots</b>	128*
<b>Title</b>	Freehold
<b>Year acquired by FCT</b>	2006
<b>Market valuation</b>	\$93.0 million as at 30 Sep 2014
<b>Annual shopper traffic</b>	3.8 million (Oct 2013 – Sep 2014)
<b>Centre Manager:</b>	Mr Raymond Chan Kin
<b>Senior Building Executive:</b>	Mr Abdul Rahman Bin Anwar
<b>Key tenants</b>	Cold Storage, Gyu-Kaku, Koufu, Xin Wang Hong Kong Cafe

\* 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.

1 As indicated in the valuation report for Anchorpoint, dated 30 September 2014, by Colliers International Consultancy & Valuation (Singapore) Pte Ltd.

#### MALL PROFILE

Anchorpoint has two retail levels (including one basement level) and an adjacent a 2-storey restaurant building. The mall is located along Alexandra Road, opposite to the popular large home furnishing store IKEA. Anchorpoint is well-served by public bus services as well as scheduled shuttle bus service between the mall and the nearby offices in the Alexandra area.

Anchorpoint offers an exciting range of eateries and restaurants, retail shopping and boutique outlets. The stores and restaurants at Anchorpoint include Cold Storage, Koufu (food court), Japanese BBQ restaurant Gyu-Kaku as well as reputable retailers such as Charles & Keith and Cotton On, among others. Total shopper traffic to the mall in FY2014 was 3.8 million.

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

#### Mall Performance Highlights

Financial Year ended 30 September	FY2014	FY2013	Increase/ (Decrease)
Gross Revenue ('000)	8,663	8,629	0.4%
Property Expenses ('000)	3,986	3,951	0.9%
Net Property Income ('000)	4,677	4,678	0.0%
Occupancy	97.8%	96.9%	0.9%-point
Shopper Traffic (million)	3.8	4.0	(5.0)%

## MALL PROFILE

### Top Tenants

As at 30 September 2014, Anchorpoint has a total of 62 leases, excluding vacancy. The key tenants include Cold Storage Supermarket, Koufu (operator of food court), Gyu-Kaku Japanese BBQ restaurant, Watson's, among others. The top 10 tenants contributed collectively, 48.5% (FY2013: 47.2%) of the mall's total Gross Rental Income (**GRI**).

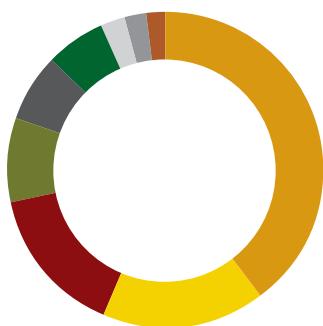
Top 10 Tenants (by GRI) at Anchorpoint as at 30 September 2014	As % of mall's GRI
Cold Storage (1983) Singapore Pte Ltd <sup>(a)</sup>	10.1%
Koufu Pte Ltd	6.6%
Royal Culinary Pte Ltd (Gyu-Kaku)	4.6%
XWS Pte Ltd (Xin Wang Hong Kong Café)	4.3%
Cotton On Singapore Pte Ltd	4.2%
Sarika Connoisseur Cafe Pte Ltd (TCC)	4.1%
Sakuraya Foods Pte Ltd	4.0%
G2000 Apparel (S) Pte Ltd	3.7%
JP Food Service Pte Ltd (Jack's Place)	3.6%
Watson's Personal Care Stores Pte Ltd	3.3%
<b>Total</b>	<b>48.5%</b>

(a) Includes leases for Cold Storage supermarket, Guardian Pharmacy and 7-Eleven Store.

### Tenancy Mix

In terms of trade sectors, Food & Restaurants was the top GRI contributor to the mall at 41.1%, (FY2013: 42.1%), followed by Fashion at 20.5% (FY2013: 18.9%). The detailed breakdown of the trade mix by NLA and by GRI is presented in charts below.

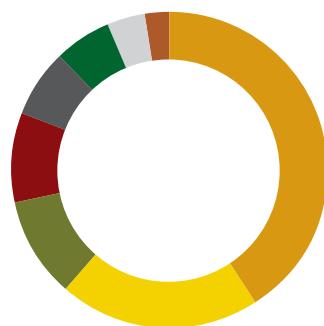
**Trade Mix by Net Lettable Area (NLA)  
as percentage of FCT's Total NLA  
as at 30 September 2014**



#### Trade Classifications

Food & Restaurants	39.7%
Fashion	16.9%
Supermarket	15.2%
Beauty, Hair, Cosmetics, Personal Care	8.6%
Household	6.9%
Services/Education	6.0%
Books, Music, Art & Craft, Hobbies	2.5%
Vacant	2.2%
Healthcare	2.0%
<b>TOTAL</b>	<b>100.0%</b>

**Trade Sector's Gross Rental Income (GRI)  
as percentage of FCT's Total GRI  
as at 30 September 2014**



#### Trade Classifications

Food & Restaurants	41.1%
Fashion	20.5%
Beauty, Hair, Cosmetics, Personal Care	10.2%
Supermarket	9.2%
Household	6.9%
Services/Education	5.9%
Books, Music, Art & Craft, Hobbies	3.7%
Healthcare	2.5%
<b>TOTAL</b>	<b>100.0%</b>

## MALL PROFILE

### HEKTAR REAL ESTATE INVESTMENT TRUST



#### Investment in Hektar REIT

As at 30 September 2014, FCT holds 31.17% of the units in Hektar Real Estate Investment Trust (**H-REIT**). H-REIT, an associate of FCT, is a retail-focused REIT in Malaysia listed on the Main Market of Bursa Malaysia Securities Berhad. Its property portfolio comprises Subang Parade

in Selangor; Mahkota Parade in Melaka; Wetex Parade & Classic Hotel in Muar, Johor; Central Square in Sungai Petani and Landmark Central in Kulim, both located in Kedah. The properties in H-REIT portfolio have a total net lettable area (**NLA**) of 1.7 million square feet.

#### Hektar Property Profile as at 31 December 2013

	Subang Parade	Mahkota Parade	Wetex Parade	Central Square	Landmark Central
<b>State</b>	Selangor	Melaka	Johor	Kedah	Kedah
<b>Title</b>	Freehold	Leasehold (Expiring in 2101)	Freehold	Freehold	Freehold
<b>Net Lettable Area (Retail)</b>	501,019 sq ft	484,029 sq ft	155,253 sq ft	303,117 sq ft	281,388 sq ft
<b>Tenancies</b>	135	159	84	55	91
<b>Occupancy at 31 December 2013</b>	100.0%	97.8%	96.8%	82.5%	93.7%
<b>Visitor Traffic in FY2013</b>	8.5 million	10.4 million	4.8 million	4.1 million	3.4 million
<b>Purchase Price (RM)</b>	280.0 million	232.0 million	117.5 million	83.0 million	98.0 million
<b>Valuation (RM) at 31 December 2013</b>	406.8 million	316.0 million	135.0 million	85.5 million	104.0 million

## MALL PROFILE



### Top 10 Tenants

The top ten tenants in the Hektar's portfolio contributed approximately 28.0% of total monthly rental income.

Tenant	Trade Sector	NLA (sq ft)	NLA (sq ft)	% Monthly Rental income <sup>#</sup>
Parkson	Department Store/Supermarket	254,009	14.7%	9.3%
The Store	Department Store/Supermarket	273,198	15.8%	5.8%
Seleria	Food & Beverage	11,098	0.6%	2.5%
Giant Supermarket	Department Store/Supermarket	96,283	5.6%	1.7%
McDonald's	Food & Beverage	14,676	0.9%	1.7%
KFC	Food & Beverage	17,431	1.0%	1.6%
The Reject Shop	Fashion & Footwear	29,663	1.7%	1.5%
Ampang Superbowl	Leisure & Entertainment/Sports & Fitness	61,717	3.6%	1.4%
MPH Bookstores	Gifts/Books/Toys/Specialty	22,075	1.3%	1.3%
Kenny Rogers Roasters	Food & Beverage	7,096	0.4%	1.2%
Top 10 Tenants (By Monthly Rental Income)		787,246	45.6%	28.0%
Other Tenants		937,560	54.4%	72.0%
<b>TOTAL</b>		<b>1,724,806</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>#</sup> Based on monthly rental income for December 2013.

## MALL PROFILE

### Tenancy Mix

The portfolio tenancy mix is dominated by departmental stores and supermarkets, which is led by Parkson and The Store, constitute approximately 37.7% of total portfolio NLA.

In terms of rental income, the largest segment remains fashion and footwear, which contributes approximately 27.2% of monthly rental income.

**Portfolio Tenancy Mix of Hektar  
(by NLA)**



**Portfolio Tenancy Mix of Hektar  
(by Rental Income)**



### Trade Classifications

Department Store/Supermarket	38.0%
Leisure & Entertainment, Sports & Fitness	18.5%
Fashion & Footwear	13.3%
Food & Beverage/Food Court	13.1%
Electronics & IT	7.4%
Gifts/Books/Toys/Specialty	4.7%
Education/Services	1.7%
Housewares & Furnishing	1.7%
Others	1.6%
<b>TOTAL</b>	100.0%

### Trade Classifications

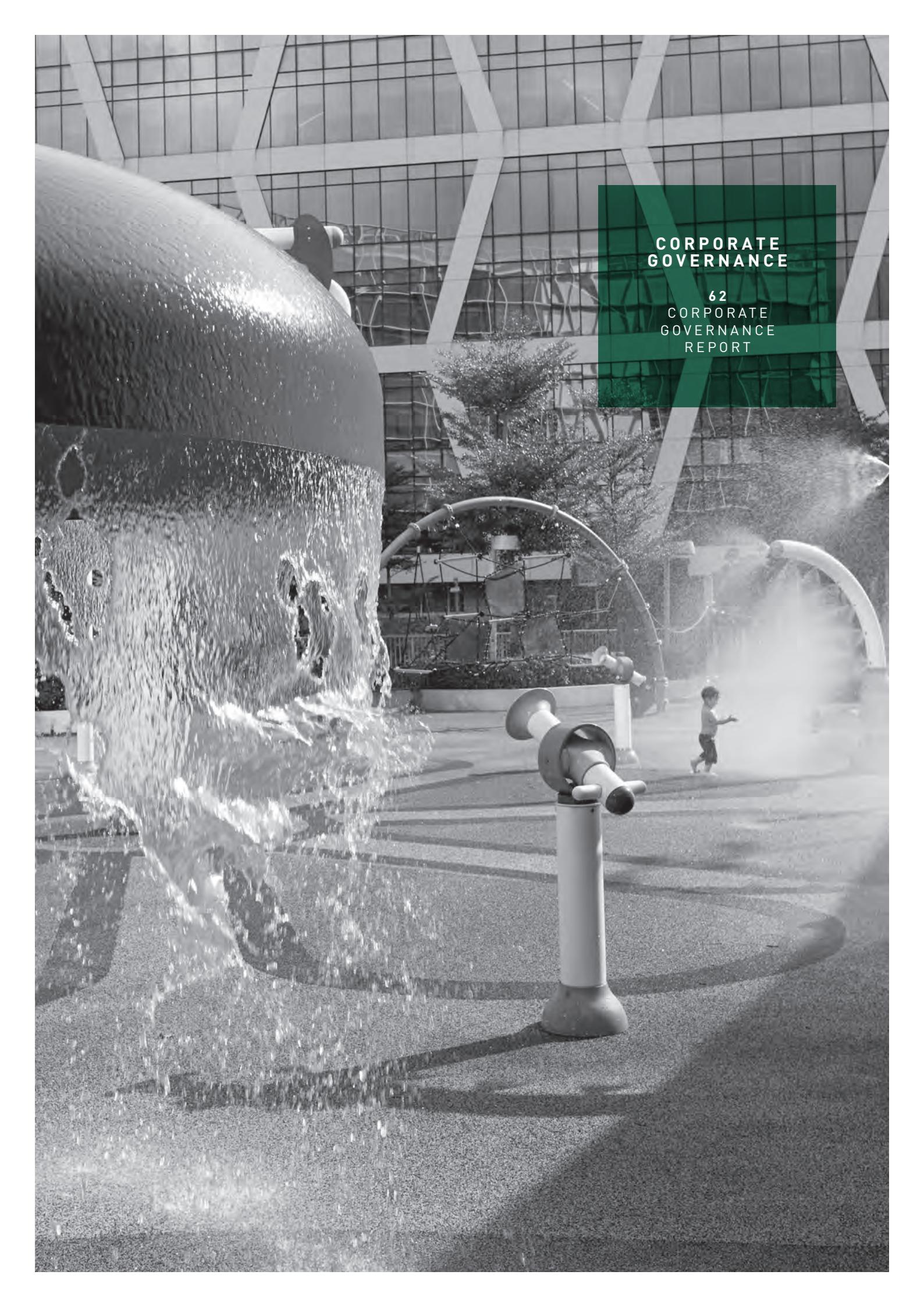
Fashion & Footwear	27.2%
Food & Beverage/Food Court	21.7%
Department Store/Supermarket	16.9%
Leisure & Entertainment, Sports & Fitness	12.7%
Electronics & IT	7.9%
Gifts/Books/Toys/Specialty	5.5%
Others	3.6%
Education/Services	3.2%
Housewares & Furnishing	1.3%
<b>TOTAL</b>	100.0%

### Lease Expiry Profile as at 30 September 2014

For Year ending 31 December	FY2014	FY2015	FY2016
Number of tenancies expiring	198	165	116
NLA of tenancies expiring (square feet)	682,016	755,945	207,870
NLA of tenancies expiring as % of total NLA	40%	44%	12%
% of Total Monthly Rental Income*	44%	33%	22%

\* Based on monthly rental income for December 2013. Figures may not round to 100% due to miscellaneous items.

Source: Hektar Annual Report 2013



**CORPORATE  
GOVERNANCE**

**62**  
CORPORATE  
GOVERNANCE  
REPORT

## C O R P O R A T E G O V E R N A N C E R E P O R T

### INTRODUCTION

Frasers Centrepoint Trust ("FCT") is a real estate investment trust ("REIT") listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). FCT is managed by Frasers Centrepoint Asset Management Ltd. ("Manager"), which is a wholly-owned subsidiary of Frasers Centrepoint Limited ("FCL").

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

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

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

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

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

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

### BOARD MATTERS

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

The composition of the Board of Directors of the Manager (the "Board") as at 30 September 2014 is as follows:

Mr Philip Eng Heng Nee	Chairman, Non-Executive (Independent)
Dr Chew Tuan Chiong	Chief Executive Officer (Non-independent)
Mr Anthony Cheong Fook Seng <sup>1</sup>	Non-Executive (Non-independent)
Mr Chia Khong Shoong	Non-Executive (Non-independent)
Mr Bobby Chin Yoke Choong	Non-Executive (Independent)
Mr Lim Ee Seng	Non-Executive (Non-independent)
Mr Soh Kim Soon	Non-Executive (Independent)
Mr Christopher Tang Kok Kai	Non-Executive (Non-independent)

<sup>1</sup> Mr Anthony Cheong Fook Seng resigned from the Board on 30 September 2014. Mr Cheong's resignation was pursuant to the planned cessation and handing over consequent to the separate listing of FCL on the SGX-ST.

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.

## C O R P O R A T E G O V E R N A N C E R E P O R T

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

Upon joining the Board, new Directors undergo an induction and/or orientation programme to provide them with information on FCT's business, strategic directions, governance practices, policies and business activities, including major new projects. New Independent 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 the year, the Board was briefed and/or updated on: (1) MAS' proposed enhancements to the regulatory regime governing REITs and REIT managers, (2) the SGX-ST Sustainability Reporting Guide which was updated on 27 June 2014 and (3) the revised notices to capital markets intermediaries on prevention of money laundering and countering the financing of terrorism.

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

The Board meets regularly, at least once every quarter, to review the key activities, performance, business strategies and significant operations and/or management matters pertaining to the Manager and/or FCT. In the event Directors are unable to attend Board meetings physically, the Manager's Articles of Association 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, as this facilitates a more effective check on Management.

The number of Board and Audit Committee meetings held during the year ended 30 September 2014 and the attendance of Directors at these meetings are disclosed below:

	Board Meetings	Audit Committee Meetings
<b>Meetings held for financial year ended 30 September 2014</b>	6	4
Mr Philip Eng Heng Nee	6/6	NA
Dr Chew Tuan Chiong	6/6	NA
Mr Anthony Cheong Fook Seng <sup>2</sup>	6/6	4/4
Mr Chia Khong Shoong	6/6	NA
Mr Bobby Chin Yoke Choong	6/6	4/4
Mr Lim Ee Seng	6/6	NA
Mr Soh Kim Soon	6/6	4/4
Mr Christopher Tang Kok Kai	6/6	NA

<sup>2</sup> Mr Anthony Cheong Fook Seng resigned from the Board on 30 September 2014.

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### **Principle 2: Board Composition and Guidance**

For FY2014, the Board comprised eight members, of which three are independent non-executive Directors. The CEO is the only Executive Director on the Board. The rest of the Board members are non-executive Directors.

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

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

Directors exercise their judgment independently and objectively in the interests of FCT and the Manager. The Board reviews and assesses annually the independence of its directors based on the definitions and guidelines of independence set out in the CG Code. In its review for the financial year ended 30 September 2014, the Board determined the following with respect to the independence of directors:

Mr Philip Eng Heng Nee	Independent
Dr Chew Tuan Chiong	Non-independent
Mr Anthony Cheong Fook Seng <sup>3</sup>	Non-independent
Mr Chia Khong Shoong	Non-independent
Mr Bobby Chin Yoke Choong	Independent
Mr Lim Ee Seng	Non-independent
Mr Soh Kim Soon	Independent
Mr Christopher Tang Kok Kai	Non-independent

<sup>3</sup> Mr Anthony Cheong Fook Seng resigned from the Board on 30 September 2014.

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

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

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

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

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

### **Principle 4: Board Membership**

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

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

### **Principle 5: Board Performance**

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

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

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

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

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

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

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### REMUNERATION MATTERS

#### Principle 7: Remuneration Matters

#### Principle 8: Level and Mix of Remuneration

#### Principle 9: Disclosure on Remuneration

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

For the financial year ended 30 September 2014, the Manager adopted the remuneration policies and practices of FCL, which has a Remuneration Committee ("FCL RC") that oversees, inter alia, the framework of remuneration, compensation and benefits for key executives of the Manager, including the CEO. The level and mix of remuneration and benefits, policies and practices of the FCL group, which includes the Manager, are reviewed by the FCL RC on an annual basis. In undertaking such reviews, the FCL RC takes into consideration the performance of the Manager as part of the FCL group, and that of individual employees. It also reviews and approves the framework for salary reviews, performance bonuses and incentives for senior managers of the Manager as part of the FCL group-wide review. Remuneration of the Directors and officers of the Manager are not paid out of the trust property of FCT, but are directly paid by the Manager from the fees it receives.

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

The Directors' fees for the financial year ended 30 September 2014 are shown in the table below. The Chief Executive Officer does not receive Directors' fees. In determining the quantum of such fees, factors such as frequency of meetings, time spent and responsibilities of Directors are taken into account.

	Directors' Fees
<b>Board Members</b>	
Mr Philip Eng Heng Nee (Chairman)	\$76,000
Dr Chew Tuan Chiong	-
Mr Anthony Cheong Fook Seng <sup>(1)</sup> (Member, Audit Committee)	\$45,000
Mr Chia Khong Shoong <sup>(2)</sup>	\$35,000
Mr Bobby Chin Yoke Choong (Member, Audit Committee)	\$56,000
Mr Lim Ee Seng <sup>(2)</sup>	\$35,000
Mr Soh Kim Soon (Member, Audit Committee)	\$51,000
Mr Christopher Tang Kok Kai <sup>(2)</sup>	\$35,000

(1) Director's fees are paid to Fraser & Neave (S) Pte Ltd. Mr Anthony Cheong resigned from the Board and the Audit Committee on 30 September 2014.

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

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### ACCOUNTABILITY AND AUDIT

#### **Principle 10: Accountability**

The Board, with the support of Management, is responsible for providing a balanced and understandable assessment of FCT's performance, position and prospects, on a quarterly basis. Quarterly and annual financial statements and other material information are disseminated to Unitholders through announcements to the SGX-ST, and, where applicable, press releases. Financial statements of FCT are prepared in accordance with the Singapore Financial Reporting Standards prescribed by the Accounting Standards Council.

#### **Principle 11: Risk Management and Internal Controls**

The Manager has established a sound system of risk management and internal controls comprising procedures and processes to safeguard FCT's assets and Unitholders' interests. The Audit Committee reviews and reports to the Board on the adequacy of such controls, including financial, compliance, operational and information technology controls, and risk management procedures and systems, taking into consideration the recommendations of both internal and external auditors.

##### **Internal Controls**

The Audit Committee, through the assistance of internal and external auditors, reviews and reports to the Board on the adequacy of the Manager's system of controls, including financial, compliance, operational and information technology controls. In assessing the effectiveness of internal controls, the Audit Committee ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

##### **Risk Management**

The Board, through the Audit Committee, reviews the adequacy of the Manager's risk management framework to ensure that robust risk management and mitigating controls are in place. The Manager has adopted an enterprise-wide risk management ("ERM") framework to enhance its risk management capabilities. Key risks, control measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Financial and operational key risk indicators are in place to track key risk exposures. Apart from the ERM process, key business risks are thoroughly assessed by Management and each significant transaction is comprehensively analysed so that Management understands the risks involved before it is embarked upon. An outline of the Manager's ERM framework and progress report is set out on page 36.

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

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 of the existing internal controls. The comfort matrix is prepared with reference to the strategies, policies, processes, systems and reporting processes connected with the management of such key risks and presented to the Board and the Audit Committee. Risk tolerance statements setting out the nature and extent of significant risks which the Manager is willing to take in achieving its strategic objectives have been formalised and adopted.

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The Board has received assurance from the CEO and the Financial Controller of the Manager that as at 30 September 2014:

- (a) the financial records of FCT have been properly maintained and the financial statements for the year ended 30 September 2014 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 2014 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 2014 to address risks which the Manager considers relevant and material to FCT's operations.

### **Opinion of the Board on Internal Controls and Risk Management Framework**

Based on the internal controls established and maintained by the Manager, work performed by internal and external auditors, reviews performed by Management and the Audit Committee and assurance from the CEO and the Financial Controller of the Manager, the Board, with the concurrence of the Audit Committee, is of the opinion that the internal controls in place for FCT, were adequate and effective as at 30 September 2014 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 2014 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 Audit Committee is governed by written terms of reference, with explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of Management, and full discretion to invite any Director or executive officer to attend its meetings. It has reasonable resources to enable it to discharge its functions effectively.

The Audit Committee's responsibilities include:

- reviewing the effectiveness of the Manager's internal control processes including financial, compliance and risk management controls/framework, reviewing the results of audit findings, and directing prompt remedial action by Management;
- reviewing the financial statements and the audit report for recommendation to the Board for approval;
- monitoring Management's compliance with applicable rules and legislation, such as the listing rules of the SGX-ST, the Code on CIS and the SFA;
- reviewing with the external auditors, the audit plans, audit reports and their evaluation of the system of internal controls;
- reviewing the appointment and re-appointment of the external auditors and their fees and recommending the same to the Board for approval, as well as reviewing the adequacy of external audits in respect of cost, scope and performance;

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- reviewing the independence and objectivity of the external auditors, taking into consideration the non-audit services provided by the external auditors. For FY2014, an aggregate amount in fees, comprising audit fees of \$92,000 and non-audit fees of \$79,800 was 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 Audit Committee meets with the internal and external auditors and reviews the internal and external audit plans and reports for FCT and the Manager, and the assistance given by Management to the auditors. All audit findings and recommendations are presented to the Audit Committee for discussion. In addition, updates on changes in accounting standards and treatment are prepared by external auditors and circulated to members of the Audit Committee periodically.

For FY2014, the Audit Committee comprised three non-executive Directors, two of whom including the Chairman, are independent:

Name	Role
Mr Bobby Chin Yoke Choong	Chairman
Mr Anthony Cheong Fook Seng	Member <sup>(1)</sup>
Mr Soh Kim Soon	Member

(1) Mr Anthony Cheong Fook Seng resigned as a Member of the Audit Committee on 30 September 2014 and Mr Philip Eng Heng Nee was appointed as a Member of the Audit Committee on the same date.

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

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

### External Auditors

Ernst and Young LLP ("E&Y") was re-appointed pursuant to the approval of the Unitholders on 21 January 2014 as external auditors of FCT. Taking into consideration (i) the resources and experience of E&Y, (ii) the terms of E&Y's engagement, (iii) the size and complexity of FCT and its subsidiaries, (iv) the number and the experience of E&Y's supervisory and professional staff assigned to the audit of FCT, (v) the fees paid to E&Y for audit and non-audit services performed by E&Y, and (vi) the independence and objectivity of E&Y based on their performance to date, the Audit Committee is of the view that E&Y is suitable to continue with its appointment as external auditors of FCT and recommends to the Board its re-appointment. The Audit Committee will continue to review the performance and the suitability of E&Y as external auditors.

E&Y has attended the Audit Committee meetings every quarter for the financial year ended 30 September 2014, and where appropriate has met with the Audit Committee without the presence of Management to discuss their findings, if any.

The Manager confirms that FCT complies with Rules 712 and 715 of the Listing Manual in relation to the appointment of E&Y as the auditor of FCT.

### 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.

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### **Principle 13: Internal Audit**

The Manager has in place an internal audit function which was supported by the Internal Audit Department ("IA") of Fraser and Neave, Limited ("F&N"). Notwithstanding the demerger of FCL from the F&N group and the listing of FCL on 9 January 2014, such internal audit services continued to be provided pursuant to a transitional arrangement between F&N and FCL for shared corporate services. It is intended that the internal audit function will be supported by the IA of FCL on cessation of the transitional arrangement.

The IA is independent of the activities that it audits. The Head of IA, who is a Chartered Accountant of Singapore, reported directly to the Chairman of the Audit Committee.

The Head of IA and most of the internal audit staff are members of the Institute of Internal Auditors, Singapore and the department has adopted and complied with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. To ensure that the internal audits are effectively performed, it recruits and employs suitably qualified staff with the requisite skills and experience. Such staffs are also given relevant training and development opportunities to update their technical knowledge and auditing skills. Key staff members of the IA also receive relevant technical training and seminars organised by the Institute of Internal Auditors, Singapore and other professional bodies.

The IA operates within the framework stated in its terms of reference. 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, including compliance with FCT's and the Manager's policies, procedures and regulatory responsibilities.

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

The Audit Committee is satisfied that for the financial year ended 30 September 2014, the internal audit function is adequately resourced to perform its functions, and has appropriate standing within FCT and the Manager.

## UNITHOLDER RIGHTS AND RESPONSIBILITIES

### **Principle 14: Unitholder Rights**

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

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

### **Principle 15: Communication with Unitholders**

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

The Manager meets and communicates regularly with Unitholders and the investment community to keep them apprised of FCT's corporate developments and financial performance. During the year, the senior Management and

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the IR manager, met or spoke with 307 investors at investment conferences, non-deal road shows as well as one-on-one and group meetings. The Manager also conducts post-result briefings for analysts and the media, following the release of its half year and full year results. For its first quarter and third quarter results, this is done by conference calls. The Manager makes available all its briefing materials, its financial information, its annual reports and all announcements to the SGX-ST on its website at [www.fct.sg](http://www.fct.sg), with contact details for investors to channel their comments and queries.

### **Principle 16: Conduct of Unitholder Meetings**

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

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

### **DEALINGS IN UNITS**

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

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

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

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

In compliance with the Dealing Policy in relation to the Manager, prior approval from the Board is required before the Manager deals or trades in FCT units. The Manager has undertaken that it will not deal in FCT units:

- 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
- whenever it is in possession of unpublished material price sensitive information.

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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.

### CONFLICTS OF INTEREST

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

- The Manager is to be dedicated to managing FCT and will not directly or indirectly manage other REITs;
- All executive officers of the Manager will be employed by the Manager;
- All resolutions in writing of the Directors in relation to matters concerning FCT must be approved by a majority of the Directors, including at least one Independent Director;
- At least one-third of the Board shall comprise Independent Directors;
- On matters where FCL and/or its subsidiaries have an interest (directly or indirectly), Directors nominated by them shall abstain from voting. In such matters, the quorum must comprise a majority of independent Directors and must exclude nominee Directors of FCL and/or its subsidiaries; and
- An interested Director is required to disclose his interest in any proposed transaction with FCT and is required to abstain from voting on resolutions approving the transaction.

### INTERESTED PERSON TRANSACTIONS

The Manager has established internal control procedures to ensure that all interested person transactions ("IPTs") are undertaken on normal commercial terms, and will not be prejudicial to the interests of FCT and the Unitholders. This may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining one or more valuations from independent professional valuers (in accordance with the Property Funds Guidelines).

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

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

### ROLE OF THE AUDIT COMMITTEE FOR INTERESTED PERSON TRANSACTIONS

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



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R E P O R T O F T H E T R U S T E E

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HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Frasers Centrepoint Trust (the "Trust") and its subsidiary (collectively, the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act, Chapter 289, of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Frasers Centrepoint Asset Management Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 5 June 2006 (as amended by a first supplemental deed dated 4 October 2006, a first amending and restating deed dated 7 May 2009 and a second supplemental deed dated 22 January 2010) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements set out on pages 77 to 122 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**



**Antony Wade Lewis**  
*Director*

**Singapore**

12 November 2014

## STATEMENT BY THE MANAGER

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In the opinion of the directors of Frasers Centrepoint Asset Management Ltd., the accompanying financial statements set out on pages 77 to 122, comprising the Balance Sheets and Portfolio Statements as at 30 September 2014, the Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes are drawn up so as to present fairly, in all material respects, the financial positions of the Group and the Trust as at 30 September 2014, the total return, distributable income, movements in Unitholders' funds of the Group and of the Trust and cash flow of the Group for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,  
**Frasers Centrepoint Asset Management Ltd.**



**Mr Philip Eng Heng Nee**  
Director



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

**Singapore**

12 November 2014

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

We have audited the accompanying financial statements of Frasers Centrepoint Trust (the "Trust") and its subsidiary (collectively, the "Group"), which comprise the Balance Sheets and Portfolio Statements of the Group and the Trust as at 30 September 2014, the Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds of the Group and the Trust and Cash Flow Statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 77 to 122.

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

The Manager of the Trust is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

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

**OPINION**

In our opinion, the financial statements present fairly, in all material respects, the financial positions of the Group and the Trust as at 30 September 2014, the total return, distributable income and movements in Unitholders' funds of the Group and the Trust and cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants.



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

12 November 2014

B A L A N C E S H E E T S

A S A T 3 0 S E P T E M B E R 2 0 1 4

	Note	2014 \$'000	Group 2013 \$'000	Trust 2014 \$'000	Trust 2013 \$'000
<b>Non-current assets</b>					
Investment properties	3	2,400,000	2,019,500	2,400,000	2,019,500
Fixed assets	4	113	121	113	121
Intangible assets	5	84	—	84	—
Investment in subsidiary	6	—	—	*	*
Investment in associate	7	74,512	71,727	63,843	63,843
		2,474,709	2,091,348	2,464,040	2,083,464
<b>Current assets</b>					
Trade and other receivables	8	5,336	3,456	5,336	3,456
Cash and cash equivalents	9	41,741	39,706	41,741	39,706
		47,077	43,162	47,077	43,162
<b>Total assets</b>		<b>2,521,786</b>	<b>2,134,510</b>	<b>2,511,117</b>	<b>2,126,626</b>
<b>Current liabilities</b>					
Trade and other payables	10	39,895	45,662	39,909	45,671
Current portion of security deposits		17,534	14,249	17,534	14,249
Deferred income	11	778	704	778	704
Interest-bearing borrowings	12	95,000	60,000	95,000	60,000
		153,207	120,615	153,221	120,624
<b>Non-current liabilities</b>					
Interest-bearing borrowings	12	644,000	529,000	644,000	529,000
Non-current portion of security deposits		25,277	21,990	25,277	21,990
Deferred income	11	625	550	625	550
		669,902	551,540	669,902	551,540
<b>Total liabilities</b>		<b>823,109</b>	<b>672,155</b>	<b>823,123</b>	<b>672,164</b>
<b>Net assets</b>		<b>1,698,677</b>	<b>1,462,355</b>	<b>1,687,994</b>	<b>1,454,462</b>
Represented by:					
Unitholders' funds		1,706,126	1,470,618	1,687,994	1,454,462
Translation reserve	13	[7,449]	[8,263]	—	—
<b>Unitholders' funds and reserve</b>		<b>1,698,677</b>	<b>1,462,355</b>	<b>1,687,994</b>	<b>1,454,462</b>
<b>Units in issue ('000)</b>	14	915,415	824,383	915,415	824,383
		\$	\$	\$	\$
<b>Net asset value per Unit</b>	15	1.85	1.77	1.84	1.76

\* 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 2014

	Note	2014 \$'000	Group 2013 \$'000	Trust 2014 \$'000	Trust 2013 \$'000
Gross revenue	16	168,754	157,959	168,754	157,959
Property expenses	17	(50,658)	(46,369)	(50,658)	(46,369)
Net property income		118,096	111,590	118,096	111,590
Interest income		82	35	82	35
Borrowing costs	18	(18,487)	(17,704)	(18,487)	(17,704)
Asset management fees	19	(12,869)	(11,520)	(12,869)	(11,520)
Valuation fees		(128)	(88)	(128)	(88)
Trustee's fees		(363)	(326)	(363)	(326)
Audit fees		(107)	(87)	(107)	(87)
Other professional fees		(283)	(289)	(283)	(289)
Other charges		(802)	(695)	(806)	(697)
Net income		85,139	80,916	85,135	80,914
Distributions from associate		-	-	4,576	4,443
Share of results of associate					
- operations		5,028	4,910	-	-
- revaluation surplus		1,520	2,333	-	-
Surplus on revaluation of investment properties	3	69,497	195,741	69,497	195,741
Unrealised gain from fair valuation of derivatives		3,879	3,866	3,879	3,866
Total return before tax		165,063	287,766	163,087	284,964
Taxation	20	-	-	-	-
<b>Total return for the year</b>		<b>165,063</b>	<b>287,766</b>	<b>163,087</b>	<b>284,964</b>
<b>Earnings per Unit (cents)</b>	21				
Basic		19.30	34.93	19.07	34.59
Diluted		19.30	34.93	19.07	34.59

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

**DISTRIBUTION STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014**

	Group		Trust	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Income available for distribution to Unitholders at beginning of year	24,651	22,354	24,648	22,351
Net income	85,139	80,916	85,135	80,914
Net tax adjustments (Note A)	5,727	4,772	5,731	4,774
Distributions from associate	4,576	4,443	4,576	4,443
	95,442	90,131	95,442	90,131
Income available for distribution to Unitholders	120,093	112,485	120,090	112,482
 Distributions to Unitholders:				
Distribution of 2.71 cents per Unit for period from 1/7/2012 to 30/9/2012	-	22,317	-	22,317
Distribution of 2.40 cents per Unit for period from 1/10/2012 to 31/12/2012	-	19,772	-	19,772
Distribution of 2.70 cents per Unit for period from 1/1/2013 to 31/3/2013	-	22,250	-	22,250
Distribution of 2.85 cents per Unit for period from 1/4/2013 to 30/6/2013	-	23,495	-	23,495
Distribution of 2.98 cents per Unit for period from 1/7/2013 to 30/9/2013	24,576	-	24,576	-
Distribution of 2.50 cents per Unit for period from 1/10/2013 to 31/12/2013	20,626	-	20,626	-
Distribution of 2.88 cents per Unit for period from 1/1/2014 to 31/3/2014	23,772	-	23,772	-
Distribution of 2.396 cents per Unit for period from 1/4/2014 to 9/6/2014	19,776	-	19,776	-
Distribution of 0.626 cents per Unit for period from 10/6/2014 to 30/6/2014	5,731	-	5,731	-
	94,481	87,834	94,481	87,834
Income available for distribution to Unitholders at end of year	25,612	24,651	25,609	24,648
 Note A – Net tax adjustments relate to the following items:				
- Asset management fees paid/payable in Units	2,574	2,304	2,574	2,304
- Trustee's fees	363	326	363	326
- Amortisation of loan arrangement fees	753	674	753	674
- Amortisation of lease incentives	1,538	1,004	1,538	1,004
- Deferred income and amortisation of rental deposits	7	-	7	-
- Other items	492	464	496	466
Net tax adjustments	5,727	4,772	5,731	4,774

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 2014

	Group		Trust	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Net assets at beginning of year	1,462,355	1,263,030	1,454,462	1,255,047
<b>Operations</b>				
Total return for the year	165,063	287,766	163,087	284,964
<b>Unitholders' transactions</b>				
Creation of Units				
– proceeds from placement	161,480	–	161,480	–
– issued as satisfaction of acquisition fee	3,050	–	3,050	–
– issued as satisfaction of asset management fees	2,474	2,285	2,474	2,285
Issue expenses	[2,078]	–	(2,078)	–
Distributions to Unitholders	(94,481)	(87,834)	(94,481)	(87,834)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	70,445	(85,549)	70,445	(85,549)
Movement in translation reserve (Note 13)	814	(2,892)	–	–
Net assets at end of year	1,698,677	1,462,355	1,687,994	1,454,462

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

**PORTFOLIO STATEMENTS**

AS AT 30 SEPTEMBER 2014

**GROUP**

Description of Property	Term of Lease	Location	Existing Use	Occupancy Rate as at 30 September		At Valuation		Percentage of Total Assets	
				2014 %	\$'000	2014 \$'000	2013 \$'000	2014 %	2013 %
<i>Investment properties in Singapore</i>									
Causeway Point	99-year leasehold from 30 October 1995	1 Woodlands Square	Commercial	99.8	1,058,000	1,006,000	41.9	47.1	
Northpoint	99-year leasehold from 1 April 1990	930 Yishun Avenue 2	Commercial	99.4	655,000	638,000	26.0	29.9	
Anchorpoint	Freehold	368 & 370 Alexandra Road	Commercial	97.8	93,000	86,000	3.7	4.0	
YewTee Point	99-year leasehold from 3 January 2006	21 Choa Chu Kang North 6	Commercial	96.6	168,000	161,000	6.7	7.6	
Bedok Point	99-year leasehold from 15 March 1978	799 New Upper Changi Road	Commercial	98.2	120,000	128,500	4.8	6.0	
Changi City Point <sup>(1)</sup>	60-year leasehold from 30 April 2009	5 Changi Business Park Central 1	Commercial	97.9	306,000	-	12.1	-	
<b>Investment properties, at valuation</b>					<b>2,400,000</b>	<b>2,019,500</b>	<b>95.2</b>	<b>94.6</b>	
<b>Investment in associate (Note 7)</b>					<b>74,512</b>	<b>71,727</b>	<b>2.9</b>	<b>3.4</b>	
<b>Other assets</b>					<b>2,474,512</b>	<b>2,091,227</b>	<b>98.1</b>	<b>98.0</b>	
<b>Total assets attributable to Unitholders</b>					<b>47,274</b>	<b>43,283</b>	<b>1.9</b>	<b>2.0</b>	
					<b>2,521,786</b>	<b>2,134,510</b>	<b>100.0</b>	<b>100.0</b>	

<sup>(1)</sup> Changi City Point was acquired on 16 June 2014.

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

P O R T F O L I O S T A T E M E N T S

A S A T 30 S E P T E M B E R 2014

**TRUST**

Description of Property	Term of Lease	Location	Existing Use	Occupancy Rate as at 30 September	At Valuation		Percentage of Total Assets	
					2014 %	2014 \$'000	2013 \$'000	2014 %
<i>Investment properties in Singapore</i>								
Causeway Point	99-year leasehold from 30 October 1995	1 Woodlands Square	Commercial	99.8	1,058,000	1,006,000	42.1	47.3
Northpoint	99-year leasehold from 1 April 1990	930 Yishun Avenue 2	Commercial	99.4	655,000	638,000	26.1	30.0
Anchorpoint	Freehold	368 & 370 Alexandra Road	Commercial	97.8	93,000	86,000	3.7	4.1
YewTee Point	99-year leasehold from 3 January 2006	21 Choa Chu Kang North 6	Commercial	96.6	168,000	161,000	6.7	7.6
Bedok Point	99-year leasehold from 15 March 1978	799 New Upper Changi Road	Commercial	98.2	120,000	128,500	4.8	6.0
Changi City Point <sup>(1)</sup>	60-year leasehold from 30 April 2009	5 Changi Business Park Central 1	Commercial	97.9	306,000	-	12.2	-
<b>Investment properties, at valuation</b>					<b>2,400,000</b>	<b>2,019,500</b>	<b>95.6</b>	<b>95.0</b>
<b>Investment in associate (Note 7)</b>					<b>63,843</b>	<b>63,843</b>	<b>2.5</b>	<b>3.0</b>
<b>Other assets</b>					<b>2,463,843</b>	<b>2,083,343</b>	<b>98.1</b>	<b>98.0</b>
<b>Total assets attributable to Unitholders</b>					<b>2,511,117</b>	<b>2,126,626</b>	<b>100.0</b>	<b>100.0</b>

<sup>(1)</sup> Changi City Point was acquired on 16 June 2014.

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

## PORTFOLIO STATEMENTS

AS AT 30 SEPTEMBER 2014

On 30 September 2014, independent valuations of the investment properties were undertaken by Knight Frank Pte Ltd ("Knight Frank"), Jones Lang LaSalle Property Consultants Pte Ltd ("JLL"), 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	
			2014 \$'000	2013 \$'000
Causeway Point	Knight Frank (2013: Knight Frank)	Capitalisation approach and discounted cash flow analysis (2013: capitalisation approach and discounted cash flow analysis)	1,058,000	1,006,000
Northpoint	JLL (2013: Colliers)	Capitalisation approach and discounted cash flow analysis (2013: Capitalisation approach, discounted cash flow analysis and direct comparison method)	655,000	638,000
Anchorpoint	Colliers (2013: Knight Frank)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2013: capitalisation approach and discounted cash flow analysis)	93,000	86,000
YewTee Point	Colliers (2013: Knight Frank)	Capitalisation approach, discounted cash flow analysis and direct comparison method (2013: capitalisation approach and discounted cash flow analysis)	168,000	161,000
Bedok Point	JLL (2013: JLL)	Capitalisation approach and discounted cash flow analysis (2013: capitalisation approach and discounted cash flow analysis)	120,000	128,500
Changi City Point <sup>(1)</sup>	Knight Frank (2013: Not applicable)	Capitalisation approach and discounted cash flow analysis (2013: Not applicable)	306,000	-

<sup>(1)</sup> Changi City Point was acquired on 16 June 2014.

The net changes in fair values of these investment properties have been recognised in the Statements of Total Return in accordance with the Group's accounting policies.

The investment properties are leased to third party tenants. Generally, these leases contain an initial non-cancellable period of three years. Subsequent renewals are negotiated with individual lessees. Contingent rent, which comprises gross turnover rent, recognised in the Statements of Total Return amounted to \$8,290,000 (2013: \$7,802,000).

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

## CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

	Group	
	2014 \$'000	2013 \$'000
<b>Operating activities</b>		
Total return before tax	165,063	287,766
Adjustments for:		
Allowance for doubtful receivables	41	104
Bad debts written off	-	5
Write back of allowance for doubtful receivables	(57)	(70)
Borrowing costs	18,487	17,704
Interest income	[82]	(35)
Asset management fees paid/payable in Units	2,574	2,304
Depreciation of fixed assets	41	43
Amortisation of intangible assets	6	-
Share of associate's results (including revaluation surplus)	(6,548)	(7,243)
Surplus on revaluation of investment properties	(69,497)	(195,741)
Unrealised gain from fair valuation of derivatives	(3,879)	(3,866)
Amortisation of lease incentives	1,538	1,004
Deferred income recognised	(1,026)	(986)
Operating income before working capital changes	106,661	100,989
Changes in working capital:		
Trade and other receivables	(1,598)	2,413
Trade and other payables	(4,793)	9,361
<b>Cash flows from operating activities</b>	<b>100,270</b>	<b>112,763</b>
<b>Investing activities</b>		
Distributions received from associate	4,576	4,443
Interest received	82	35
Capital expenditure on investment properties	(1,473)	(9,483)
Acquisition of fixed assets	[33]	(35)
Acquisition of intangible assets	(90)	-
Net cash outflow on purchase of investment properties (including acquisition fees and expenses) [Note B]	(298,682)	-
<b>Cash flows used in investing activities</b>	<b>(295,620)</b>	<b>(5,040)</b>
<b>Financing activities</b>		
Proceeds from borrowings	220,000	70,000
Proceeds from issue of new Units	161,480	-
Repayment of borrowings	(70,000)	(58,000)
Borrowing costs paid	(16,517)	(14,772)
Distributions to Unitholders	(94,481)	(87,834)
Payment of issue and finance costs	(3,097)	(280)
<b>Cash flows used in financing activities</b>	<b>197,385</b>	<b>(90,886)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,035</b>	<b>16,837</b>
Cash and cash equivalents at beginning of year	39,706	22,869
<b>Cash and cash equivalents at end of year (Note 9)</b>	<b>41,741</b>	<b>39,706</b>

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

**CASH FLOW STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014**

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

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

	Group	
	2014 \$'000	2013 \$'000
Investment properties	305,000	-
Security deposits	(6,703)	-
Net identifiable assets acquired	298,297	-
Acquisition fees and expenses	3,435	-
Less:		
Units issued for acquisition fee paid to the Manager	(3,050)	-
<b>Net cash outflow</b>	<b>298,682</b>	<b>-</b>

**Significant Non-Cash Transactions**

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

- (i) 1,412,672 (2013: 1,181,891) Units were issued and issuable in satisfaction of asset management fees payable in Units, amounting to a value of \$2,573,856 (2013: \$2,304,013) in respect of the financial year ended 30 September 2014; and
- (ii) 1,662,125 Units were issued in June 2014 in satisfaction of acquisition fees of \$3,050,000 in connection with the acquisition of Changi City Point completed on 16 June 2014.

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

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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 #10-02 HSBC Building Singapore 049320.

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 5 July 2006 and was included in the Central Provident Fund Investment Scheme ("CPFIS") on 5 July 2006.

The principal activity of the Trust is to invest in income-producing properties used primarily for retail purposes, in Singapore and overseas, with the primary objective of delivering regular and stable distributions to Unitholders and to achieve long-term capital growth. The principal activity of the subsidiary is set out in Note 6.

The financial statements were authorised for issue by the Manager and the Trustee on 12 November 2014.

The Trust has entered into several service agreements in relation to management of the Trust and its property operations. The fee structures of these services are as follows:

*(a) Property management fees*

Under the property management agreements, fees are charged as follows:

- (i) 2.0% per annum of the gross revenue of the properties;
- (ii) 2.0% per annum of the net property income of the properties (calculated before accounting for the property management fees); and
- (iii) 0.5% per annum of the net property income of the properties (calculated before accounting for the property management fees), in lieu of leasing commissions.

The property management fees are payable monthly in arrears.

*(b) Asset management fees*

Pursuant to the Trust Deed, asset management fees comprise the following:

- (i) A base fee equal to a rate of 0.3% per annum of the value of Deposited Property (being all assets, as stipulated in the Trust Deed) of the Trust; and
- (ii) An annual performance fee equal to a rate of 5.0% per annum of the Net Property Income (as defined in the Trust Deed) of the Trust and any Special Purpose Vehicles (as defined in the Trust Deed) for each financial year.

Any increase in the rate or any change in the structure of the asset management fees must be approved by an Extraordinary Resolution of Unitholders passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

### 1. GENERAL (CONT'D)

#### (b) 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 2014, the Manager has opted to receive an average of 20% (2013: 20%) of the asset management fees in the form of Units with the balance in cash. The portion of the asset management fees in the form of Units is payable on a quarterly basis in arrears, and the portion in cash is payable on a monthly basis in arrears.

The Manager is also entitled to receive acquisition fee at the rate of 1% of the acquisition price and a divestment fee of 0.5% of the sale price on all future acquisitions or disposals of properties or investments.

#### (c) Trustee's fees

Pursuant to the Trust Deed, the Trustee's fees shall not exceed 0.1% per annum of the value of Deposited Property of the Trust, subject to a minimum of \$9,000 per month, excluding out-of-pocket expenses and GST.

Any increase in the maximum permitted or any change in the structure of the Trustee's fee must be approved by an Extraordinary Resolution of Unitholders passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

The Trustee's fees are payable monthly in arrears.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial statements have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants ("ISCA"), the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under the Singapore Financial Reporting Standards ("FRS").

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

The preparation of the financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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

#### (a) Basis of preparation (*cont'd*)

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

- (i) Note 3 – Valuation of investment properties
- (ii) Note 7 – Accounting for investment in associate
- (iii) Note 10 – Valuation of interest rate swaps

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

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted FRS 113 which is effective for the financial year beginning 1 October 2013.

According to the transition provisions of FRS 113 Fair Value Measurement, FRS 113 has been applied prospectively by the Group on 1 October 2013.

FRS 113 establishes a single source of guidance for all fair value measurements. FRS 113 does not prescribe when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revisited and concluded to be in line with the requirements under FRS 113.

FRS 113 mainly impacts the disclosures in the financial statements. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards, including FRS 107 Financial Instruments: Disclosures. FRS 113 disclosures are provided in multiple notes, including 3, 10 and 23.

The disclosure requirements of FRS 113 apply prospectively and need not be provided for comparative periods before initial application. Consequently, comparatives of these disclosures have not been provided.

#### (c) Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

	Effective date (Annual period beginning on or after)
Revised FRS 27 Separate Financial Statements	1 January 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 112 Disclosure of Interest in Other Entities	1 January 2014

The Manager expects that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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

#### (d) Foreign currency

Transactions in foreign currencies are measured and recorded on initial recognition in Singapore dollars, the functional currency of the Trust and subsidiary, at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the Statements of Total Return except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in equity as translation reserve in the Balance Sheets and recognised in the Statements of Total Return on disposal of the foreign operation.

For consolidation purposes, the assets and liabilities of foreign operations are translated into Singapore dollars at the rate of exchange ruling at the balance sheet date and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on translation are taken directly to a separate component of equity as translation reserve. On disposal of a foreign operation, the cumulative amount recognised in translation reserve relating to that particular foreign operation is recognised in the Statements of Total Return.

When associates that are foreign operations are partially disposed, the proportionate share of the accumulated exchange differences is reclassified to the Statements of Total Return.

#### (e) Investment properties

Investment properties are stated at initial cost on acquisition, including transaction costs, and at valuation thereafter. Valuation is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

- In such manner and frequency required under the CIS Code issued by the MAS; and
- At least once in each period of 12 months following the acquisition of each parcel of real estate property.

Any increase or decrease on revaluation is credited or charged to the Statements of Total Return as a net revaluation surplus or deficit in the value of the investment properties.

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

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

Investment properties are not depreciated. Investment properties are subject to continual maintenance and regularly revalued on the basis set out above. For taxation purposes, the Group and the Trust may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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

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

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

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

The consolidated financial statements incorporate the financial statements of the Trust and its subsidiary as of the balance sheet date. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date and using consistent accounting policies as the Trust.

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

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

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

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

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

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

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

#### (g) Investment in associate

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence.

The Group's investment in associate is accounted for using the equity method. Under the equity method, the investment in associate is stated in the Balance Sheets at cost plus post-acquisition changes in the Group's share of net assets of the associate. The Group's share of results of the associate is recognised in the Statements of Total Return. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes in equity.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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

#### (g) *Investment in associate (cont'd)*

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

The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's results in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured receivables, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate.

Where the dates of the financial statements of the associate are not co-terminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management accounts to the end of the accounting period. Consistent accounting policies are applied for like transactions and events in similar circumstances. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in the Statements of Total Return.

#### (h) *Fixed assets*

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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

#### (i) *Intangible assets*

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

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

Changes in the expected useful life or the expected pattern of consumption of future economic benefits 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.

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

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

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. If such indication exists, the recoverable amount is estimated. An impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the Statements of Total Return. After such a reversal, the depreciation charge, if any, is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### (k) *Financial assets*

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

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

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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

#### (k) *Financial assets (cont'd)*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets classified as held for trading include derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in the Statements of Total Return.

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

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

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

Cash and cash equivalents comprise cash balances and bank deposits.

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

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of impairment loss is calculated as the difference between its carrying amount, and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss and any subsequent write-back is recognised in the Statements of Total Return.

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.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the Statements of Total Return to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

#### (n) Financial liabilities

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

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

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the Statements of Total Return.

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

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

#### (o) Provisions

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

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

#### (p) Security deposits and deferred income

Security deposits relate to rental deposits received from tenants at the Group's investment properties. The accounting policy for security deposits as a financial liability is set out in Note 2(n).

Deferred income relates to the difference between consideration received for security deposits and its fair value at initial recognition, and is credited to the Statements of Total Return as gross rental income on a straight line basis over individual lease term.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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

#### (q) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset even if that right is not explicitly specified in an arrangement.

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2(r)(i).

#### (r) Revenue recognition

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

##### (i) Rental income

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

##### (ii) Interest income

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

#### (s) Expenses

##### (i) Property expenses

Property expenses are recognised on an accrual basis. Included in property expenses are property management fees which are based on the applicable formula stipulated in Note 1(a).

##### (ii) Asset management fees

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

##### (iii) Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses are Trustee's fees which are based on the applicable formula stipulated in Note 1(c).

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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

#### (t) Taxation

##### (i) Current income tax

Current income tax is the expected tax payable on the taxable income for the period, using tax rates and tax laws enacted or substantively enacted at the balance sheet date.

##### (ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax is not recognised for temporary differences that:

- Arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Are associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

##### (iii) Tax transparency

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the income tax treatment of the Trust. Subject to meeting the terms and conditions of the tax ruling which includes a distribution of at least 90% of the taxable income of the Trust, the Trustee will not be assessed to tax on the taxable income of the Trust. Instead, the distributions made by the Trust out of such taxable income are subject to tax in the hands of Unitholders, unless they are exempt from tax on the Trust's distributions (the "tax transparency ruling"). Accordingly, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate from the distributions made to Unitholders that are made out of the taxable income of the Trust, except:

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

A Qualifying Unitholder is a Unitholder who is:

- (i) A tax resident Singapore-incorporated company;
- (ii) A non-corporate Singapore constituted or registered entity (e.g. town council, statutory board, charitable organisation, management corporation, club and trade and industry association constituted, incorporated, registered or organised in Singapore);

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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

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

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

- (iii) A Singapore branch of a foreign company which has been presented a letter of approval from the Comptroller of Income Tax granting waiver from tax deducted at source in respect of distributions from the Trust;
- (iv) An agent bank or a Supplementary Retirement Scheme ("SRS") operator acting as nominee for individuals who have purchased Units in the Trust within the CPFIS or the SRS respectively; or
- (v) A nominee who can demonstrate that the Units are held for beneficial owners who are individuals or who fall within the classes of Unitholders listed in (i) to (iii) above.

The above tax transparency ruling does not apply to gains from the sale of real properties. Such gains, when determined by the IRAS to be trading gains, are assessable to tax on the Trustee. Where the gains are capital gains, the Trustee will not be assessed to tax and may distribute the capital gains without tax being deducted at source.

##### (iv) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the IRAS is included as part of receivables or payables on the Balance Sheets.

#### (u) Borrowing costs

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

#### (v) Segment reporting

For management purposes, the Group is organised into operating segments based on individual investment property within the Group's portfolio. The Manager regularly reviews the segment results in order to allocate resources to the segments and to assess the segments' performance. Additional disclosures on each of these segments are shown in Note 25, including the factors used to identify the reportable segments and the measurement basis of segment information.

#### (w) Units and unit issuance expenses

Proceeds from issuance of Units are recognised as Unitholders' funds. Incremental costs directly attributable to the issuance of Units are deducted against Unitholders' funds.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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

#### (x) Contingencies

A contingent liability is:

- A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Trust; or
- A present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Trust.

Contingent liabilities and assets are not recognised on the Balance Sheets, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

#### (y) Related parties

A related party is defined as follows:

- (I) *A person or a close member of that person's family is related to the Group if that person:*
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (II) *An entity is related to the Group if any of the following conditions applies:*
  - (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) both entities are joint ventures of the same third party.
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - (vi) the entity is controlled or jointly controlled by a person identified in (I).
  - (vii) a person identified in (I) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

### 3. INVESTMENT PROPERTIES

	Group and Trust	
	2014	2013
	\$'000	\$'000
At beginning	2,019,500	1,816,000
Purchase of an investment property	308,435	–
Capital expenditure	4,106	8,763
	<b>2,332,041</b>	<b>1,824,763</b>
Surplus on revaluation taken to Statements of Total Return	67,959	194,737
<b>At end</b>	<b>2,400,000</b>	<b>2,019,500</b>

The investment properties owned by the Group and the Trust are set out in the Portfolio Statements on pages 81 to 83.

Northpoint has been mortgaged as security for a \$264 million secured five-year term loan from DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited and Standard Chartered Bank (Note 12).

Bedok Point has been mortgaged as security for a \$70 million secured five-year term loan from DBS Bank Ltd (Note 12).

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

#### Valuation processes

Investment properties are stated at fair value based on valuations performed by external independent valuers who possess appropriate recognised professional qualifications and relevant experience in the location and property being valued. In accordance to CIS code, the Group rotates the independent valuers every two years.

In determining the fair value, the valuers have used valuation methods which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yields, terminal yields and discount rates. The Manager reviews the appropriateness of the valuation methodologies, assumptions and estimates adopted and is of the view that they are reflective of the market conditions as at 30 September 2014.

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

#### 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.

**NOTES TO THE FINANCIAL STATEMENTS**

30 SEPTEMBER 2014

**3. INVESTMENT PROPERTIES (CONT'D)**

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>At 30 September 2014</b>				
Non-financial assets				
Investment properties				
	-	-	2,400,000	2,400,000
<b>At 30 September 2013</b>				
Non-financial assets				
Investment properties				
	-	-	2,019,500	2,019,500

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 2014 \$'000	Valuation techniques	Key unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties	2,400,000	Capitalisation approach	Capitalisation rate	5.25% - 5.70%	The higher the rate, the lower the fair value.
		Discounted cash flow analysis	Discount rate	7.75% - 8.00%	The higher the rate, the lower the fair value.

A significant reduction in the capitalisation rate and/or discount rate in isolation would result in a significantly higher fair value of the investment properties.

The key unobservable inputs correspond to:

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

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 2014 \$'000	2013 \$'000
Surplus on revaluation	67,959	194,737
Amortisation of lease incentives	1,538	1,004
Surplus on revaluation recognised in Statements of Total Return	69,497	195,741

Direct operating expenses (including repairs and maintenance) arising from rental generating properties are disclosed on Note 17 to the financial statements.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements other than as disclosed in Note 26.

**NOTES TO THE FINANCIAL STATEMENTS**

30 SEPTEMBER 2014

**4. FIXED ASSETS**

	Equipment, furniture and fittings Group and Trust	2014	2013
	\$'000	\$'000	
<b>Cost</b>			
At beginning	308	277	
Additions	33	35	
Disposals	(17)	(4)	
At end	324	308	
<b>Accumulated depreciation</b>			
At beginning	187	148	
Charge for the year	41	43	
Disposals	(17)	(4)	
At end	211	187	
<b>Carrying amount</b>			
At beginning	121	129	
At end	113	121	

**5. INTANGIBLE ASSETS**

	Software Group and Trust	2014	2013
	\$'000	\$'000	
<b>Cost</b>			
At beginning	-	-	
Additions	90	-	
At end	90	-	
<b>Accumulated amortisation</b>			
At beginning	-	-	
Charge for the year	6	-	
At end	6	-	
<b>Carrying amount</b>			
At beginning	-	-	
At end	84	-	

**NOTES TO THE FINANCIAL STATEMENTS**

30 SEPTEMBER 2014

**6. INVESTMENT IN SUBSIDIARY**

	Trust	
	2014 \$'000	2013 \$'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	
		2014 %	2013 %
FCT MTN Pte. Ltd. <sup>(1)</sup>	Singapore	100	100

<sup>(1)</sup> Audited by Ernst & Young LLP, Singapore

FCT MTN Pte. Ltd. ("FCT MTN") is a wholly-owned subsidiary with share capital of \$2 comprising 2 ordinary shares. The principal activity of the subsidiary is the provision of treasury services, including lending to the Trust the proceeds from issuance of notes under an unsecured multicurrency medium term note programme.

**7. INVESTMENT IN ASSOCIATE**

	Group		Trust	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Quoted units, at cost	67,806	67,806	67,806	67,806
Share of post-acquisition reserves				
- operations	3,537	3,086	-	-
- revaluation surplus	17,377	15,857	-	-
Translation difference	[7,449]	[8,263]	-	-
	81,271	78,486	67,806	67,806
Allowance for impairment	(6,759)	(6,759)	(3,963)	(3,963)
	74,512	71,727	63,843	63,843
Fair value of investment based on published price quotation	73,361	73,568	73,361	73,568

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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

Details of the associate are as follows:

Name of associate	Place of incorporation/business	Effective equity interest held by the Group and Trust	
		2014 %	2013 %
Hektar Real Estate Investment Trust <sup>(1)</sup>	Malaysia	31.17	31.17

<sup>(1)</sup> Audited by SJ Grant Thornton, Malaysia

Hektar Real Estate Investment Trust ("H-REIT") is a real estate investment trust constituted in Malaysia by a trust deed dated 5 October 2006. H-REIT units are listed on the Main Board of Bursa Malaysia Securities Berhad. The principal investment objective of H-REIT is to invest in income-producing real estate in Malaysia used primarily for retail purposes.

As the results of H-REIT are not expected to be announced in sufficient time to be included in the Group's results for the quarter ended 30 September 2014, the Group has estimated the results of H-REIT for the quarter ended 30 September 2014 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% (2013: 10%) withholding tax in Malaysia.

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

	2014 <sup>(2)</sup> \$'000	2013 <sup>(3)</sup> \$'000
<b>Assets and liabilities</b>		
Non-current assets	414,567	413,434
Current assets	10,965	12,001
<b>Total assets</b>	<b>425,532</b>	<b>425,435</b>
Current liabilities	8,233	13,107
Non-current liabilities	178,427	174,004
<b>Total liabilities</b>	<b>186,660</b>	<b>187,111</b>
<b>Results</b>		
Revenue	47,331	45,696
Expenses	(29,360)	(29,087)
Revaluation surplus	4,914	7,865
<b>Total return for year</b>	<b>22,885</b>	<b>24,474</b>

<sup>(2)</sup> The financial information is based on the latest available unaudited management accounts as at 30 June 2014 and for the six months ended 30 June 2014 and the pro-rated six month results from the audited financial statements for the period ended 31 December 2013.

<sup>(3)</sup> The financial information is based on the unaudited management accounts as at 30 June 2013 and for the six months ended 30 June 2013 and the pro-rated six month results from the audited financial statements for the period ended 31 December 2012.

As at 30 September 2014 and 2013, the associate's property portfolio comprises Subang Parade in Selangor, Mahkota Parade in Melaka, Wetex Parade in Muar, Johor, Central Square and Landmark Central in Kedah.

**NOTES TO THE FINANCIAL STATEMENTS**

30 SEPTEMBER 2014

**8. TRADE AND OTHER RECEIVABLES**

	Group and Trust	
	2014 \$'000	2013 \$'000
Trade receivables	1,964	1,373
Allowance for doubtful receivables	(69)	(86)
Net trade receivables	1,895	1,287
Deposits	63	77
Prepayments	273	199
Other receivables	17	2
Amounts due from related party (trade)	932	–
<u>Loan arrangement fees</u>	<u>2,156</u>	<u>1,891</u>
	5,336	3,456

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

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

The Group and the Trust have trade receivables amounting to \$1,895,000 (2013: \$1,287,000) 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	
	2014 \$'000	2013 \$'000
<b>Trade receivables past due but not impaired:</b>		
Less than 30 days	1,685	866
30 to 60 days	128	243
61 to 90 days	39	34
91 to 120 days	5	76
More than 120 days	38	68
	1,895	1,287

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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

#### (ii) Trade receivables that are impaired

The Group's and the Trust's trade receivables that are impaired at the balance sheet date and the movements of the allowance account used to record the impairment are as follows:

	Group and Trust	
	2014	2013
	\$'000	\$'000
Trade receivables	69	86
Allowance for impairment	(69)	(86)
	-	-
 Movement in allowance account:		
At beginning	86	90
Impairment loss recognised	41	104
Written back	(57)	(70)
Allowance utilised	(1)	(38)
At end	69	86

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.

### 9. 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	
	2014	2013
	\$'000	\$'000
Cash at bank and on hand	18,741	25,706
Fixed deposits	23,000	14,000
	41,741	39,706

The weighted average effective interest rate for fixed deposits is 0.69% (2013: 0.22%) per annum.

**NOTES TO THE FINANCIAL STATEMENTS**

30 SEPTEMBER 2014

**10. TRADE AND OTHER PAYABLES**

	Group		Trust	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Trade payables and accrued operating expenses	21,011	24,765	21,025	24,774
Amounts due to related parties (trade)	6,055	4,637	6,055	4,637
Deposits and advances	4,625	3,625	4,625	3,625
Interest payable	3,838	3,654	3,838	3,654
Other payables	28	28	28	28
Withholding tax	191	928	191	928
Fair value of interest rate swaps	4,147	8,025	4,147	8,025
	39,895	45,662	39,909	45,671

Included in trade payables and accrued operating expenses is an amount due to the Trustee of \$65,578 (2013: \$56,246).

Included in amounts due to related parties are amounts due to the Manager of \$3,716,792 (2013: \$3,186,015) and the Property Manager of \$2,337,699 (2013: \$1,451,172) respectively. The amounts due to related parties are unsecured, interest free and payable within the next 3 months.

The Trust entered into contracts to exchange, at specified intervals, the difference between floating rate and fixed rate interest amounts calculated by reference to agreed notional amounts. As at balance sheet date, the Trust has interest rate swaps for:

- (i) notional contract amount of \$100 million that matures in April 2015;
- (ii) notional contract amount of \$159 million that matures in July 2016; and
- (iii) notional contract amount of \$42 million that matures in June 2015.

The fair value of the interest rate swaps is determined using valuation technique as disclosed in Note 23(b). The Group does not apply hedge accounting.

**NOTES TO THE FINANCIAL STATEMENTS**

30 SEPTEMBER 2014

**11. DEFERRED INCOME**

	Group and Trust	
	2014	2013
	\$'000	\$'000
<b>Cost</b>		
At beginning	2,913	2,812
Additions	1,175	872
Fully amortised	(941)	(771)
At end	3,147	2,913
<b>Accumulated amortisation</b>		
At beginning	1,659	1,444
Charge for the year	1,026	986
Fully amortised	(941)	(771)
At end	1,744	1,659
<b>Net deferred income</b>	<b>1,403</b>	<b>1,254</b>
This comprises:		
Current portion	778	704
Non-current portion	625	550
	1,403	1,254

**NOTES TO THE FINANCIAL STATEMENTS**

30 SEPTEMBER 2014

**12. INTEREST-BEARING BORROWINGS**

	Group		Trust	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Non-current liabilities</b>				
Term loans (secured)	334,000	334,000	334,000	334,000
Term loan (unsecured)	150,000	–	150,000	–
Loan from subsidiary (unsecured)	–	–	160,000	195,000
Medium Term Notes (unsecured)	160,000	195,000	–	–
	644,000	529,000	644,000	529,000
<b>Current liabilities</b>				
Loan from subsidiary (unsecured)	–	–	95,000	60,000
Medium Term Notes (unsecured)	95,000	60,000	–	–
	95,000	60,000	95,000	60,000

a) Term loans (secured)

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

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

- a mortgage over Northpoint;
- an assignment of the rights, benefits, title and interest of the Trust in, under and arising out of the insurances effected in respect of Northpoint;
- an assignment and charge of the rights, benefits, title and interest of the Trust in, under and arising out of the tenancy agreements, the sale agreements, the performance guarantees (including sale proceeds and rental proceeds) and the bank accounts arising from, relating to or in connection with Northpoint; and
- a first fixed and floating charge over all present and future assets of the Trust in connection with Northpoint.

- (ii) In December 2011, the Trust entered into a facility agreement with DBS Bank Ltd for a secured five-year term loan of \$70 million (the “\$70 million Secured Term Loan”).

The \$70 million Secured Term Loan is principally secured by the following:

- a mortgage over Bedok Point;
- an assignment of the rights, benefits, title and interest of the Trust in, under and arising out of the insurances effected in respect of Bedok Point;
- an assignment and charge of the rights, benefits, title and interest of the Trust in, under and arising out of the tenancy agreements, the sale agreements, the performance guarantees (including sale proceeds and rental proceeds) and the bank accounts arising from, relating to or in connection with Bedok Point; and
- a first fixed and floating charge over all present and future assets of the Trust in connection with Bedok Point.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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

#### b) Term loan (unsecured)

On 9 June 2014, the Trust entered into a facility agreement with DBS Bank Ltd and Citibank N.A., Singapore branch for an unsecured term loan of \$150 million. The unsecured term loan, which has 2 repayment dates in June 2017 and June 2019, bears interest at swap-offer rate plus respective margins.

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

On 7 May 2009, the Group through its subsidiary, FCT MTN, established a \$500,000,000 Multicurrency Medium Term Note Programme ("FCT MTN Programme"). With effect from 14 August 2013, the maximum aggregate principal amount of notes that may be issued under the FCT MTN Programme is increased from \$500,000,000 to \$1,000,000,000. Under the FCT MTN Programme, FCT MTN may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes (the "Notes") in Singapore dollars or any other currency.

The Notes may be issued in various amounts and tenors, and may bear interest at fixed, floating, hybrid or variable rates of interest. Hybrid notes or zero coupon notes may also be issued under the FCT MTN Programme.

The Notes shall constitute direct, unconditional, unsubordinated and unsecured obligations of FCT MTN ranking pari passu, without any preference or priority among themselves, and pari passu with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of FCT MTN. All sums payable in respect of the Notes are unconditionally and irrevocably guaranteed by the Trustee.

As at 30 September 2014, the aggregate balance of the Notes issued by the Group under the FCT MTN Programme amounted to \$255 million (2013: \$255 million), consisting of:

- (i) \$25 million (2013: \$25 million) Fixed Rate Notes which mature on 12 February 2015 and bear a fixed interest rate of 3.500% per annum payable semi-annually in arrear;
- (ii) \$70 million (2013: \$70 million) Fixed Rate Notes which mature on 12 June 2015 and bear a fixed interest rate of 2.300% per annum payable semi-annually in arrear;
- (iii) \$30 million (2013: \$30 million) Fixed Rate Notes which mature on 12 June 2017 and bear a fixed interest rate of 2.850% per annum payable semi-annually in arrear;
- (iv) \$70 million (2013: \$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; and
- (v) \$60 million (2013: \$Nil) 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.

\$60 million Fixed Rate Notes which bear a fixed interest rate of 2.80% per annum were repaid in January 2014.

#### d) Unsecured revolving credit facilities

The Trust has obtained unsecured revolving credit facilities amounting to \$30 million (2013: \$30 million). As at 30 September 2014, total borrowings drawn down by the Trust on these facilities amounted to \$Nil (2013: \$Nil).

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

### 13. 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	
	2014 \$'000	2013 \$'000
At beginning	8,263	5,371
Net effect of exchange differences arising from translation of financial statements of foreign operations	(814)	2,892
<b>At end</b>	<b>7,449</b>	<b>8,263</b>

### 14. UNITS IN ISSUE

	Group and Trust	
	2014 No. of Units '000	2013 No. of Units '000
<b>Units in issue</b>		
At beginning	824,383	823,200
<b>Issue of Units</b>		
- private placement	88,000	-
- issued as satisfaction of acquisition fee	1,662	-
- issued as satisfaction of asset management fees	1,370	1,183
<b>At end</b>	<b>915,415</b>	<b>824,383</b>
<b>Units to be issued</b>		
- as asset management fees payable in Units	364	322
<b>Total issued and issuable Units at end</b>	<b>915,779</b>	<b>824,705</b>

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.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

### **14. UNITS IN ISSUE (CONT'D)**

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.

### **15. NET ASSET VALUE PER UNIT**

	Group		Trust	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Net asset value per Unit is based on:				
Net assets	1,698,677	1,462,355	1,687,994	1,454,462
	'000	'000	'000	'000
Total issued and issuable Units (Note 14)	915,779	824,705	915,779	824,705

### **16. GROSS REVENUE**

	Group and Trust	
	2014	2013
	\$'000	\$'000
Gross rental income	149,453	140,329
Turnover rental income	8,290	7,802
Carpark income	4,729	4,472
Others	6,282	5,356
	168,754	157,959

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

### 17. PROPERTY EXPENSES

	Group and Trust	
	2014	2013
	\$'000	\$'000
Property tax	15,312	14,144
Utilities	5,347	6,220
Maintenance	13,601	10,233
Property management fees	6,490	6,102
Marketing expenses	4,394	4,586
Allowance for doubtful receivables	41	104
Write back of allowance for doubtful receivables	(57)	(70)
Bad debts written off	-	5
Depreciation of fixed assets	41	43
Amortisation of intangible assets	6	-
Staff costs <sup>(1)</sup>	3,132	2,648
Carpark expenses	1,561	1,644
Others	790	710
	50,658	46,369

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

The Group does not have any employees.

### 18. BORROWING COSTS

	Group and Trust	
	2014	2013
	\$'000	\$'000
Interest expense	17,734	17,030
Amortisation of loan arrangement fees	753	674
	18,487	17,704

### 19. ASSET MANAGEMENT FEES

Asset management fees comprise \$6,964,460 (2013: \$5,940,568) of base fee and \$5,904,820 (2013: \$5,579,496) of performance fee computed in accordance with the fee structure as disclosed in Note 1(b) to the financial statements.

An aggregate of 1,412,672 (2013: 1,181,891) Units were issued or are issuable to the Manager as satisfaction of the asset management fees payable for the financial year ended 30 September 2014.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

### 20. TAXATION

	Group		Trust	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Reconciliation of effective tax</b>				
Net income	85,139	80,916	85,135	80,914
Income tax using Singapore tax rate of 17% (2013: 17%)	14,474	13,756	14,473	13,755
Non-tax deductible items	974	811	974	811
Income not subject to tax	778	755	778	755
Income exempt from tax	(16,226)	(15,322)	(16,225)	(15,321)
	—	—	—	—

### 21. 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	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Total return for year after tax	165,063	287,766	163,087	284,964
	'000	'000	'000	'000
Weighted average number of Units in issue	855,116	823,948	855,116	823,948

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

### 22. 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	
	2014 \$'000	2013 \$'000
Property management fees and reimbursement of expenses paid/payable to the Property Manager <sup>(1)</sup>	14,598	13,861
Acquisition fees paid in units to the Manager in relation to the acquisition of an investment property <sup>(1)</sup>	3,050	—
Reimbursement of expenses paid/payable to the Manager	92	25
Reimbursement of expenses paid/payable to a subsidiary of a Unitholder	10	4
Recovery of expenses paid on behalf of a subsidiary of a Unitholder	(8)	—
Recovery of net income receivable from related company of the Manager	(904)	—
Acquisition of an investment property from related company of the Manager	305,000	—

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

**NOTES TO THE FINANCIAL STATEMENTS**

30 SEPTEMBER 2014

**23. FAIR VALUE OF ASSETS AND LIABILITIES**

- (a) *Assets and liabilities measured at fair value*

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>At 30 September 2014</b>				
Financial liabilities				
Interest rate swaps	-	4,147	-	4,147
<b>At 30 September 2013</b>				
Financial liabilities				
Interest rate swaps	-	8,025	-	8,025

During the financial years ended 30 September 2014 and 2013, there have been no transfers between the respective levels.

- (b) *Level 2 fair value measurements*

Interest rate swap contracts are valued using present value calculations by applying market observable inputs existing at each balance sheet date into swap models. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

- (c) *Fair value of financial liabilities that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair values*

The following fair values, which are determined for disclosure purposes, are estimated by discounting expected future cash flows at market incremental lending rates for similar types of lending or borrowing arrangements at the balance sheet date:

	As at 30.9.2014		As at 30.9.2013	
	\$'000		\$'000	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Group and Trust</b>				
<b>Financial liabilities:</b>				
Interest-bearing borrowings (non-current)	644,000	645,728	529,000	532,921
Security deposits (non-current)	25,277	25,016	21,990	21,667
	669,277	670,744	550,990	554,588

- (d) *Fair value of financial assets and liabilities that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values*

The carrying amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

### 24. FINANCIAL RISK MANAGEMENT

#### (a) Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains a strong and healthy capital structure in order to support its business and maximise Unitholder value.

The Group is subject to the aggregate leverage limit as defined in the Property Fund Guidelines of the CIS Code. The CIS Code stipulates that borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 35.0% of the fund's depository property. The Aggregate Leverage of a property fund may exceed 35.0% of its depository property (up to a maximum of 60.0%) only if a credit rating from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public.

As at 30 September 2014, the Group's Aggregate Leverage stood at 29.3% (2013: 27.6%) of its depository property, which is within the limit set by the Property Fund Guidelines and externally imposed capital requirements. The Trust has maintained its corporate ratings of "BBB+" from Standard and Poor's and "Baa1" from Moody's.

#### (b) Financial risk management objectives and policies

Exposure to credit, interest rate and liquidity risks arises in the normal course of the Group's business. The Manager continually monitors the Group's exposure to the above risks. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures risks.

##### (i) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Manager has established credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with customers. Credit risk is also mitigated by the rental deposits held for each of the customers. In addition, receivables are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Manager has established an allowance account for impairment that represents its estimate of losses in respect of trade receivables due from specific customers. Subsequently when the Group is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Balance Sheets. At the balance sheet date, approximately 4.8% (2013: 5.9%) of the Group's trade receivables were due from 5 tenants who are reputable companies located in Singapore.

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

Information regarding financial assets that are either past due or impaired is disclosed in Note 8.

**NOTES TO THE FINANCIAL STATEMENTS**

30 SEPTEMBER 2014

**24. 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 hundred basis points increase or decrease in interest rate at the balance sheet date, with all other variables held constant, would decrease or increase the Group's total return for the year and Unitholders' funds by approximately \$3,295,000 (2013: \$6,288,000), arising mainly as a result of change in the fair value of interest rate swap instruments. On outstanding borrowings not covered by financial derivatives at the balance sheet date, it is estimated that a twenty five points increase in interest rate, with all other variables held constant, would decrease the Group's total return for the year and Unitholders' funds by approximately \$458,000 and a twenty five basis points decrease in interest rate, with all other variables held constant, would increase the Group's total return for the year and Unitholders' funds by approximately \$380,000, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

### **24. 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
<b>As at 30 September 2014</b>				
<b>Group</b>				
Trade and other payables	35,748	-	-	35,748
Derivative financial instruments	4,147	-	-	4,147
Security deposits	18,520	25,720	10	44,250
Interest-bearing borrowings	109,756	663,919	644	774,319
	168,171	689,639	654	858,464
<b>Trust</b>				
Trade and other payables	35,762	-	-	35,762
Derivative financial instruments	4,147	-	-	4,147
Security deposits	18,520	25,720	10	44,250
Interest-bearing borrowings	109,756	663,919	644	774,319
	168,185	689,639	654	858,478
<b>As at 30 September 2013</b>				
<b>Group</b>				
Trade and other payables	37,637	-	-	37,637
Derivative financial instruments	8,025	-	-	8,025
Security deposits	15,347	22,188	-	37,535
Interest-bearing borrowings	75,108	552,498	2,744	630,350
	136,117	574,686	2,744	713,547
<b>Trust</b>				
Trade and other payables	37,646	-	-	37,646
Derivative financial instruments	8,025	-	-	8,025
Security deposits	15,347	22,188	-	37,535
Interest-bearing borrowings	75,108	552,498	2,744	630,350
	136,126	574,686	2,744	713,556

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

### 25. SEGMENT REPORTING

#### *Business segments*

The Group is in the business of investing in the following shopping malls, which are considered to be the main business segments: Causeway Point, Northpoint, Anchorpoint, YewTee Point, Bedok Point and Changi City Point. All these properties are located in Singapore.

Management monitors the operating results of the business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment information is presented in respect of the Group's business segments, based on its management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets, interest-bearing borrowings and their related revenue and expenses.

Segment capital expenditure is the total costs incurred during the year to acquire segment assets that are expected to be used for more than one year.

#### *Geographical segments*

The Group's operations are primarily in Singapore except for its associate, for which operations are in Malaysia.

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

### 25. SEGMENT REPORTING (CONT'D)

#### (a) Business segments

	Causeway Point \$'000	Northpoint \$'000	Anchorpoint \$'000	YewTee Point \$'000	Bedok Point \$'000	Changi City Point \$'000	Group \$'000
<b>2014</b>							
<i>Revenue and expenses</i>							
Gross rental income	68,530	44,469	7,724	12,024	9,597	7,109	149,453
Others	9,703	5,022	939	1,714	1,208	715	19,301
<b>Gross revenue</b>	<b>78,233</b>	<b>49,491</b>	<b>8,663</b>	<b>13,738</b>	<b>10,805</b>	<b>7,824</b>	<b>168,754</b>
Segment net property income	56,481	35,979	4,677	9,564	6,232	5,163	118,096
Interest income							82
Unallocated expenses*							(33,039)
Net income							85,139
Unrealised gain from fair valuation of derivatives							3,879
Share of results of associate							6,548
Surplus on revaluation of investment properties	50,079	17,179	6,865	6,996	(8,994)	(2,628)	69,497
<b>Total return for the year</b>	<b>165,063</b>						
<b>2013</b>							
<i>Revenue and expenses</i>							
Gross rental income	66,294	43,792	7,700	11,623	10,920	-	140,329
Others	8,834	5,012	929	1,533	1,322	-	17,630
<b>Gross revenue</b>	<b>75,128</b>	<b>48,804</b>	<b>8,629</b>	<b>13,156</b>	<b>12,242</b>	<b>-</b>	<b>157,959</b>
Segment net property income	54,533	35,343	4,678	9,671	7,365	-	111,590
Interest income							35
Unallocated expenses*							(30,709)
Net income							80,916
Unrealised gain from fair valuation of derivatives							3,866
Share of results of associate							7,243
Surplus on revaluation of investment properties	107,750	68,426	5,024	14,004	537	-	195,741
<b>Total return for the year</b>	<b>287,766</b>						

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

**NOTES TO THE FINANCIAL STATEMENTS**

30 SEPTEMBER 2014

**25. SEGMENT REPORTING (CONT'D)**

(a) Business segments (cont'd)

	Causeway Point \$'000	Northpoint \$'000	Anchorpoint \$'000	YewTee Point \$'000	Bedok Point \$'000	Changi City Point \$'000	Group \$'000
<b>As at 30 September 2014</b>							
<i>Assets and liabilities</i>							
Segment assets	1,063,291	658,580	94,646	169,113	123,511	310,256	2,419,397
Investment in associate							74,512
Unallocated assets							27,877
<b>Total assets</b>							<b>2,521,786</b>
Segment liabilities	33,591	16,196	3,343	5,207	4,537	8,849	71,723
Unallocated liabilities							
– Trade and other payables							12,386
– Interest-bearing borrowings							739,000
<b>Total liabilities</b>							<b>823,109</b>
<i>Other segmental information</i>							
Allowance for doubtful receivables	34	1	–	5	–	1	41
Bad debts written off	–	–	–	–	–	–	–
Write back of allowance for doubtful receivables	(35)	(3)	–	(13)	(6)	–	(57)
Amortisation of lease incentives	1,545	480	(26)	(4)	(264)	(193)	1,538
Depreciation of fixed assets	15	6	2	8	9	1	41
Amortisation of intangible assets	1	1	1	1	1	1	6
Capital expenditure							
– Investment properties	3,466	301	109	–	230	308,435	312,541
– Fixed assets	7	4	–	–	–	22	33
– Intangible assets	15	15	15	15	15	15	90

**NOTES TO THE FINANCIAL STATEMENTS**

30 SEPTEMBER 2014

**25. SEGMENT REPORTING (CONT'D)**

(a) Business segments (cont'd)

	Causeway Point \$'000	Northpoint \$'000	Anchorpoint \$'000	YewTee Point \$'000	Bedok Point \$'000	Changi City Point \$'000	Group \$'000
<b>As at 30 September 2013</b>							
<i>Assets and liabilities</i>							
Segment assets	1,020,933	640,956	87,433	162,443	134,599	-	2,046,364
Investment in associate						71,727	
Unallocated assets						16,419	
<b>Total assets</b>						<b>2,134,510</b>	
Segment liabilities	38,450	15,674	3,271	4,571	4,809	-	66,775
Unallocated liabilities							
– Trade and other payables						16,380	
– Interest-bearing borrowings						589,000	
<b>Total liabilities</b>						<b>672,155</b>	
<i>Other segmental information</i>							
Allowance for doubtful receivables	51	6	5	15	27	-	104
Bad debts written off	-	5	-	-	-	-	5
Write back of allowance for doubtful receivables	(52)	(4)	(4)	-	(10)	-	(70)
Amortisation of lease incentives	474	445	24	4	57	-	1,004
Depreciation of fixed assets	16	5	4	10	8	-	43
Amortisation of intangible assets	-	-	-	-	-	-	-
Capital expenditure							
– Investment properties	8,726	18	-	-	19	-	8,763
– Fixed assets	7	8	5	4	11	-	35

## NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

### **26. COMMITMENTS**

	Group and Trust	
	2014	2013
	\$'000	\$'000
<u>Capital expenditure contracted but not provided for</u>	2,406	5,966
The Group leases out its investment properties. Non-cancellable operating lease rentals receivable are as follows:		
	Group and Trust	Group and Trust
	2014	2013
	\$'000	\$'000
<u>Receivable:</u>		
Within 1 year	137,143	122,817
After 1 year but within 5 years	126,877	110,601
<u>After 5 years</u>	85	-
	<u>264,105</u>	<u>233,418</u>

### **27. 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.

### **28. SUBSEQUENT EVENTS**

On 23 October 2014, the Manager declared a distribution of \$25,506,000 to Unitholders in respect of the period from 1 July 2014 to 30 September 2014.

On 28 October 2014, the Trust issued 364,017 new Units at a price of \$1.9085 per Unit in payment of 20% of its management fees for the period from 1 July 2014 to 30 September 2014.

### **29. FINANCIAL RATIOS**

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

	Group	
	2014	2013
	%	%
<u>Expenses to weighted average net assets<sup>(1)</sup>:</u>		
- including performance component of asset management fees	0.96	1.01
- excluding performance component of asset management fees	0.57	0.58
<u>Portfolio turnover rate<sup>(2)</sup></u>	-	-

<sup>(1)</sup> The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Trust, excluding property expenses, interest expense and income tax expense.

<sup>(2)</sup> 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.

## U S E O F P R O C E E D S

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Status report on the specific use of the proceeds from the private placement of 88.0 million new units in the Trust (the "Private Placement") completed on 29 May 2014 and listed on 10 June 2014:

	Amount \$'million
Gross proceeds from the Private Placement	161.5
Use of proceeds for part finance the purchase consideration of Changi City Point, and professional and other fees and expenses incurred in connection with the acquisition	(161.5)
<b>Balance of Proceeds at end of financial year</b>	<b>-</b>

Such use of proceeds from the Private Placement is in accordance with the intended use of proceeds previously disclosed in the Trust's announcement dated 29 May 2014 in relation to, among other things, the Private Placement.

## S T A T I S T I C S O F U N I T H O L D E R S

### ISSUED AND FULLY PAID-UP UNITS

There were 915,779,232 Units (voting rights: one vote per Unit) outstanding as at 28 November 2014.

There is only one class of Units.

The market capitalisation was S\$1,735,401,645 based on closing unit price of S\$1.895 on 28 November 2014.

### TOP TWENTY UNITHOLDERS AS AT 28 NOVEMBER 2014

As shown in the Register of Unitholders

S/No	Unitholders	Number of Units	% of Total Units in Issue
1.	FCL Trust Holdings Pte. Ltd.	349,671,000	38.18
2.	HSBC (Singapore) Nominees Pte Ltd	131,154,405	14.32
3.	Citibank Nominees Singapore Pte Ltd	131,031,947	14.31
4.	DBS Nominees (Private) Limited	71,915,952	7.85
5.	DBSN Services Pte. Ltd.	32,949,005	3.60
6.	Frasers Centrepoint Asset Management Ltd	28,149,232	3.07
7.	NTUC Fairprice Co-operative Ltd	12,200,000	1.33
8.	Raffles Nominees (Pte) Limited	11,653,888	1.27
9.	United Overseas Bank Nominees (Private) Limited	10,227,000	1.12
10.	CIMB Securities (Singapore) Pte. Ltd.	8,817,000	0.96
11.	Bank Of Singapore Nominees Pte. Ltd.	8,490,000	0.93
12.	DB Nominees (Singapore) Pte Ltd	6,658,538	0.73
13.	BNP Paribas Securities Services Singapore Branch	3,759,269	0.41
14.	DBS Vickers Securities (Singapore) Pte Ltd	3,559,000	0.39
15.	OCBC Securities Private Limited	2,867,000	0.31
16.	UOB Kay Hian Private Limited	1,912,000	0.21
17.	Maybank Kim Eng Securities Pte. Ltd.	1,635,000	0.18
18.	Yap Chong Hin Gabriel	1,585,000	0.17
19.	BNP Paribas Nominees Singapore Pte Ltd	1,514,000	0.17
20.	OCBC Nominees Singapore Private Limited	1,439,000	0.16
<b>Total</b>		<b>821,188,236</b>	<b>89.67</b>

### UNITHOLDINGS OF DIRECTORS OF THE MANAGER AS AT 21 OCTOBER 2014

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

## STATISTICS OF UNITHOLDERS

### SUBSTANTIAL UNITHOLDERS AS AT 28 NOVEMBER 2014

	Direct Interest		Deemed Interest		Total	
	Number of Units	%	Number of Units	%	Number of Units Held	%
FCL Trust Holdings Pte. Ltd.	349,671,000	38.18%	-	-	349,671,000	38.18%
Frasers Centrepoint Limited <sup>(1)</sup>	-	-	377,820,232	41.26%	377,820,232	41.26%
Thai Beverage Public Company Limited <sup>(2)</sup>	-	-	377,820,232	41.26%	377,820,232	41.26%
International Beverage Holdings Limited <sup>(3)</sup>	-	-	377,820,232	41.26%	377,820,232	41.26%
InterBev Investment Limited <sup>(4)</sup>	-	-	377,820,232	41.26%	377,820,232	41.26%
TCC Assets Limited <sup>(5)</sup>	-	-	377,820,232	41.26%	377,820,232	41.26%
Charoen Sirivadhanabhakdi <sup>(6)</sup>	-	-	377,820,232	41.26%	377,820,232	41.26%
Khunying Wanna Sirivadhanabhakdi <sup>(7)</sup>	-	-	377,820,232	41.26%	377,820,232	41.26%
Schroder Investment Management Group	-	-	54,777,000 <sup>(8)</sup>	5.98%	54,777,000	5.98%

### 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.
therefore has a deemed interest in the units in FCT in which FCL has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (4) IBIL holds a greater than 20% interest in FCL;
  - FCL holds a 100% direct interest in each of FCAM and FCLT; and
  - FCAM and FCLT hold units in FCT.
IBIL therefore has a deemed interest in the units in FCT in which FCL has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (5) TCC Assets Limited ("TCCA") holds a majority interest in FCL;
  - FCL holds a 100% direct interest in each of FCAM and FCLT; and
  - FCAM and FCLT hold units in FCT.
TCCA therefore has a deemed interest in the units in FCT in which FCL has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (6) Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;
  - TCCA holds a majority interest in FCL;
  - FCL holds a 100% direct interest in each of FCAM and FCLT; and
  - FCAM and FCLT hold units in FCT.
Charoen Sirivadhanabhakdi therefore has a deemed interest in the units in FCT in which FCL has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (7) Khunying Wanna Sirivadhanabhakdi and her spouse, Charoen Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;
  - TCCA holds a majority interest in FCL;
  - FCL holds a 100% direct interest in each of FCAM and FCLT; and
  - FCAM and FCLT hold units in FCT.
Khunying Wanna Sirivadhanabhakdi therefore has a deemed interest in the units in FCT in which FCL has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore).
- (8) Based on information provided by Schroder Investment (Singapore) Ltd. on 2 December 2014.

## S T A T I S T I C S O F U N I T H O L D E R S

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### DISTRIBUTION OF HOLDINGS

Size of Holdings	Number of Unitholders	Percentage of Unitholders	Number of Units	Percentage of Units in Issue
1 to 999	21	0.36	3,482	0.00
1,000 to 10,000	4,429	75.67	20,646,017	2.25
10,001 to 1,000,000	1,379	23.56	69,120,497	7.55
1,000,001 and above	24	0.41	826,009,236	90.20
<b>Total</b>	<b>5,853</b>	<b>100.00%</b>	<b>915,779,232</b>	<b>100.00%</b>

### LOCATION OF UNITHOLDERS

Country	Number of Unitholders	Percentage of Unitholders	Number of Units	Percentage of Units in Issue
Singapore	5,601	95.69	910,847,732	99.46
Malaysia	165	2.82	3,618,000	0.40
Others	87	1.49	1,313,500	0.14
<b>Total</b>	<b>5,853</b>	<b>100.00%</b>	<b>915,779,232</b>	<b>100.00%</b>

### FREE FLOAT

Based on information made available to the Manager as at 28 November 2014, approximately 58.74% 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 of less than \$100,000 each)
	\$'000
<b>Frasers Centrepoint Limited and its subsidiaries or associate</b>	
- Asset management fees	12,869
- Acquisition fees	3,050
- Property management fees	4,991
- Reimbursement of expenses	3,399
<b>HSBC Institutional Trust Services (Singapore) Limited</b>	
- Trustee's fees	363

Save 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 22 in the financial statements.

Fees payable to the Manager and the Property Manager on the basis of, and in accordance with, the terms and conditions set out in the Trust deed dated 5 June 2006 (as amended) and/or the prospectus dated 27 June 2006 are not subject to Rules 905 and 906 of the SGX-ST's Listing Manual. Accordingly, such fees are not subject to aggregation and other requirements under Rules 905 and 906 of the SGX-ST's Listing Manual.

### SUBSCRIPTION OF THE TRUST UNITS

As at 30 September 2014, an aggregate of 915,415,215 Units were in issue. On 28 October 2014, the Trust issued 364,017 Units to the Manager as asset management fees for the period from 1 July 2014 to 30 September 2014.

### NON-DEAL ROADSHOW EXPENSES

Non-deal roadshow expenses of \$42,409 (2013: \$22,183) were incurred during the year ended 30 September 2014.

N O T I C E   O F   A N N U A L   G E N E R A L   M E E T I N G



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

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 6th Annual General Meeting of FRASERS CENTREPOINT TRUST ("FCT") will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on 23 January 2015 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 year ended 30 September 2014.

**Resolution (2)**

2. To re-appoint Ernst & Young LLP as Auditors of FCT and to hold office until the conclusion of the next Annual General Meeting, and to authorise the Manager, to fix their remuneration.

**SPECIAL BUSINESS**

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without any modifications:

3. That authority be and is hereby given to the Manager, to

- (a) (i) issue units in FCT ("**Units**") whether by way of rights, bonus or otherwise; and/or  
(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

- (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force),

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. 50% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders of FCT ("**Unitholders**") does not exceed twenty per cent 20% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

## NOTICE OF ANNUAL GENERAL MEETING

- (2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:
- (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and
  - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the deed of trust constituting FCT (as amended) (the “**Trust Deed**”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) unless revoked or varied by Unitholders in a general meeting, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next Annual General Meeting of FCT or (ii) the date by which the next Annual General Meeting of FCT is required by the applicable law or regulations to be held, whichever is earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager may issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the Manager, any director of the Manager (“**Director**”) and the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director, or, as the case may be, the Trustee may consider expedient or necessary or in the interest of FCT to give effect to the authority conferred by this Resolution.

(Please see Explanatory Note)

### OTHER BUSINESS

4. To transact any other business which may properly be brought forward.

Frasers Centrepoint Asset Management Ltd.  
(Company Registration No: 200601347G)  
As manager of Frasers Centrepoint Trust

Piya Treruangrachada  
Company Secretary

Singapore, 24 December 2014

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A Unitholder entitled to attend the meeting and vote is entitled to appoint not more than two proxies to attend and vote instead of him; a proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, he shall specify the proportion of his unitholdings to be represented by each proxy. The instrument appointing a proxy or proxies (a form is enclosed) must be deposited with the company secretary of the Manager at the registered office of the Manager not less than 48 hours before the time appointed for holding the meeting.

## NOTICE OF ANNUAL GENERAL MEETING

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### **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 date of the next Annual General Meeting, to issue Units and to make or grant instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units, if any), of which up to 20% may be issued other than on a pro rata basis to Unitholders.

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time the Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

### **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 (or its agents) for the purpose of the processing and administration by the Manager (or its 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 (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes") and (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager (or its 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 (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

### **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 will 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. For investors who have used their CPF money to buy units in Frasers Centrepoint Trust, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
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. CPF Investors who wish to attend the Annual General Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with the Company Secretary, Frasers Centrepoint Asset Management Ltd. (Agent Banks: please see note No. 8 on required format).
4. **PLEASE READ THE NOTES TO THE PROXY FORM.**

### PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxyies 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 24 December 2014.

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport Number)

of \_\_\_\_\_ (Address)

being a unitholder/unitholders of Frasers Centrepoint Trust ("FCT"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 2)	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 2)	
			No. of Units	%

or both of whom failing, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Annual General Meeting of FCT to be held at 10.00 a.m. on 23 January 2015 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/their discretion, as he/they may on any other matter arising at the Annual General Meeting.

**NOTE: The Chairman of the AGM will be exercising his right under paragraph 9 of Schedule 1 of the Deed of Trust constituting FCT (as amended and restated) to demand a poll in respect of the resolutions to be put to the vote of unitholders at the AGM and at any adjournment thereof. Accordingly, such resolutions at the AGM will be voted on by way of poll.**

NO.	RESOLUTIONS RELATING TO:	No. of Votes For*	No. of Votes Against*
<b>ROUTINE BUSINESS</b>			
1.	To receive and adopt the Trustee's Report, the Statement by the Manager and the Audited Financial Statements of FCT for the year ended 30 September 2014		
2.	To re-appoint Ernst & Young as Auditors of FCT and authorise the Manager to fix their remuneration		
<b>SPECIAL BUSINESS</b>			
3.	To authorise the Manager to issue Units and to make or grant convertible instruments		
<b>OTHER BUSINESS</b>			
4.	To transact any other business which may properly be brought forward		

\* 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 Shares in the boxes provided.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015

**Total number of Units held (Note 4)**

Signature(s) of Unitholder(s)/Common Seal



fold and seal here

**IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW**

**Notes To Proxy Form**

1. A unitholder of FCT ("Unitholder") entitled to attend and vote at the meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a Unitholder. The instrument appointing a proxy or proxies must be deposited with the Company Secretary of the Manager at its registered office at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, not less than 48 hours before the time appointed for holding the meeting.
2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. 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.
4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his name in the Depository Register maintained by the Central Depository [Pte] Limited ("CDP"), he should insert that number of Units. If the Unitholder has Units registered in his 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 his name in the Register of Unitholders, he 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.
5. 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.
6. 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.
7. 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 his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by CDP to the Manager.
8. Agent Banks (as defined below) acting on the request of CPF investors who wish to attend the meeting as Observers are required to submit in writing, a list with details of the investors' names, NRIC/Passport numbers, addresses and numbers of Units held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Manager not later than 48 hours before the time appointed for holding the meeting. Agent Banks are banks appointed to maintain Unitholders' CPF Investment Accounts under the CPF Investment Scheme-Ordinary Account.

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Affix  
Postage  
Stamp

The Company Secretary  
Frasers Centrepoint Asset Management Ltd.  
(as manager of Frasers Centrepoint Trust)  
438 Alexandra Road  
#21-00 Alexandra Point  
Singapore 119958

fold here





**FRASERS CENTREPOINT ASSET MANAGEMENT LTD.**

As Manager of Frasers Centrepoint Trust  
Company Registration Number: 200601347G

438 Alexandra Road  
#21-00 Alexandra Point  
Singapore 119958

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