



GROWING WITH US.

Fraser's Centrepont Trust annual report 2007





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FRASERS CENTREPOINT TRUST

Frasers Centrepoint Trust (FCT) is a leading retail real estate investment trust (REIT) focused on growing shareholder value for its unitholders through active asset management, sound financial management and strategic investments.

FCT invests primarily in quality income-producing retail properties. Its portfolio consists of three quality suburban malls in Singapore with a combined appraised value of S\$988.5 million as at 30 September 2007. The well-established malls of Causeway Point, Northpoint and Anchorpoint, enjoy wide captive markets, good connectivity, high occupancy and a strong and sustainable income stream. FCT has an interest in an underlying portfolio of quality suburban regional malls in Malaysia through a 27% strategic investment in Hektar REIT.

Listed on the Main Board of the Singapore Exchange Securities Trading Limited since 5 July 2006, FCT has outperformed its distribution forecasts and made substantial progress in planting the seeds for future organic and acquisition growth.

FCT is managed by Frasers Centrepoint Asset Management Ltd., the real estate asset and fund management division of Frasers Centrepoint Limited, a wholly-owned subsidiary of Fraser and Neave, Limited.



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OUR VISION

Our vision is to be **“Your Malls of Choice”** to our stakeholders:

Tenants, Shoppers and Investors.

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

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

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

OUR MISSION

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

FINANCIAL HIGHLIGHTS

For The Period 5 June 2006 to 30 September 2007

In SGD	Actual	Forecast	Variance
Gross Revenue	S\$94.9m	S\$92.5m	2.6%
Net Property Income	S\$63.8m	S\$61.7m	3.3%
Distributable Income	S\$49.3m	S\$44.7m	10.3%
Distribution per Unit (DPU)	7.89 cts	7.21 cts	9.4%

For The Period 1 October 2006 to 30 September 2007

In SGD	Actual	Forecast	Variance
Gross Revenue	S\$77.5m	S\$75.4m	2.7%
Net Property Income	S\$51.7m	S\$50.1m	3.2%
Distributable Income	S\$40.4m	S\$36.3m	11.1%
Distribution per Unit (DPU)	6.55 cts	5.85 cts	12.0%

For the Financial Year Ended 30 September

In SGD	2007	2006	2005*
Total Assets	S\$1,054.3m	S\$954.5m	S\$937.7m
Total Liabilities	S\$339.0m	S\$283.6m	S\$296.8m
Total Borrowings	S\$258.9m	S\$258.7m	S\$258.6m
Net Assets	S\$715.3m	S\$671.0m	S\$640.9m
NAV per Unit	S\$1.16	S\$1.09	S\$1.04

* Year 2005 financial data is proforma

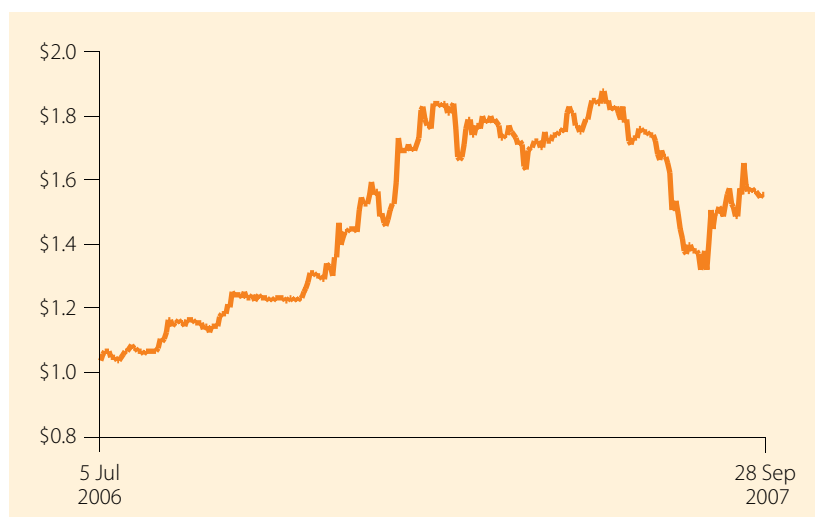
Unit Performance

Total Return **	59.2%
IPO Issue Price	S\$1.03
28 September 2007 Close	S\$1.56
Capital Appreciation	51.5%
Distribution Yield ***	4.2%

** Based on DPU of 8.00 cents for the period from 5 July 2006 to 30 September 2007

*** Based on DPU of 6.55 cents for the period from 1 October 2006 to 30 September 2007 (12 months) and the 30 September 2007 closing price of \$1.56 per unit

FCT Unit Price from 5 July 2006 to 28 September 2007



Source: Bloomberg LLP

Unit Price Statistics

IPO Issue Price	S\$1.03
Period High Close	S\$1.89
Period Low Close	S\$1.05
Period Average Close	S\$1.49
Period Close	S\$1.56
Unit Price Appreciation	51.5%

Achieving Promising Results

We have been firing well on all cylinders, exceeding revenue and distribution per unit targets for the period. This was primarily driven by proactive mall asset enhancements and active lease management, enabling FCT to improve asset yields and deliver enhanced returns to Unitholders.





LETTER TO UNITHOLDERS

We exceeded our revenue targets and kept costs well under control as we proactively manage our assets to deliver enhanced returns to Unitholders.

On behalf of the Board of Directors of Frasers Centrepoint Asset Management Ltd (FCAM), the manager of Frasers Centrepoint Trust (FCT), we are pleased to present the inaugural Annual Report for FCT for the period ended 30 September 2007.

FCT was listed on 5 July 2006 on the Main Board of the Singapore Exchange Securities Trading Limited. The overwhelming response from retail and institutional investors to FCT's IPO was an endorsement of the quality of its management, assets, earnings and growth plans and the merits of a developer-sponsored REIT.

FCT achieved a better than expected distribution per unit (DPU) of 8.00 cents for the period from 5 July 2006 (date of listing) to 30 September 2007, 11.0 % higher than the forecast provided in our initial offering prospectus. We exceeded our revenue targets and kept costs well under control as we proactively manage our assets to deliver enhanced returns to Unitholders. FCT posted S\$93.8 million in gross revenue and S\$62.7 million in net property income for the period from 5 July 2006 to 30 September 2007.

For this financial period, we have delivered a total return of 59.2% as at 30 September 2007. FCT's unit price closed at S\$1.56 on 28 September 2007, representing a 51.5% appreciation over the unit price at IPO. FCT's unit price hit an all time high of S\$1.91 in June 2007, but retreated as global stock markets continue to assess the impact of the US sub-prime credit market.

Foundation for Growth

We achieved several milestones since our IPO, as we laid the ground for FCT's future growth. In August and November 2006, we announced the planned acquisition of Northpoint 2 and a greenfield development project in Bedok Town Centre respectively, by our Sponsor, Frasers Centrepoint Limited (FCL). The two malls are currently under development and will form part of the FCT pipeline of assets to be acquired. In January 2007, we extended the visibility of our acquisition pipeline with the announcement of the planned acquisition of YewTee Point upon its completion. Together with the acquisition of The Centrepoint Strata Lots at the appropriate time, we expect to double FCT's net lettable area to more than 1.2 million square feet.

We also embarked on our overseas growth strategy with the acquisition of a 27% stake in Hektar Real Estate Investment Trust (Hektar), a pure retail REIT listed on the Main Board of Bursa Malaysia Securities Berhad in May 2007. The investment is not only yield accretive but also strategic, as it provides FCT a strong platform for entry and growth in the Malaysia market. Hektar currently owns 1 million square feet of quality retail space in two suburban malls. As part of a strategic multi-tiered partnership with the Hektar Group, FCL also acquired 40% of Hektar Asset Management Sdn Bhd (the manager for Hektar). There is potential for

future collaboration between FCL and the Hektar Group in real estate projects to provide acquisition growth opportunities for both FCT and Hektar.

Capital and Risk Management

Our financial position remains strong. As at 30 September 2007, our gearing ratio stood at 29.2%, well within the limit set by the Property Funds Guidelines. We restructured our term loan to minimize interest rate volatility and have in place, additional credit facilities to strengthen our debt funding capacity. As at 30 September 2007, all of our debt is fixed rate debt.

In March 2007, FCT was assigned a corporate rating of "A3" with a stable outlook by Moody's Investors Services. Moody's "A3" investment grade rating is equivalent to a rating of "A-" by other major rating agencies. The rating affirms the quality and growth potential of our assets and provides FCT with financial flexibility to fund future growth. We will continue to proactively manage our debt strategy to optimize FCT's capital structure.

Portfolio Performance

Our malls performed well, with the occupancy rate of Causeway Point and Northpoint close to 100%, as at 30 September 2007. Anchorpoint's occupancy rate of 52% at the end of the same period was the result of planned vacancy to facilitate the asset enhancement for the property which commenced in May 2007.

We embarked on several asset enhancement initiatives to improve asset yields. Overall, we achieved strong rental renewal growth, averaging 12.8% for the period from 1 October 2006 to 30 September 2007 compared to preceding rents.

Causeway Point, underwent a major reconfiguration of the seventh floor in September 2006, which resulted in an enhanced food and beverage offering and tenant mix. We achieved a 19% increase in gross rent and an ROI of 7.1% from the exercise, exceeding our targets of 11% and 6.7% respectively.

The repositioning of Anchorpoint to a village mall concept is underway and is scheduled for completion in end November 2007. Though proactive asset management, we are pleased to report that as of end September 2007, approximately 90% of the 66,749 sq ft of lettable area affected has been committed or are in advanced stages of discussion. Upon completion, Anchorpoint's asset enhancement is expected to increase annual gross revenue from the property by approximately 36%, with an ROI of 10.6%.

As we progress into the new year, FCT remains committed in its objective to deliver steady growth to Unitholders.

We also continuously strive to diversify our sources of revenue and maximize income from common areas. To this extent, we have stepped up the leasing of atrium space at our malls and increased the number of push carts leased. For the year ended 30 September 2007 revenue from atrium and push cart leasing amounted to S\$1.8 million compared to S\$1.1 million in the previous year.

Our malls continued to attract healthy shopper traffic. Causeway Point and Northpoint, positioned as suburban, family-oriented malls, drew 26.0 million and 18.4 million shoppers in financial year 2007.

FCT's asset value increased to S\$988.5 million as at 30 September 2007 from S\$936.0 million as at 30 September 2006, reflecting the value created at the malls. Correspondingly, FCT's net asset value rose to S\$1.16 per unit as at 30 September 2007 compared to S\$1.09 per unit in the previous corresponding period.

Looking Forward

As we progress into the new year, FCT remains committed in its objective to deliver steady growth to Unitholders.

Asset enhancement initiatives to further improve the concepts, tenant mix and layout of our malls will continue. We target to commence on our second mall asset enhancement initiative at Northpoint in first quarter 2008. Northpoint will be fully integrated with Northpoint 2, creating a single seamless shopping mall with a total net lettable area of approximately 233,000 sq ft, to dominate the Yishun trade area. The enlarged Northpoint will be the heartbeat of the North, infusing new life and vibrancy into the community that the mall has been serving over the past 14 years. The S\$30 million asset enhancement program will be executed in three phases and completion is expected by end June 2009.

We are well positioned for positive rental reversions in a strong economic environment and tight retail market. Approximately 28% of our net lettable area will be due for renewal in financial year 2008. This presents opportunities to restructure leases with GTO and step-up clauses, which would contribute to organic growth. We target to have 75% of our leases with GTO and step-up clauses by the end of financial year 2009, compared to approximately 20% currently. We will also take the opportunity to create more leases with smaller net lettable areas to increase the retail offering to shoppers, as well improve rental rates per sq ft.

We will continue to seek more acquisition opportunities, both from our Sponsor and from third parties. Our cost of capital is competitive and we have the financial flexibility and capacity to achieve favourable returns on invested capital.

Barring unforeseen circumstances, we expect FY2008 to be another stellar year for FCT.

Acknowledgements

We would like to thank our Board of Directors for their invaluable advice and unwavering support throughout the last year. Dr Han Cheng Fong stepped down from the Board in October 2007. We would like to thank Dr Han for his invaluable contribution and guidance and wish him well in his future endeavours.

We would also like to extend our appreciation to tenants, shoppers, business partners and staff for their invaluable contribution to our performance. Last but not least, we thank you, our Unitholders, for your trust and confidence in us.



MR LIM EE SENG

Acting Chairman



MR CHRISTOPHER TANG

Chief Executive Officer

KEY MILESTONES

July 2006

Frasers Centrepoint Trust listed on the Singapore Exchange with a portfolio of three quality suburban malls valued at S\$915 million and NLA of 638,486 sq ft. At the listing price of S\$1.03 per unit, FCT's market capitalization was S\$615 million.

August 2006

Northpoint 2 added to FCT's acquisition pipeline. Northpoint 2 is located adjacent to Northpoint and upon completion, will be fully integrated with Northpoint Shopping Centre.



September 2006

FCT, via Star Topaz, raised S\$260 million through the issuance of CMBS under a S\$1.0 billion Medium Term Note Program. The CMBS was rated Aaa by Moody's and AAA by Fitch.

FCT won the Most Transparent Company Award 2006 (New Issues Category) at the 7th Investors Choice Awards organized by the Securities Investors Association of Singapore.

November 2006

A greenfield development in Bedok town centre, currently termed as "Bedok Mall", was added to FCT's acquisition pipeline. To be developed as a lifestyle mall, "Bedok Mall" will be located in the largest HDB township after the three regional centres: Jurong West, Woodlands and Tampines.



January 2007

Acquisition pipeline increased to four identified assets with the addition of YewTee Point. FCT's Singapore portfolio NLA exceeds 1.2 million sq ft with the addition of pipeline assets.



March 2007

Assigned a first-time corporate 'A3' rating by Moody's Investors Services, providing FCT with greater flexibility in executing future strategies and programs

September 2007

FCT closed its first financial year at S\$1.56 per unit, reflecting a price appreciation of over 51% from its IPO price of S\$1.03 per unit.

May 2007

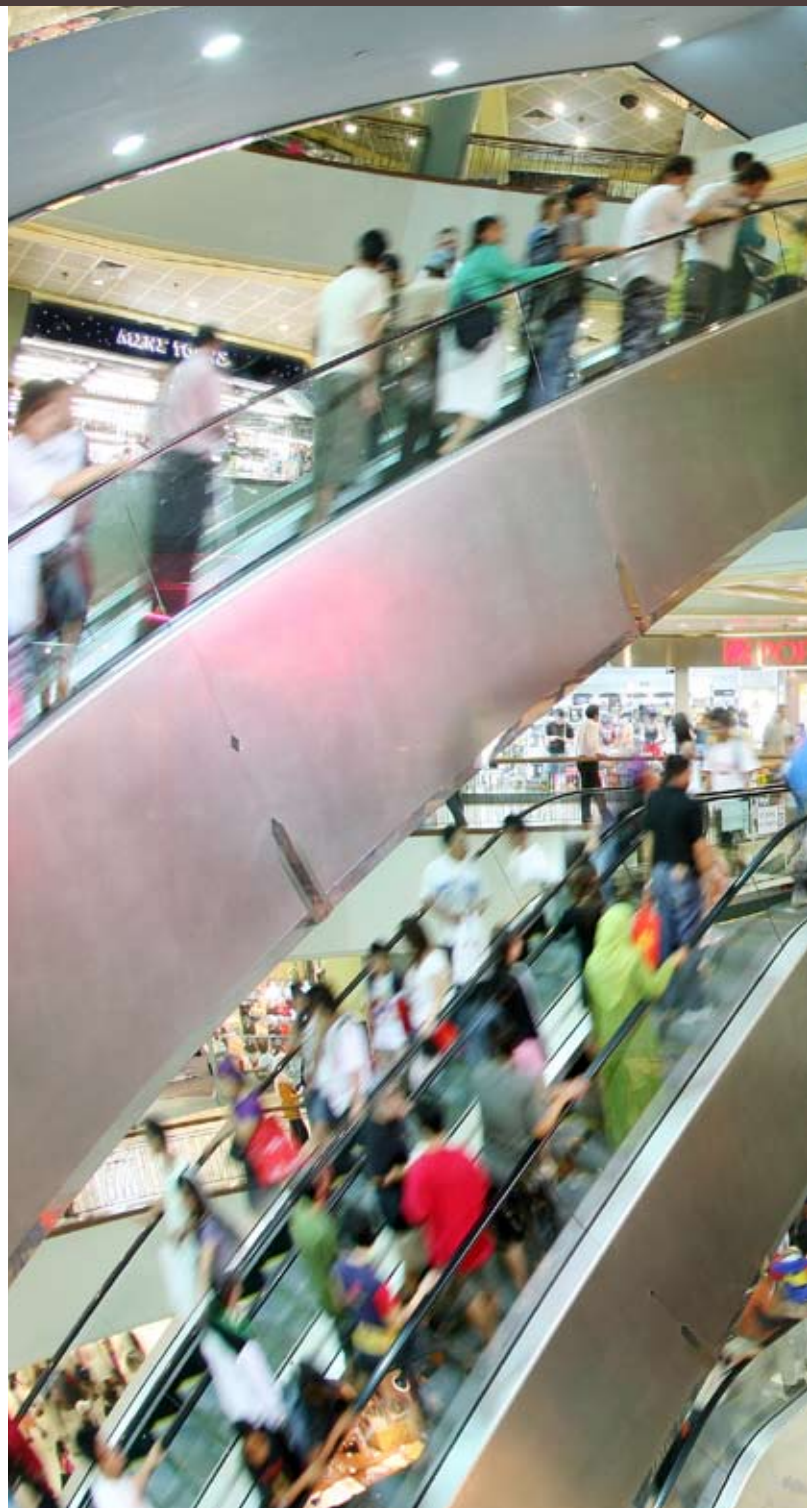
FCT acquired a 27% stake in Hektar REIT, giving FCT interest in two quality suburban malls in Malaysia and setting the platform for FCT's overseas growth expansion. This increased FCT's investment portfolio NLA, which includes pipeline assets under development, by 74% to more than 2.2 million sq ft.

Anchorpoint asset enhancement commenced as the first in a series of three mall asset enhancement initiatives. The asset enhancement repositioned Anchorpoint with a village mall concept offering a wider range of F&B and retail concepts.



Building Platforms For Growth

Underlying the platform for clear and steady growth for FCT over the next 24 months are four strategic growth thrusts. Driven by a strong management team, with strong asset and financial management skills and experience, Unitholders can look forward to sustainable and growing returns from Frasers Centrepoint Trust.





STRATEGIC DIRECTION

Frasers Centrepoint Trust's primary focus is to be a leading retail mall owner and manager delivering sustainable DPU growth through four strategic growth thrusts. The four thrusts are building up a pipeline of quality malls for future injection into FCT; growth through increasing rental reversions; growth through asset enhancement initiatives (AEI); and growth through overseas expansion.

Since its inception, FCT has been firing well on all four fronts, and has set the platform for steady growth over the next 24 months. The four growth thrusts provide Unitholders with clarity of steady growth and certainty of FCT's ability to deliver sustainable DPU growth.

FRASERS CENTREPOINT TRUST FOUR STRATEGIC GROWTH THRUSTS



Growth Through Rental Reversions

Driven by strong branding, active asset enhancement initiatives, the strong domestic economy and the buoyant retail sector, FCT continued to make strong rental reversions with new and renewed leases. In FY2007, FCT recorded an increase of 12.8% above preceding rates for new and renewed leases. With more than 63% of leases expiring in FY2008 and FY2009, FCT is well positioned to benefit from strong organic growth through rental reversions and active leasing over the next 24 months.

Fraser's Centrepoint Trust's primary focus is to be a leading retail mall owner and manager delivering sustainable DPU growth through four strategic growth thrusts.

Active Leasing: Strong Rental Reversions

FY2007: Period from 1 October 2006 to 30 September 2007

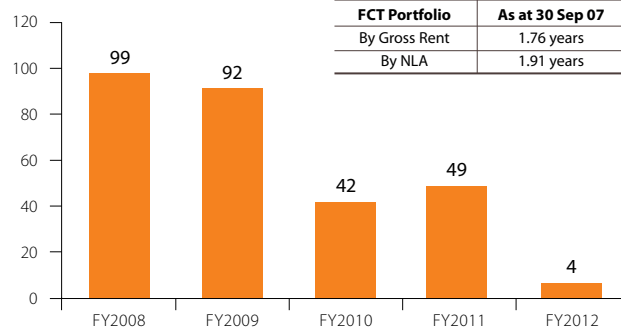
Property	No of Renewals / New Leases	Net Lettable Area		Increase in Current vs Forecast Rents	Increase in Current vs Preceding Rents
		Area (sq ft)	% Total NLA		
Anchorpoint ⁽¹⁾	1	1,561	2%	8.3%	0.0%
Northpoint ⁽¹⁾	8	5,483	4%	8.1%	7.3%
Causeway Point	62	76,780	18%	11.4%	13.4%
FCT Portfolio	71	83,824	13%	11.1%	12.8%

Notes:

(1) Exclusive all 1-year extensions of leases in view of pending asset enhancement works.

Portfolio Lease Expiry Profile

Expiring Leases



Weighted Average Lease Term to Expiry

FCT Portfolio	As at 30 Sep 07
By Gross Rent	1.76 years
By NLA	1.91 years

Expires as % Total NLA	28.1%	29.1%	12.1%	9.2%	14.3%
NLA (sq ft) Expiring	178,914	185,174	77,057	58,339	90,842
Expires as % Total Gross Rental Inc	32.8%	30.5%	11.9%	12.7%	10.3%

Notes: As of 30 September 2007



Growth Through Asset Enhancement

During the year, FCT embarked on its first in a series of three mall asset enhancements with the repositioning of Anchorpoint. At a cost of approximately S\$12 million, the repositioning of Anchorpoint with a village-mall concept affords visitors a new shopping and F&B experience at the new Anchorpoint. The repositioned mall will have a strong F&B offering with a wide range of retail concepts in cozy village mall setting. Further, Anchorpoint will feature a unique cluster of outlet concepts with signings that include Charles & Keith, FOS, G2000, Club Marc, City Chain, Giordano and Capital Optical.

The repositioning is expected to be completed at the end of November 2007 and over 90% of Anchorpoint's net lettable area has been committed or in advanced stages of discussions as of September 2007. Anchorpoint's average rent per square foot is expected to increase over 36% from its current S\$5.32 to S\$7.20. The enhancement is expected to have a return on investment of 10.6% and projected to have an accretion of approximately 3% to the portfolio's NPI.

FCT will embark on its second mall asset enhancement initiative at Northpoint in January/February 2008. Northpoint will be fully integrated with Northpoint 2, creating a single seamless shopping mall with a total net lettable area of approximately 233,000 sq ft, to dominate the Yishun trade area.

The 18 month asset enhancement program will elevate Singapore's pioneer suburban mall to the standards of newer malls. The asset enhancement will rejuvenate the mall with modern vertical transportation infrastructure, greater visibility of shops, better facilities, and an expanded retail mix and offer. Further, gross floor area will be transferred from the fourth floor to higher yielding areas on the first to third floors. In its place, a children's play area, complete with water features will be constructed on Northpoint's rooftop. The enlarged Northpoint will be the heartbeat of the North, infusing new life and vibrancy into the community that the mall has been serving over the past 14 years.

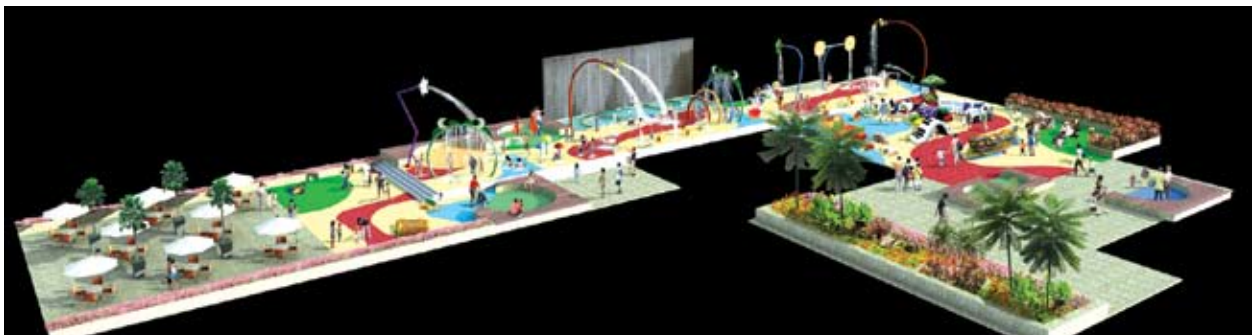
Northpoint's asset enhancement program will be executed in three phases and completion is expected by end June 2009. The average rental is expected to increase to S\$12.40 per sq ft from S\$11.00 and provide a return on investment of approximately 10%. The projected accretion to FCT's NPI is approximately 7%.



Artist Impression: New Northpoint Facade



Artist Impression: New Northpoint Interior



Artist Impression: New Northpoint Rooftop Play Area

As a developer sponsored REIT, FCT has the ability to leverage on its Sponsor's assets, experience and networks for growth in limited supply markets such as Singapore.

Pipeline For Future Injection

As a developer sponsored REIT, FCT has the ability to leverage on its Sponsor's assets, experience and networks for growth in limited supply markets such as Singapore. The Sponsor, Frasers Centrepoint Limited, has extended to FCT a 5-year right of first refusal over the Sponsor's assets in Singapore, effectively providing FCT with a potential acquisition pipeline of high quality strategically located retail malls.

This year, three Singapore malls were acquired and are awaiting injection into FCT: Northpoint 2, YewTee Point and Bedok Mall. Of these, Northpoint 2 is targeted to obtain Temporary Occupation Permit (TOP) and will be injected in fourth quarter 2008. Further, the Sponsor has entered into a Put and Call option with FCT to acquire Northpoint 2, giving Unitholders greater certainty of the injection pipeline. YewTee Point is expected to be injected in early 2009 and Bedok Mall in 2010. These three new malls together with The Centrepoint, will double FCT's current portfolio to more than 1.2 million sq ft of net lettable area.



Northpoint 2

Location: Yishun, adjacent to Northpoint
Expected NLA: approx 83,000 sq ft
Connectivity: Next to Yishun MRT and Bus Interchange



YewTee Point

Location: Choa Chu Kang
Expected NLA: approx 80,000 sq ft
Connectivity: Next to YewTee MRT



A Greenfield development at Bedok Town Centre (Bedok Mall)

Location: Bedok
Expected NLA: approx 80,000 sq ft
Connectivity: Next to Bedok MRT



The Centrepoint

Location: Orchard Road
Expected NLA: approx 390,000 sq ft
Connectivity: Next to Somerset MRT

Growth Through Overseas Expansion

FCT seeded a Malaysian growth platform in May 2007 through a strategic investment in Hektar Real Estate Investment Trust (Hektar), Malaysia's only pure retail REIT. The investment of a 27% stake in Hektar provides FCT with a yield-accretive investment in an underlying portfolio of prominent and high quality suburban regional malls in Malaysia, namely Subang Parade in Selangor and Mahkota Parade in Melaka. These retail malls have a total net lettable area of approximately 944,500 sq ft, house more than 230 major international and domestic retailers, and enjoy high transient traffic.

FCT will continue to evaluate overseas acquisitions with an opportunistic view, particularly in promising markets where the Sponsor has a presence. These countries would include Australia, China, Vietnam, and Malaysia.



MARKET OVERVIEW

Singapore Economy

The Singapore economy beat expectations, expanding by 8.1% for the first nine months of 2007 compared to the previous corresponding period. Singapore's GDP rose by 8.9% year-on-year in the third quarter, compared to growth rates of 8.7% in the second quarter and 6.5% in the first quarter. Growth was broad-based, with the manufacturing and construction sectors registering double-digit growth in the third quarter. The manufacturing sector gained momentum in the third quarter, with a year-on-year growth rate of 10.5%, fueled by strong growth in the biomedical manufacturing and transport engineering clusters.

The construction sector grew by 17.7% in the third quarter compared with 19.4% in the second quarter, on the back of the robust residential, commercial and industrial property market. Growth in the services producing industries grew by 8.3% in the third quarter, led by the financial services sector. The domestic banking industry continued to benefit from higher loan demand for building and construction activities, whilst the offshore banking sector was boosted by robust regional demand for financial services.

The unemployment rate fell to 1.7% in September 2007. The labour market saw healthy employment creation with total employment up by 57,600 in the third quarter, compared to second quarter's growth of 64,400. The services sector continued to lead in job creation with an increase of 34,500 jobs in third quarter. Inflation continues to be well under control and is projected to be below 1.5% for 2007 on average.

The Ministry of Trade and Industry has raised the full-year GDP growth forecast for 2007 from 5-7% to 7-8% on the back of higher growth in financial and business services, manufacturing and construction. The main risk to Singapore's growth however, is the potential spillover effects of the US sub-prime credit market and higher oil prices. For 2008, the Asian Development Bank is projecting a growth of 6%.

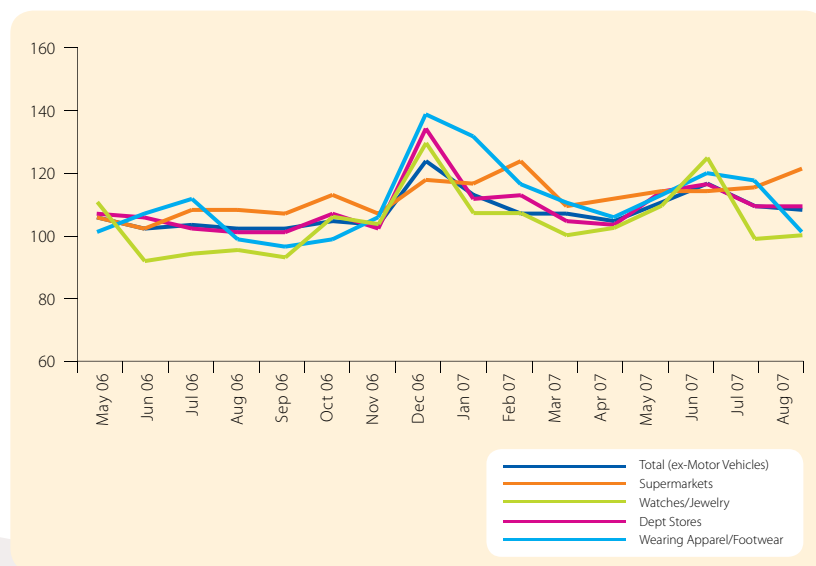
Singapore's domestic economy is however, more resilient to a downturn in the external environment than in the past, particularly with the turnaround in the construction sector. Furthermore, recent government initiatives have laid the foundation for growth in the longer term. Of significance, is the decision to allow the development of two Integrated Resorts with total investments in excess of S\$8 billion. Scheduled for completion in 2009, the Integrated Resorts are expected to add S\$2.7 billion to Singapore's annual GDP and generate 30,000 jobs by 2015.

Singapore Retail Market

The wholesale and retail trade sector posted a growth of 6.6% in third quarter compared with 8.4% in second quarter and 7.6% in first quarter of 2007. Excluding motor vehicles, retail sales rose by 5.7% in third quarter 2007, after registering a 11.0% growth in second quarter 2007. Retail expenditure in second quarter was likely accelerated due to the anticipated increase in the Goods and Services tax in July 2007.

Although retail sales in July 2007 fell on a month-on-month comparison to June, it grew by 7.5% year-on-year. In August 2007, retail sales grew further by 8% year-on-year, with most retail segments posting higher sales over a year ago. Department store and supermarket sales grew 11.6% and 15.4% year-on-year respectively during the same period. Other segments which saw particularly robust sales in August included provision and sundry shops (up 16.0% year-on-year) and recreational goods (up 11.0% year-on-year).

Retail Sales Index



Source : Department of Statistics

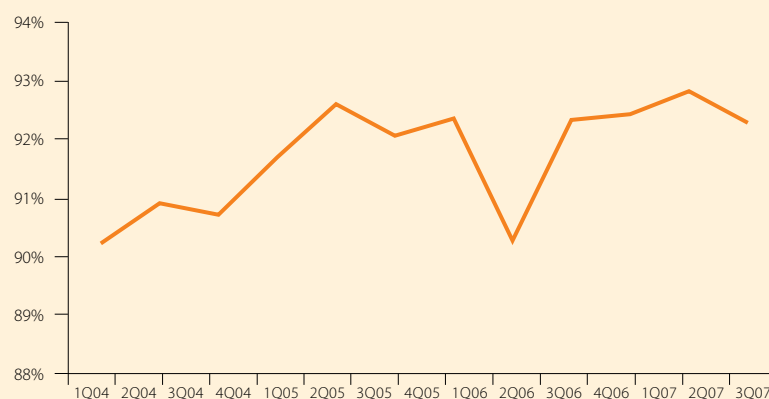
Mall managers and landlords have also played an important role in the rejuvenation of the retail sector in Singapore, partly contributing to the strength in retail rents and capital values.

The retail sector also benefited from a buoyant tourism sector. From January to September 2007, Singapore received 7.6 million visitors, a 5.3% growth over the same period a year ago. This is the highest recorded over January to September period for the Singapore tourism sector and is on track to meet the Singapore Tourism Board's full year target of 10.2 million for 2007. Indonesia, PR China, Australia, India and Malaysia were the top five visitor-generating markets for the first nine months of 2007. An estimated S\$6.4 billion in tourism receipts were received from January to June 2007, representing a 9.0% increase over the previous corresponding period. Tourist arrivals continued to grow with the latest available data for September 2007 showing a year on year increase of 7.1%.

The tourism industry will receive a boost from recent government initiatives to allow the development of Integrated Resorts in Singapore and as host for Formula One (F1) Grand Prix night racing for five years from September 2008. The F1 event, to be held at the Marina area, is expected to attract 40,000 racing enthusiasts from around the world annually.

The Singapore retail property market remained robust, given the favourable economic environment. According to the Urban Redevelopment Authority of Singapore ("URA"), the total retail stock stood at 34.8 million sq ft as at end June 2007 and approximately 64% of that is private sector owned. As at end September 2007, the average occupancy rate islandwide was 92.3%. In comparison, the retail sector saw an unusually high level of new supply of approximately 1.1 million sq ft in the second half of 2006 (primarily from Vivocity) which temporarily depressed the average occupancy rate to 90.3% as at third quarter 2006. In contrast, suburban retail malls, by virtue of their niche positioning, have consistently maintained occupancy rates of close to 100%.

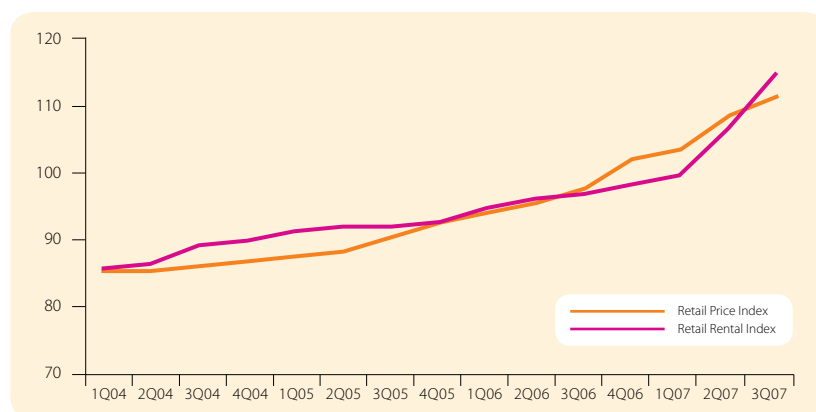
Occupancy Rate (Retail)



Source : Urban Redevelopment Authority

Despite the spike in new supply in 2006, retail rental rates have remained stable. The URA estimates that on average, retail rental rates increased by 8.1% in third quarter of 2007, compared to 7.1% in the second quarter, reflecting strong demand for retail space. The retail sector's buoyancy has also attracted new foreign entrants such as Promod (France) and Roots (Canada). Retail capital values have also been on a steady up-trend, increasing 9.5% from end-2006 to the end of third quarter 2007.

Price and Rental Index (Retail)



Source : Urban Redevelopment Authority

Mall managers and landlords have also played an important role in the rejuvenation of the retail sector in Singapore, partly contributing to the strength in retail rents and capital values. The entry of REITs and the management of malls under REIT Managers have stepped up the pace of asset enhancement and asset repositioning of malls, which strive to improve the shopping experience.

As at the end of June 2007, the URA estimates that 5.5 million sq ft of new retail space is expected to be completed between the second half of 2007 and 2010. Approximately 1.2 million sq ft of the expected stock will be in the prime Orchard Road belt, with the completion of three new shopping developments between late 2008 and 2010. Other sizeable projects outside the main shopping belt include City Square Mall (approximately 700,000 sq ft) in Kitchener Road and a warehouse retail development at Jurong East (approximately 540,000 sq ft).

Demand for the new supply is expected to be good, in view of the positive economic environment, strong consumer confidence and the anticipated increase in tourist arrivals. In addition, landlords typically seek lease commitments prior to completion, thereby easing the pressure on rental rates.

SINGAPORE REIT MARKET

Singapore is firmly entrenched as the REIT hub for Asia ex-Japan, having in place regulations and tax incentives that are progressive and attractive to both sponsors and investors. As at 30 September 2007, the sector comprised 18 listed REITs with a total market capitalization of S\$29.5 billion. This is an achievement in view of the short history, with the first Singapore REIT listed in 2002. As at end September 2007, REITs accounted for 3.7% of the total market capitalization of all listed companies on the SGX-ST.

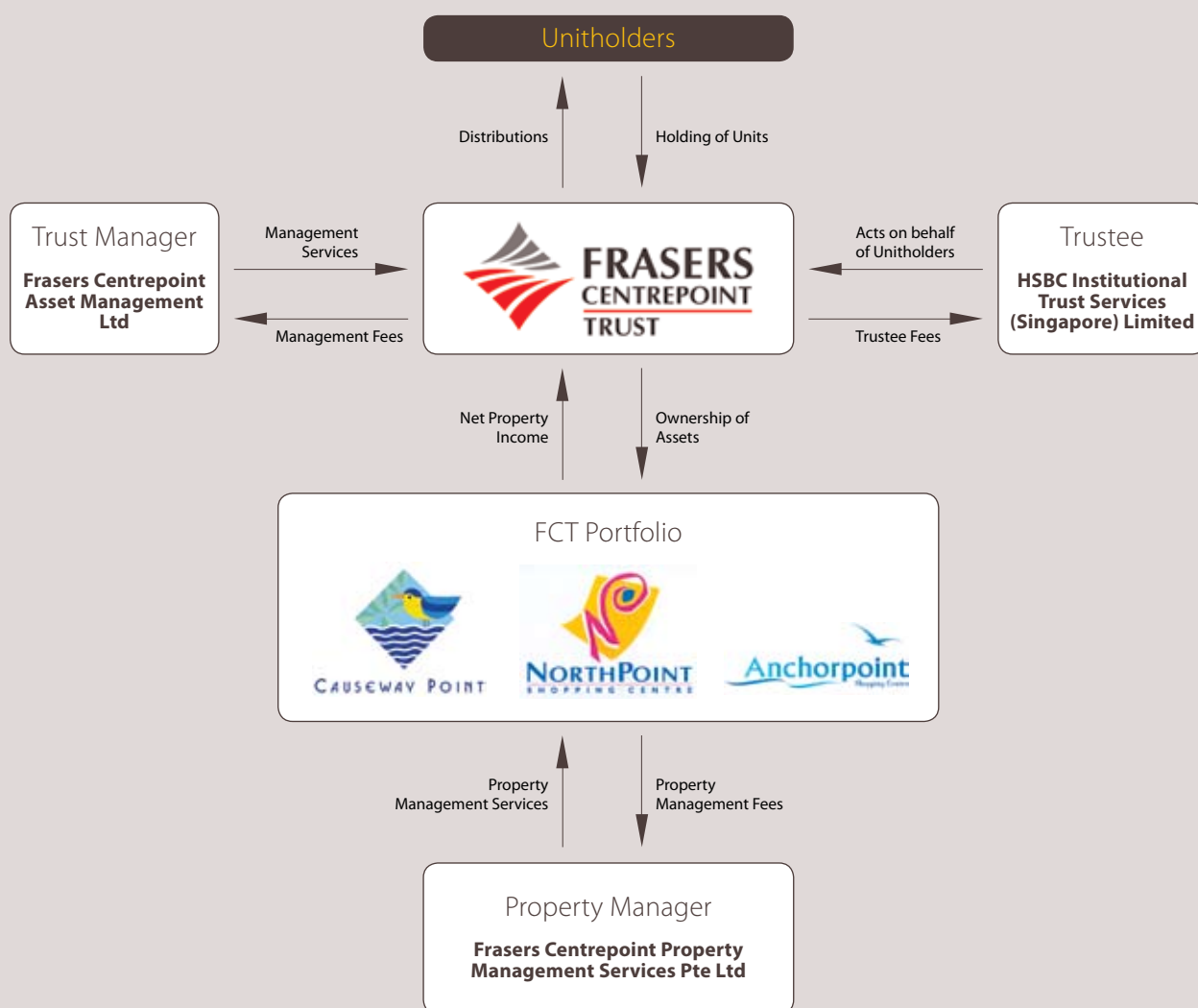
The increase in the market capitalization of Singapore REITs over the years has been two-fold. Other than new listings, existing REITs have also been aggressive in issuing new equity to fund accretive acquisitions. Between 2006 and year to date, approximately S\$2.7 billion has been raised in secondary offerings. REIT managers have successfully augmented asset management strategies with accretive acquisition strategies to deliver higher DPU to Unitholders.

Singapore's attractive REIT regulations have also made it a popular listing hub for cross-border REITs. As at end September 2007, there are four Singapore-listed REITs with pure overseas assets. Increasingly, REITs with Singapore assets have also ventured overseas to diversify their portfolios and take advantage of higher property yields in emerging Asian markets. This has added further depth to the sector.

The Property Funds Guidelines continue to be refined, to support the growing REIT sector. In recent years, the guidelines have allowed for a higher gearing limit of up to 60% of a fund's total assets (subject to a disclosed credit rating) as well the allowance for REITs to invest in property development (up to 10% of its total assets). In September 2007, further new measures were added to increase the transparency of disclosure to safeguard the interest of Unitholders and introducing a licensing framework for REIT managers.

Investor appetite for Singapore REITs is expected to remain good, both from institutional and retail investors. REITs satisfy demand for yield and security, and yet provide exposure to the on-going recovery and long-term growth of the Asian economies and property markets. Investor confidence in the sector is also robust, given Singapore's good corporate governance and the sector's transparency. Retail investor demand for REITs will stay strong, as Singapore's ageing population shifts towards lower risk investments in a low domestic interest rate environment.

ORGANISATIONAL STRUCTURE



THE BOARD OF DIRECTORS



From top left to bottom right :

Mr Lim Ee Seng • Mr Christopher Tang Kok Kai • Mr Bobby Chin Yoke Choong
Mr Anthony Cheong Fook Seng • Mr Philip Eng Heng Nee • Mr Soh Kim Soon

Mr Lim Ee Seng

Acting Chairman

Mr Lim Ee Seng is the Chief Executive Officer and a director of Frasers Centrepoint Limited (FCL). Mr Lim joined FCL in October 2004 where as its Chief Executive Officer he is responsible for the management and performance of the FCL group of companies' entire portfolio of real estate business that spans over 11 countries. These include property development, property investment, retail mall management, and an international chain of serviced apartments. Mr Lim has more than 26 years of experience in the real estate industry. From 1996 to October 2004, he was the Managing Director of MCL Land Limited. From 1989 to 1996, Mr Lim was the General Manager of the property division of First Capital Corporation Ltd. Mr Lim holds a Masters degree in Project Management and a Bachelors degree in Civil Engineering from the National University of Singapore. He is also a Board member of the Building & Construction Authority of Singapore, and a council member of the Singapore Chinese Chamber of Commerce & Industry from 2000 to 2004, and the current 2nd Vice President of the Real Estate Development Association of Singapore.

Mr Christopher Tang Kok Kai

Chief Executive Officer &
Executive Director

Mr Tang is Chief Executive Officer and director of Frasers Centrepoint Asset Management, the manager of Frasers Centrepoint Trust. Mr Tang has over 18 years of experience in asset management, investment management, marketing and operations in the real estate and manufacturing industries. He is one of the pioneers of real estate securitisation, having led many high profile real estate securitisation transactions with total value exceeding S\$2.5 billion in the past eight years. Mr Tang joined the Fraser & Neave Group in 2001 and was part of the senior management team responsible for strategic planning, business development as

well as the mergers and acquisition activities of Fraser & Neave. He played a key role in defining the strategic initiative for the Group to establish and list Frasers Centrepoint Trust. Prior to joining the F&N Group, Mr Tang held senior positions with DBS Bank, DBS Land and British Petroleum. He is also a Director of listed companies - China Dairy Group Ltd and Frasers Property (China) Limited. Mr Tang holds a Masters in Business Administration and a Bachelor of Science Degree from the National University of Singapore.

Mr Anthony Cheong Fook Seng

Non-Executive Director

Mr Cheong is Group Company Secretary and director of Fraser and Neave Limited. Mr Cheong joined the F&N Group in Times Publishing Limited as Corporate General Manager (Group Finance) and Company Secretary in 2001. Mr Cheong currently holds directorships in a number of F&N Group's subsidiaries including FCL, Fraser & Neave Holdings Bhd and Asia Pacific Investment Pte Ltd. Mr Cheong is a member of the Institute of Chartered Accountants in England and Wales and the Institute of Certified Public Accountants of Singapore.

Mr Bobby Chin Yoke Choong

Independent Non-Executive Director

Mr Chin was the Managing Partner of KPMG Singapore from 1992 until his retirement in 2005. Mr Chin has a degree in accountancy from the University of Singapore. He is a member of the Institute of Certified Public Accountants of Singapore and an associate member of the Institute of Chartered Accountants in England & Wales. Mr Chin is the Chairman of Singapore Totalisator Board and a member of the Competition Commission of Singapore. He serves as a director of several listed companies including Oversea-Chinese Banking Corporation Limited, The Straits Trading Company Limited, Yeo Hiap Seng Ltd, AV Jennings Ltd and Stamford Land Corporation Ltd.

Mr Philip Eng Heng Nee

Independent Non-Executive Director

Mr Eng was appointed Deputy Chairman of MCL Land Limited on 1 March 2005. He is non-executive Chairman of mDR Limited, Director of Singapore Computer Systems Limited, Frasers Centrepoint Asset Management Ltd, Chinese Development Assistance Council and Director/Chairman of Orchard Energy Pte Ltd. He is also President Commissioner of PT SCS Astragraphia Technologies and Commissioner of PT Adira Dinamika Multi Finance Tbk, Indonesia. Mr Eng is also appointed as Singapore's Ambassador to Greece. He joined Jardine Cycle & Carriage Limited in 1982 and retired as Group Managing Director in February 2005. He continues to provide services to the Group motor operations on an advisory basis. Mr Eng graduated from the University of New South Wales with a Bachelor of Commerce in Accountancy and is a member of the Institute of Chartered Accountants in Australia.

Mr Soh Kim Soon

Independent Non-Executive Director

Mr Soh is currently Chairman of ORIX Investment and Management Private Limited and ORIX Leasing Singapore Limited. Prior to this, Mr Soh was Senior Managing Director with DBS Bank, where he also held key senior positions in both business and support functions during his 29 year tenure. Mr Soh is currently on the Boards of two public-listed companies, namely EnGro Corporation Limited and Singamas Container Holdings Ltd. Mr Soh is a B.A. (Hons) graduate of the University of Singapore and an Associate of the Chartered Institute of Bankers.

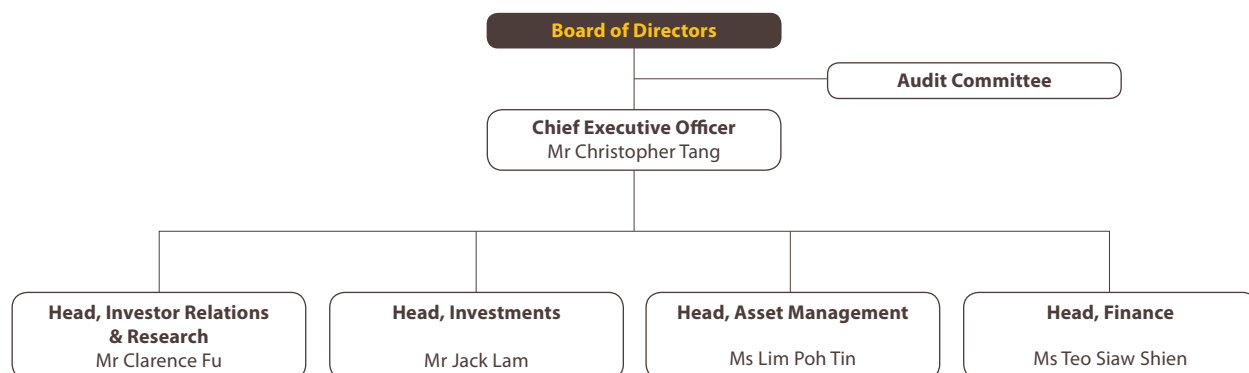
THE MANAGEMENT TEAM

FRASERS CENTREPOINT ASSET MANAGEMENT LTD.



From left to right :

Ms Teo Siaw Shien • Mr Jack Lam • Mr Christopher Tang • Ms Lim Poh Tin • Mr Clarence Fu



Mr Christopher Tang Kok Kai

Chief Executive Officer &
Executive Director

*Refer to Mr Tang's profile under the section on
The Board of Directors*

Mr Clarence Fu

Head, Investor Relations & Research

As the Head of Investor Relations & Research, Clarence is responsible for FCT's investor relations and corporate communications functions, and industry research and analysis. Clarence has over 10 years of investor relations experience with companies listed on the SGX-ST, NASDAQ and NYSE. Clarence was previously Director, Investor Relations with Chartered Semiconductor Manufacturing Ltd. As a key member of the investor relations team, his responsibilities were to manage the Singapore investor relations department, maintain proactive communication with the investment community, and develop communication and financial marketing tools such as annual reports, financial and corporate press releases, investor presentations and corporate website. Clarence holds a Master of Business Administration degree from Macquarie University, Australia, and a Bachelor of Engineering degree (with Honours) in Electrical and Computer Engineering from Stevens Institute of Technology, United States.

Mr Jack Lam

Head, Investments

As Head of Investments, Jack leads the Investment team which is responsible for identifying, evaluating and executing acquisition and investment initiatives in Singapore and overseas, with a view to enhancing FCT's asset portfolio and Unitholder return. He has over 13 years of experience in the local and regional property markets spanning investment, asset management, advisory and research. Jack was previously with CapitaLand Limited where he

was on the management team of CapitaMall Trust since the trust's listing in 2002. He was also Manager, Investment & Asset Management in CapitaLand Retail Limited and was actively involved in the company's acquisition and business development work in the region, including the acquisition and investment management of an extensive portfolio of retail assets spread across the People's Republic of China. Prior to this, Jack was Head, Advisory Services for the Singapore office of international property consultants, Cushman & Wakefield. Jack holds a Master of Business Administration in Finance (with Distinction) from the University of Leeds, UK and a Bachelor of Engineering (Civil) degree from the National University of Singapore.

Ms Lim Poh Tin

Head, Asset Management

Poh Tin is Head of Asset Management. Her portfolio includes 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. She has 20 years of real estate asset and property management experience. She was previously an asset manager at Lend Lease Real Estate Investments Pte Ltd, the manager of Parkway Parade Shopping Centre, where she was responsible for the on-going master-plans of Parkway Parade. Poh Tin was centre manager of Parkway Parade from 2000 to 2005 where she played a key part in its transformation. Prior to this, Poh Tin held various positions in centre, asset and property management with Cuscaden Properties Pte Ltd, Richard Ellis Pte Ltd, and Colliers Jardine. Poh Tin holds Diplomas in Building Maintenance and Management from Ngee Ann Technical College and Management Studies from Singapore Institute of Management. She obtained her Bachelor of Science Honours degree in Real Estate Management from Oxford Brookes University.

Ms Teo Siaw Shien

Head, Finance

Siaw Shien is Head of Finance. She is responsible for the finances of FCT and provides support in areas of secretariat compliance, taxation and treasury. She joined the FCL Group in 1994. As the senior finance manager of the FCL Group, she was primarily responsible for coordinating the FCL Group's budgetary process and all aspects of group accounting and financial reporting. Prior to this, Siaw Shien was with Ernst & Young where she engaged in the audits of companies from a wide range of industries including real estate, hospitality, manufacturing, and investment holding. Siaw Shien graduated from the National University of Singapore with a Bachelor of Accountancy degree. She is a Singapore Certified Public Accountant and is a member of the Institute of Certified Public Accountants of Singapore. Siaw Shien also holds a Master of Science (Real Estate) degree from the National University of Singapore.

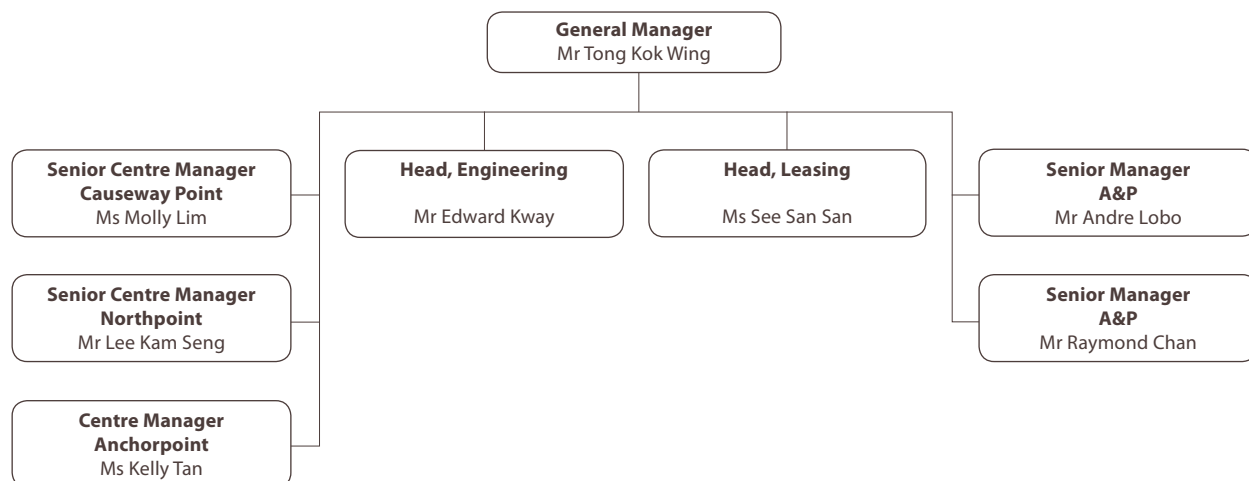
THE PROPERTY MANAGEMENT TEAM

FRASERS CENTREPOINT PROPERTY MANAGEMENT SERVICES PTE. LTD.



From left to right :

Mr Raymond Chan • Mr Andre Lobo • Ms See San San • Mr Tong Kok Wing • Mr Edward Kway • Ms Molly Lim • Ms Kelly Tan • Mr Lee Kam Seng



Mr Tong Kok Wing
General Manager

For the past 27 years, Kok Wing focused on the development, marketing and management of retail malls, both locally and overseas. Prior to joining the FCL Group, he was concurrently the General Manager of Parco Bugis Junction and the General Manager (Retail Management) in Keppel Land. Kok Wing was President of The Association of Shopping Centres, Singapore for four years. He is also a founding member of Retail Professional Network and its current Treasurer. He is a board member of National Fire Prevention Council and an advisor to Chinatown Street Market Committee. Kok Wing holds a degree in Estate Management. He is a member of both the Chartered Institute of Marketing and Singapore Institute of Surveyors and Valuers as well as a licensed appraiser of real estate.

Mr Edward Kway
Head, Engineering

Edward has over 25 years of experience in the building industry, of which 14 years was in the hospitality industry where he spent 9 years at Royal Plaza on Scotts as Director of Engineering. An Electrical Engineer by training, he has many years of experience in building services. Edward also holds a Bachelor of Business Management and Economics degree from Charles Sturt University, Australia. With this mix in academic training, Mr Kway is both an effective engineer and an excellent manager, able to help properties maximize operational efficiencies e.g. energy efficiency, business operation effectiveness and efficiency as well as cost saving measures.

Ms See San San
Head, Leasing

San San heads the leasing function across all seven malls in the FCL Group and has more than 18 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 Wotton, 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.

Mr Lee Kam Seng
Senior Centre Manager, Northpoint

Kam Seng has more than 21 years of experience in building and plant construction, and management of major shopping centres. In the last 12 years with the FCL Group, he has played a key role in the management of the group's investment properties and as Council Member of the Management Corporation of Compass Point Shopping Centre and Compass Heights. Kam Seng holds a Full Technological Certificate in Mechanical Engineering from the City and Guild Institute of London, United Kingdom. He is also a Certified Fire Safety Manager, certified by the Singapore Civil Defence Force and Ngee Ann Polytechnic.

Ms Molly Lim
Senior Centre Manager, Causeway Point

Molly has more than 14 years of experience in leasing commercial properties, which includes 11 years of shopping centre management. She has been actively involved in enhancing tenant mix, resolving legal tenancy issues and managing operational matters including safety and security, technical facilities, car park facilities and customer service. Molly was involved in formulating the standard operating procedures for lease documentation and office administration, overseeing customer service as well as facilitating the implementation of the division's balance scorecard initiatives. Molly graduated from the National University of Singapore with a Bachelor of Social Sciences (Honours) degree majoring in Economics. She also holds a Graduate Diploma in Business Administration from the Singapore Institute of Management.

Ms Kelly Tan
Centre Manager, Anchorpoint

Kelly joined the Group with more than 12 years of leasing experience spanning commercial,

industrial and retail sectors. Prior to this, she was played a key role in leasing at Capitaland Commercial Ltd and was Asset Manager at Ascendas Land Singapore Pte Ltd. Kelly was involved in asset enhancement and repositioning of Technopark@Chai Chee, and her retail experience also includes the marketing of Raffles City and Plaza Singapura. Kelly graduated from University of London with a Bachelor of Science (Economics) with 2nd Upper Class Honour and Diploma in Marketing from Chartered Institute of Marketing.

Mr Raymond Chan
Senior Manager, Advertising & Promotions

Mr Raymond Chan joined FCL with more than 13 years of experience in the shopping centre industry. He is responsible for marketing communications matters of the 7 retail properties under FCL and oversees the advertising & media production, sponsorship, promotions and shopping vouchers at the group level and in particular all A&P operations of FCT's malls. Prior to joining FCL, Raymond was one of the pioneer staff in the set-up of PARCO Bugis Junction. He also has experience in the set-up and management of a mall's A&P system & programmes in Japan and has played a key role in the opening of VivoCity. Prior to joining the property industry, Mr Chan spent over 8 years as a Foreign Service Officer with the Singapore Ministry of Foreign Affairs. Mr. Chan holds a joint Business Studies Diploma from Ngee Ann Technical College & Polytechnic of Central London

Mr Andre Lobo
Senior Manager, Advertising & Promotions

Andre joined FCL with over 20 years of experience in the industry. He oversees the advertising & promotional planning and public relations for Frasers Centrepoint Malls. Andre has contributed to the image building and marketing efforts of a number of notable organizations such as Bata Shoes, Max Factor Cosmetics, Sentosa Development Corporation, Singapore Zoological Gardens and Suntec City. Andre holds a Bachelors Degree in Business Administration from the National University of Singapore.

Growing The Portfolio

FCT's portfolio consists of three well-established quality suburban malls which enjoy wide captive markets, good connectivity, high occupancy, and a strong and sustainable income stream.





PORTFOLIO AT A GLANCE

Frasers Centrepoint Trust has a portfolio of three well-established suburban malls: Causeway Point, Northpoint and Anchorpoint, and through a 27% stake in Hectar, interest in Mahkota Parade and Subang Parade.

The competitive strengths of the portfolio are:

- **Strategically located malls with high levels of connectivity**
- **Large immediate catchment and trade areas**
- **Strong brand recognition**
- **High occupancy rates**
- **Large and diverse tenant base**
- **Quality tenant base**



CAUSEWAY POINT



NORTHPOINT



ANCHORPOINT

Portfolio Summary Table

	Causeway Point	Northpoint	Anchorpoint
Address	1 Woodlands Square Singapore 738099	930 Yishun Avenue 2 Singapore 769038	368 and 370 Alexandra Road Singapore 159952/3
Tenure (Expiry)	99-yr leasehold (year 2094)	99-yr leasehold (year 2089)	Freehold
NLA (Sep 07)	418,543 sq ft	149,243 sq ft	72,000 sq ft
Appraised Value (Sep 07)	S\$676 million	S\$266 million	\$47 million
% of Portfolio Value	68%	27%	5%
Occupancy	99.9%	100.0%	n.m. ⁽¹⁾
Visitors Traffic (FY2007)	25.9 million	18.4 million	n.m. ⁽¹⁾
Shops	261	106	95
Carpark Lots	915	194	130
Top 5 Tenants	Courts, Metro Cold Storage, Horizon Food Mall, John Little	Cold Storage, Food-Link, Popular, John Little, Harvey Norman	Cold Storage, Koufu, Tung Lok, Standard Chartered Bank, Watson
Gross Revenue (FY2007)	S\$51.2 million	S\$22.3 million	n.m. ⁽¹⁾
NPI (FY2007)	S\$37.2 million	S\$14.7 million	n.m. ⁽¹⁾

(1) Not meaningful as Anchorpoint was under asset enhancement for most of FY2007
(2) As of 30 September 2007



Portfolio Top 10 Tenants by Gross Rent

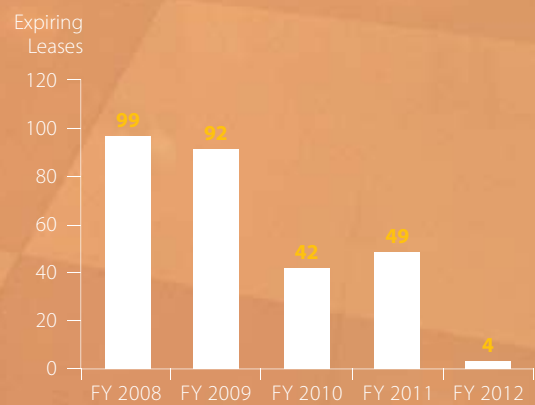
	Tenants	% Total Net Lettable Area	% Total Gross Rent
1	Cold Storage (1983) Pte Ltd ⁽¹⁾	10.8%	7.6%
2	Courts (Singapore) Ltd	5.7%	5.7%
3	Metro Private Limited ⁽²⁾	11.7%	5.1%
4	John Little Private Limited	5.0%	3.5%
5	Horizon Foodmalls (Causeway) Pte Ltd	3.9%	3.4%
6	Popular Book Company Pte Ltd	3.6%	2.3%
7	Cathay Cineplexes Pte Ltd	5.0%	2.3%
8	Food-Link Services Pte Ltd	2.6%	2.2%
9	Kiddy Palace Pte Ltd	2.5%	1.5%
10	McDonald's Restaurant	0.8%	1.5%

(1) Includes the leases for Cold Storage, Guardian Pharmacy and 7-Eleven
(2) Includes the leases for Metro Department Store and Clinique Service Centre
(3) As of 30 September 2007

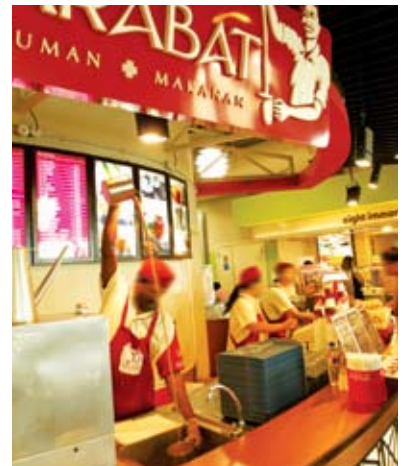
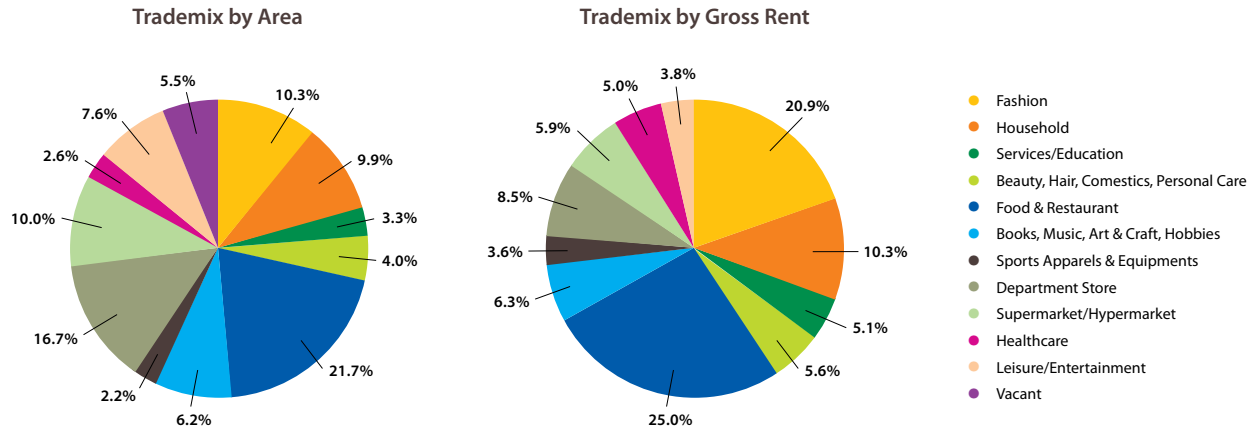




Portfolio Lease Expiry Profile



Portfolio Tenant Profile by Area & by Gross Rent



CAUSEWAY POINT



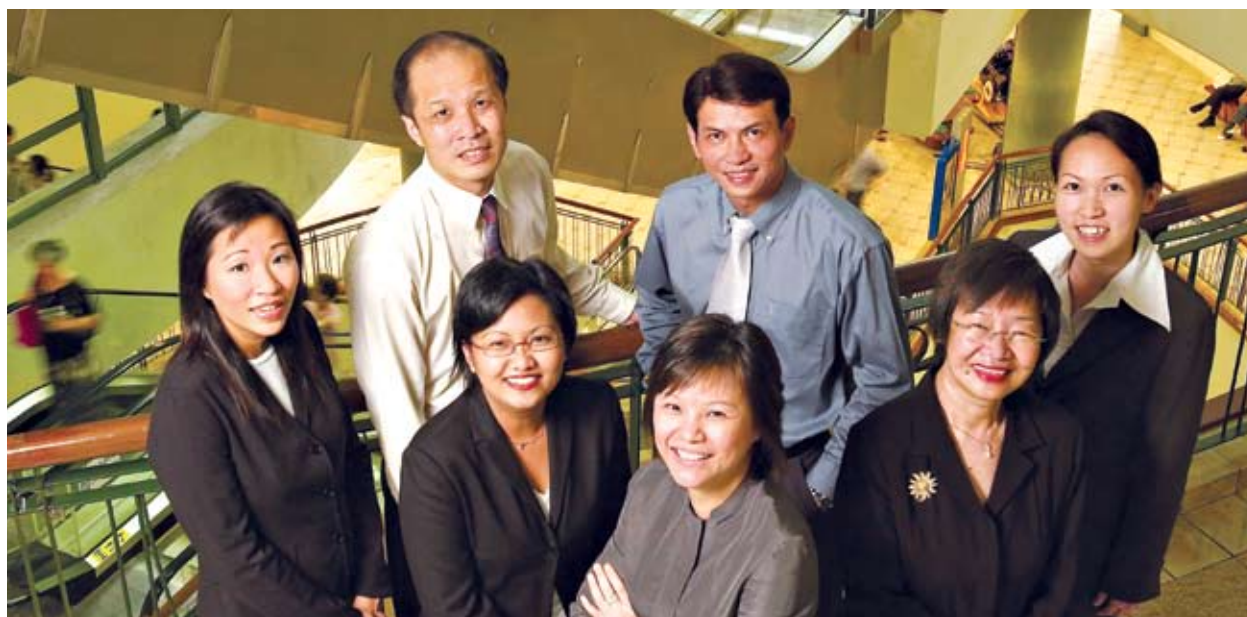
Causeway Point, an award winning mall, is located in the heart of Woodlands, one of three regional centres under the Singapore Concept Plan. The seven-storey shopping and entertainment complex is complemented with a retail basement and two levels of basement car parks, and has a net lettable area of 418,543 sq ft.

Causeway Point has a strong positioning as a one-stop family-oriented shopping destination for residents in the northern part of Singapore, and affords shoppers a wide range of shopping, dining and leisure activities. The mall is conveniently located adjacent to two major transportation hubs, the Woodlands MRT station and the Woodlands regional bus interchange, and accommodated approximately 26 million visitors in FY2007.

Causeway Point

Location	1 Woodland Square, Singapore 738099
Year of Completion	1998
Tenure	99-yr leasehold (year 2094)
NLA	418,543 sq ft
Appraised Value	S\$676 million
Shops	261
Carpark Lots	915
Occupancy	99.9%
Visitor Traffic	25.9 million
Population Catchment	Approximately 295,000
Connectivity	Located adjacent to Woodlands MRT station and bus interchange

(1) As of 30 September 2007

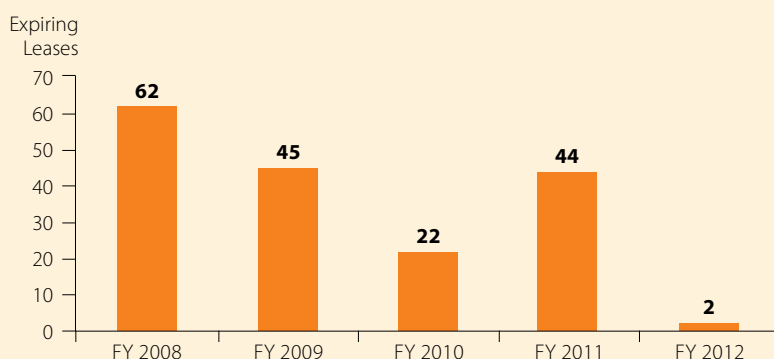


Clockwise from left :

Ms. June Tan, Assistant Centre Manager • Mr. Timothy Wong, Building Executive • Mr. Ben Low, Senior Building Supervisor
Ms. Kit Ho, Centre Executive • Ms. Rosalind Tan, Operations Executive • Ms. Molly Lim, Senior Centre Manager • Ms. Zana Fong, Senior A&P Executive

Causeway Point, an award winning mall, is located in the heart of Woodlands, one of three regional centres under the Singapore Concept Plan.

Causeway Point Lease Expiry Profile



Tenancy Mix

During the year, Horizon Foodmalls and Courts conducted a major refurbishment of their premises. The revamped outlets provide visitors and shoppers a more inviting ambience. As part of its proactive retail management program, Causeway Point's centre management periodically reviews the mall's tenancy mix with a focus on maintaining a good level of excitement and new offerings for shoppers. New additions to the mall during the year include Dian Xiao Er, Bubblemix, Outfitter Girls, Purpur, Ella and Munchy Donut.

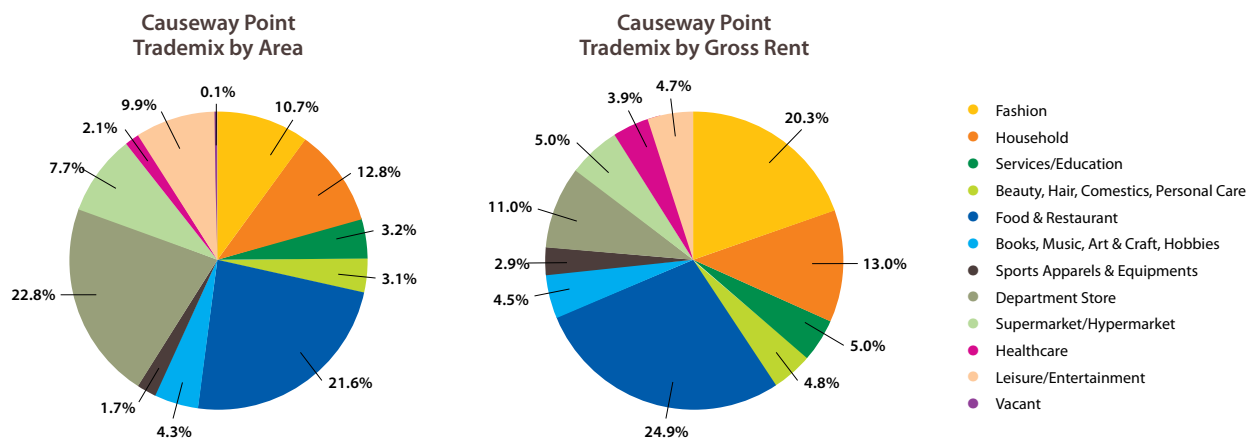
Top 10 Tenants by Gross Rent

	Tenants	% Total Net Lettable Area	% Total Gross Rent
1	Courts	8.7%	8.5%
2	Metro	17.9%	7.7%
3	Cold Storage	8.4%	6.5%
4	Horizon Food Mall	5.9%	5.0%
5	John Little	5.0%	3.4%
6	Cathay Cineplexes	7.7%	3.4%
7	Banquet Holdings	3.0%	2.1%
8	Popular Book Store	2.3%	1.6%
9	Kiddy Palace	3.3%	1.5%
10	Giordano Original	0.5%	1.4%

(1) As at 30 September 2007

Promotional and Marketing Activities

During the period, Causeway Point conducted numerous promotional and marketing events to create an exciting shopping and dining experience for visitors. Some of the key events include the transformation of Causeway Point into a Reindeer's Barn during Christmas 2006, Chinese New Year's dragon dance performances, and the Great Singapore Sale promotions of 2007. Other notable A&P activities included the Daytona challenge, an ongoing quarterly Chevrolet Spark lucky draw for shoppers, appearances by local television celebrities for special festive promotions. These successful A&P activities increased traffic count to the mall and translated to higher sales for tenants.



NORTHPOINT



Northpoint is Singapore's pioneer suburban shopping centre. Northpoint, located within the Yishun Town Centre, comprises a four-storey shopping complex with two basement retail floors, one basement carpark, and a two-storey building extension. The basement of Northpoint is directly linked to the Yishun MRT station and the entrance at level one is also directly linked to Yishun bus interchange.

Northpoint	
Location	930 Yishun Avenue 2, Singapore 769098
Year of Completion	1992
Tenure	99-yr leasehold (year 2089)
NLA	149,243 sq ft
Appraised Value	S\$266 million
Shops	106
Carpark Lots	194
Occupancy	100.0%
Visitor Traffic (FY2007)	18.4 million
Population Catchment	Approximately 179,000
Connectivity	Located adjacent to Yishun MRT station and bus interchange

(1) As of 30 September 2007



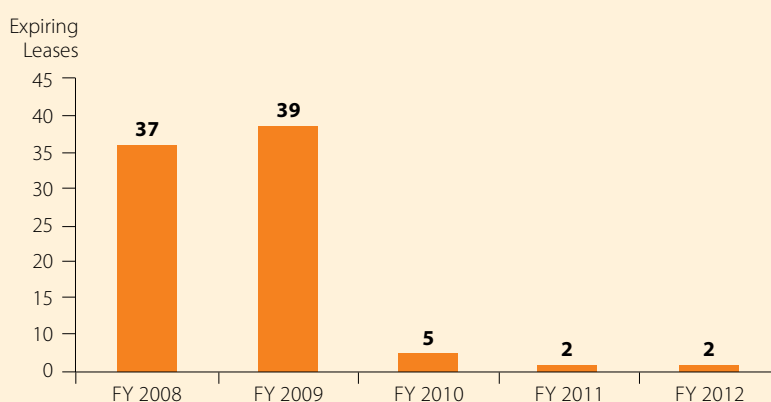
From left to right :

Ms. Valerie Tan, Centre Executive • Mr. Lee Chwee Beng, Senior Building Supervisor • Ms. Carrianne Chew, Asst Centre Manager
Mr. Lee Kam Seng, Senior Centre Manager • Mr. Kor Lee Kiong, Building Manager • Mr. Goh Kai Kia, Chief Safety & Security Officer

Northpoint, is Singapore's pioneer suburban shopping centre.

Northpoint, located within the Yishun Town Centre, comprises a four-storey shopping complex with two basement retail floors, one basement carpark, and a two-storey building extension.

Northpoint Lease Expiry Profile

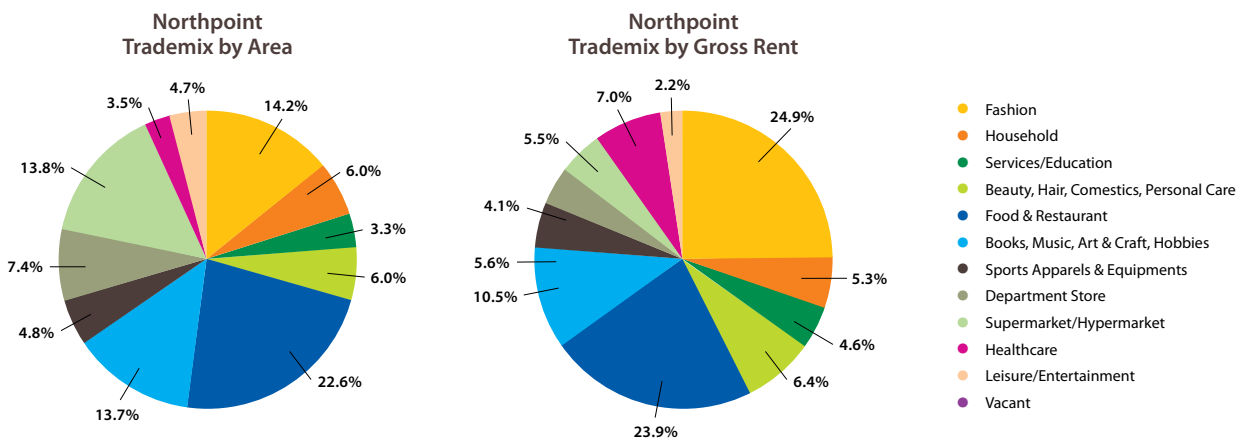


Tenancy Mix

Northpoint is home to over 90 tenants offering a wide assortment of apparel, jewellery and cuisine. The mall is anchored by quality tenants such as John Little, Cold Storage and Popular Book. Northpoint's centre management has an on-going program to improve the retail mix and to meeting the evolving needs of shoppers in the Yishun and Sembawang areas. During the year, new tenants at Northpoint include Homefix, Novel Telecommunications, CyberActive Computer and Ah Mei Café.

Top 10 Tenants by Gross Rent

	Tenants	% Total Net Lettable Area	% Total Gross Rent
1	Cold Storage	15.3%	8.0%
2	Food-Link	11.3%	7.7%
3	Popular Book Store	9.5%	4.4%
4	John Little	7.4%	4.0%
5	Pertama Merchandising	4.3%	4.0%
6	RSH (Singapore)	1.8%	2.8%
7	McDonald's Restaurant	1.6%	2.6%
8	ABR Holdings	2.3%	2.5%
9	Bata Shoe	1.5%	2.1%
10	OCBC Bank	1.3%	1.9%



Promotional and Marketing Activities

During the period, Northpoint organized a series of promotional and marketing activities focused on enticing families living in the Yishun and Sembawang catchment area to shop and dine at the mall. These promotions were timed to coincide with festive seasons such as Christmas and Chinese New Year, and special occasions such as International Women's Day, Singapore's National Day and Mid-Autumn Festival. These promotional events proved to be successful with increased traffic count and higher tenant sales during the respective periods.



ANCHORPOINT



Anchorpoint, located at the junction of Queensway and Alexandra Road, has a prominent frontage along Alexandra Road. Over the past decade, Anchorpoint has met the shopping and dining expectations of more than three million visitors per annum.

Anchorpoint's asset enhancement is the first in a series of three mall asset enhancement initiatives for FCT. At a cost of approximately S\$12 million, the repositioning of Anchorpoint with a village-mall concept commenced in May 2007 and is on schedule for completion at the end of November 2007.

Visitors will enjoy a new shopping and F&B experience at the new Anchorpoint. The repositioned mall has a strong F&B offering with a wide range of retail concepts in cozy village mall setting. Notable new F&B tenants include the new Tung Lok concept, Zhou's Kitchen, Sakuraya, Secret Recipe, Koufu Foodcourt, The Coffee Connoisseur, Xin Wang, and Kopi Alley.

Anchorpoint will feature a unique cluster of outlet concepts with signings that include Charles & Keith, FOS, G2000, Club Marc, City Chain, Giordano and Capital Optical. In addition, Disney Naturally will open the first in a chain of unique Disney-branded café-style healthy eateries at Anchorpoint in December 2007. As of September 2007, over 90% of Anchorpoint's net lettable area has been committed or in advanced stages of discussions.



From left to right :

Ms. Amanda Yeo, Centre Officer • Ms. Pua Yee Tyng, A&P Officer • Mr. Lim Ah Tee, Senior Building Supervisor • Ms. Lily Siah, Centre Executive
Ms. Kelly Tan, Centre Manager • Mr. Calvin Kang, Building Executive • Ms. Rosiah Sipat, Admin Assistant • Mr. Thomas Lee, Security & Safety Supervisor

Anchorpoint, located at the junction of Queensway and Alexandra Road, has a prominent frontage along Alexandra Road.



Anchorpoint

Location	368 and 370 Alexandra Road, Singapore 159952/3
Year of Completion	1997
Tennure	Freehold
NLA	72,000 sq ft
Appraised Value	S\$47 million
Shops	95
Carpark Lots	130
Occupancy	n.m. ⁽¹⁾
Visitor Traffic	n.m. ⁽¹⁾
Population Catchment	Approximately 73,500
Connectivity	Located near Queenstown MRT station and bus stop

(1) Not meaningful as Anchorpoint was under asset enhancement for most of FY2007
 (2) As of 30 September 2007





Enhancing Transparency And Communication

Frasers Centrepont Trust is focused on cultivating relationships with longer-term investors by keeping shareholders and the financial community abreast of the latest developments and strategic directions of the trust through equitable, timely and effective communication.





CORPORATE GOVERNANCE

Frasers Centrepoint Trust (“**FCT**”), is firmly committed to good corporate governance, and adherence to the principles and guidelines set out in the Code of Corporate Governance 2005 (**the “Code 2005”**).

FCT was constituted as a real estate investment trust on 5 June 2006. FCT is under the management of Frasers Centrepoint Asset Management Ltd. (**the “Manager”**) and sponsorship of Frasers Centrepoint Limited (**the “Sponsor”**), a wholly owned subsidiary of Fraser and Neave, Limited (“**F&N**”). In relation to the initial public offering of units in FCT in July 2006, the joint financial advisors were DBS Bank Ltd (“**DBS**”) and Oversea-Chinese Banking Corporation Limited (“**OCBC**”). The joint lead underwriters and bookrunners of the offering were DBS, OCBC and UBS AG, acting through its business group, UBS Investment Bank.

This Report describes the Manager’s main corporate governance policies and practices, with reference to the Code 2005. They encompass proactive measures for avoiding situations of conflict and potential conflicts of interest, including the interests of Unitholders over the Manager’s. They also ensure that applicable laws and regulations within the listing rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Code on Collective Investment Schemes (the “**CIS Code**”) issued by the Monetary Authority of Singapore (“**MAS**”) and the Securities and Futures Act (**the “SFA”**), are complied with, and that the Manager’s obligations under the Trust Deed are properly and efficiently carried out.

The Code 2005 regulates the corporate governance practices of listed companies, and as such, not every Principle of the Code 2005 may be directly applicable to the Manager and FCT. Any deviations from the Code 2005 are explained.

The Manager, in its capacity as the Manager of FCT, 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. In the Trust Deed dated 5 June 2006 (**the “Trust Deed”**) between the Manager and HSBC Institutional Trust Services (Singapore) Limited (**the “Trustee”**), constituting FCT, the Manager has covenanted to use its best endeavours to carry on and conduct its business in, and will ensure that the business of FCT is carried on and conducted in, a proper and efficient manner, and to conduct all transactions with or for FCT at arm’s length.

BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

The Board of Directors of the Manager (**the “Board”**) comprises seven members:

Name of Directors	Role	
Dr Han Cheng Fong ⁽¹⁾	Chairman, Non-Executive	Non-independent
Mr Lim Ee Seng ⁽²⁾	Non Executive	Non-independent
Mr Christopher Tang Kok Kai	Chief Executive Officer	Non-independent
Mr Anthony Cheong Fook Seng	Non-Executive	Non-independent
Mr Bobby Chin Yoke Choong	Non-Executive	Independent
Mr Philip Eng Heng Nee	Non-Executive	Independent
Mr Soh Kim Soon	Non-Executive	Independent

Note:

(1) Dr Han Cheng Fong resigned from the Board with effect from 8 October 2007.

(2) Mr Lim Ee Seng was appointed as Acting Chairman with effect from 27 November 2007.

Guideline 1.3 Delegation of Authority on Certain Board Matters
Guideline 1.4 Meetings of the Board and of Specialised Committee
Guideline 1.5 Chart of Authority

The Board is responsible for the overall management and the corporate governance of the Manager, including establishing goals for Management and monitoring the achievement of these goals. All Board members participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and review of Directors. The Board provides entrepreneurial leadership, sets strategic aims and directions of the Manager, reviews Management performance and accountability, and sets the values and standards for the Manager and FCT. None of the Directors has entered into any service contract directly with FCT.

The Board regularly meets, at least once every quarter, to review the key activities and business strategies of the Manager to deliberate the strategic policies of FCT, including acquisitions and disposals, approval of the annual budget and review of the performance of FCT. The levels of authorization required for specified transactions, including those that require Board approval, are contained in a Manual of Authority. The Manager's Articles of Association provide for telephonic, video conferencing or any other form of electronic or instantaneous communication meetings.

The Manager has in place a programme for orientation of new Directors, and to update all Directors on the Manager's major new projects. To keep pace with regulatory changes, where these changes have an important bearing on the Manager's or Directors' disclosure obligations, Directors are briefed either during Board meetings or at specially convened sessions involving the relevant professionals. Management also provides the Board with complete and adequate information in a timely manner through regular updates on financial results, market trends and business developments. Changes to regulations and accounting standards are monitored closely by the members of the Audit Committee.

Directors are encouraged to attend the Singapore Institute of Directors' courses and receive journal updates to keep abreast and updated of changes to the financial, legal, management and industry landscape.

The number of Board and Audit Committee meetings held since FCT was constituted, as well as the attendance of each Board member at these meetings, are disclosed below:

	BOARD MEETINGS	AUDIT COMMITTEE MEETINGS
Meetings held during financial year ended 30 September 2007	5	5
ATTENDANCE OF BOARD MEMBERS		
Dr Han Cheng Fong ⁽¹⁾	4	
Mr Lim Ee Seng ⁽²⁾	5	
Mr Christopher Tang Kok Kai	5	
Mr Anthony Cheong Fook Seng	5	5
Mr Bobby Chin Yoke Choong	5	5
Mr Philip Eng Heng Nee	4	
Mr Soh Kim Soon	5	5

Key: Chairman Members Not applicable

Note:

(1) Dr Han Cheng Fong resigned from the Board with effect from 8 October 2007.

(2) Mr Lim Ee Seng was appointed as Acting Chairman with effect from 27 November 2007.

Principle 2: Board Composition and Guidance

There is a strong and independent element on the Board, with more than one-third of the Board comprising independent Non-executive Directors.

Guideline 2.2 Nature of Director's Relationship

There is a strong and independent element on the Board, with more than one-third of the Board comprising independent Non-executive Directors. The Board is satisfied that Mr Bobby Chin Yoke Choong can be considered independent, notwithstanding that he is also an independent director of Oversea-Chinese Banking Corporation ("OCBC"). OCBC is a substantial shareholder⁽¹⁾ of F&N, with which the F&N group of companies has a business relationship, under normal commercial terms.

Note: ⁽¹⁾ A substantial shareholder of F&N is one which has 5 percent or more interest in the voting shares of F&N.

The Board comprises Directors, who as a group provide core competencies, including accounting/finance, business/management experience, industry knowledge, and strategic planning experience. This enables Management to benefit from their external, diverse and objective perspective on issues that are brought before the Board. It also enables the Board to interact and work with Management through a robust exchange of ideas and views to help shape the strategic process. The composition will be reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

Taking into account the scope and nature of the operations of the Manager, the size of the Board is appropriate and facilitates effective decision making. No one individual or small group of individuals dominates the decision-making process of the Board.

The following procedures, among others, are in place to deal with conflicts of interest issues, if any:

- The Manager will not manage any other real estate investment trust which invests in the same type of properties as FCT;
- All executive officers 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; and
- In respect of matters in which a Director of the Manager or his associates have an interest, direct or indirect, such interested Director will abstain from participating in deliberating and voting.

The profiles of the directors are set out on page 31 of this Annual Report.

Principle 3: Chairman and Chief Executive Officer

Guideline 3.1 Relationship Between the Chairman and Group Chief Executive Officer

There is a clear separation of the roles of the Chairman and the Chief Executive Officer, which positions are separately held by two persons in order to maintain an effective check and balance. The Chairman and Chief Executive Officer are not related to each other, nor is there any other business relationship between them.

The Chairman, who is non-executive, leads the Board, and is responsible for the overall management of the Board as well as ensuring that members of the Board and Management work together with integrity and competency, the Directors receive accurate, timely and clear information, the Board engages Management in constructive discussion on strategy, business operations, enterprise risks, ensures effective communication with Unitholders, and promotes high standards of corporate governance. The Chief Executive Officer has full executive responsibilities over the operations of the Manager. This provides a healthy professional relationship between the Board and Management, with clarity of roles and robust oversight as they deliberate on the business activities of the Manager.

Principle 4: Board Membership

NOMINATING COMMITTEE

A nominating committee has not been constituted for the Manager.

Guideline 4.5: Process for the Selection and Appointment of New Directors to the Board

The search and nomination process for new directors, if any, will following identification of skills required be through search companies, contacts and recommendations that go through the normal selection process, to cast its net as wide as possible for the right candidates. It is considered that this appointment process is sufficiently transparent to justify not appointing a nominating committee for the Manager. As mentioned earlier in this Report, the Code 2005 regulates the corporate governance practices of listed companies, and as such this Principle of the Code 2005 is not directly applicable to the Manager and FCT. Further, FCT is externally managed by the Manager and has no personnel of its own.

Guideline 4.6: Key Information regarding Directors

Key information regarding Directors is set out on page 66.

Principle 5: Board Performance

Guideline 5.1 Process of Assessing Effectiveness of the Board and Each Director

The Board uses objective performance criteria to assess the effectiveness of the Board as a whole and the contribution of each Director. Such criteria includes Directors' attendance and contributions during Board meetings, as well as consideration of the factors set out in the Guidelines to Principle 5 of the Code 2005.

Principle 6: Access to Information

New Board members are given briefings on the businesses of the Manager and FCT. Adequate and timely information prior to Board meetings, and on an on-going basis, are provided to Board members, who have separate and independent access to Senior Management and the Company Secretary at all times. The Company Secretary, who is also a Non-executive Director, attends all Board meetings. Directors may, in the furtherance of their duties, take independent professional advice at the Manager's expense.

REMUNERATION MATTERS

Principle 7: Remuneration Matters

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure on Remuneration

FCT, constituted as a trust, is externally managed by the Manager and accordingly, it has no personnel of its own. The Manager has appointed experienced and well-qualified management personnel to handle the day-to-day operations of the Manager and FCT. All Directors and officers of the Manager are directly remunerated by the Manager out of the fees it receives, and not out of the trust property of FCT.

As mentioned earlier in this Report, the Code 2005 regulates the corporate governance practices of listed companies, and as such, these Principles of the Code 2005 are not directly applicable to the Manager and FCT.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability and Audit

The Board is responsible for providing a balanced and understandable assessment of FCT's performance, position and prospects. Management provides all members of the Board with financial reports which present a balanced and understandable assessment of FCT's performance, position and prospects on a quarterly basis.

Principle 11: Audit Committee

Guideline 11.8 Disclosure of Names of Members of Audit Committee & their Activities

AUDIT COMMITTEE

The Audit Committee is established by the Board from among the Directors of the Manager and comprises three non-executive Directors, two of whom including the Chairman, are independent. The members are:

Name	Role
Mr Bobby Chin Yoke Choong	Chairman
Mr Anthony Cheong Fook Seng	Member
Mr Soh Kim Soon	Member

The Board ensures that members of the Audit Committee are appropriately qualified to discharge their responsibilities, possessing the requisite accounting and related financial management expertise and experience.

The Audit Committee is empowered to investigate any matter within its terms of reference, and has full access to, and the co-operation of Management. It has reasonable resources to enable it to discharge its functions properly.

Among other responsibilities, the role of the Audit Committee is to monitor and evaluate the effectiveness of the Manager's internal controls. The Audit Committee also reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for the nomination of external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance.

The Audit Committee's responsibilities also include:

- monitoring and evaluating the effectiveness of the Manager's internal control process through reviewing internal and external audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by Management;
- reviewing the quality and reliability of information prepared for inclusion in financial reports and approving the financial statements and the audit report before recommending to the Board for approval;
- monitoring the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the Property Funds Guidelines;
- reviewing the appointment and re-appointment of the external auditors before recommending them to the Board for approval and reviewing the adequacy of external audits in respect of cost, scope and performance;
- reviewing the independence and objectivity of the external auditors and non-audit services provided by the external auditors and confirming that they would not, in the Audit Committee's opinion, impair the independence of the auditors; and
- monitoring the procedures established to regulate Related Party Transactions, including ensuring compliance with the provisions of the Listing Manual relating to "interested person transactions" (as defined therein) and the provisions of the Property Funds Guidelines relating to "interested party transactions" (as defined therein) (both such types of transactions constituting "Related Party Transactions").

The full scope of the authority and role of the Audit Committee are set out in its terms of reference.

A Whistle-Blowing Policy has been reviewed by the Audit Committee and endorsed by the Board to provide employees a channel to report in good faith and in confidence, any concerns they may have.

In performing its functions, the Audit Committee met with the internal and external auditors who have unrestricted access to the Audit Committee, and reviewed the overall scope of both internal and external audits, and the assistance given by the Manager to the auditors.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board the nomination of the external auditors for re-appointment. The Audit Committee has conducted a review of all non-audit services provided by the external auditors and is satisfied that the nature and extent of such services do not affect the independence of the external auditors.

Principle 12: Internal Controls

The Board is responsible for ensuring that Management maintains a sound system of internal controls to safeguard shareholders' investments and the assets of the Company. The Audit Committee reviews the adequacy of such controls, including financial, operational and compliance controls, and risk management policies and systems established by Management.

Guideline 12.2 Internal Controls, including Financial Operational and Compliance Controls, and Risk Management

The Board recognises the importance of sound internal controls and risk management practices to good corporate governance. The Manager has put in place a system of internal controls comprising procedures and processes to safeguard FCT's assets, Unitholders' interest as well as to manage risks.

Effective risk management is a fundamental part of FCT's business strategy. Key risks, control measures and management actions are continually identified, reviewed and monitored by management as part of the Manager's enterprise-wide risk management framework. Recognising and managing risks are central to the business and to protecting Unitholders' interests and value. FCT operates within overall guidelines and specific parameters set by the Board. Each transaction is comprehensively analysed to understand the risks involved.

The Board also reviews the business risks of FCT, examines liability management and will act upon any comments from the auditors of FCT. In assessing business risks, the Board considers the economic environment and risks relevant to the property industry. It reviews management reports and feasibility studies on individual development projects prior to approving major transactions.

The Manager has established an internal controls system to ensure that all future Related Party Transactions will be undertaken on normal commercial terms and will not be prejudicial to the interests of FCT and the Unitholders. As a general rule, the Manager must demonstrate to its Audit Committee that such transactions satisfy the foregoing criteria, which 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).

The Manager will maintain a register to record all Related Party Transactions which are entered into by FCT and the bases, including any quotations from unrelated parties and independent valuations obtained to support such bases, on which they are entered into. The Manager will also incorporate into its internal audit plan a review of all Related Party Transactions entered into by FCT. The Audit Committee shall review the internal audit

reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. In addition, the Trustee will also have the right to review such audit reports to ascertain that the Property Funds Guidelines have been complied with.

Further, the following procedures will be undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding S\$100,000 in value but below 3.0% of the value of FCT's net tangible assets will be subject to review by the Audit Committee at regular intervals;
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of FCT's net tangible assets will be subject to the review and prior approval of the Audit Committee. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 5.0% of the value of FCT's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the Audit Committee which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Further, under the Listing Manual and the Property Funds Guidelines, such transactions would have to be approved by the Unitholders at a meeting of Unitholders.

Where matters concerning FCT relate to transactions entered into or to be entered into by the Trustee for and on behalf of FCT with a related party of the Manager (which would include relevant Associates thereof) or FCT, the Trustee is required to consider the terms of such transactions 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 relating to the transaction in question. Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a related party of the Manager or FCT. If the Trustee is to sign any contract with a related party of the Manager or FCT, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Guidelines (as may be amended from time to time) and the provisions of the Listing Manual relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to real estate investment trusts.

The Audit Committee will periodically review all Related Party Transactions to ensure compliance with the Manager's internal controls system and with the relevant provisions of the Listing Manual as well as the Property Funds Guidelines. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Audit Committee.

If a member of the Audit Committee has an interest in a transaction, such member is to abstain from participating in the review and approval process in relation to that transaction.

The Audit Committee, with the assistance of the internal and external auditors, have reviewed, and the Board is satisfied with, the adequacy of FCT's and the Manager's internal controls, including financial, operational and compliance controls, and risk management systems.

The Board recognises that no cost effective internal controls system will preclude all errors and irregularities.

Principle 13: Internal Audit

The internal audit function of the Manager is sourced from F&N, and is independent of the activities it audits. The internal auditor's primary line of reporting is to the Chairman of the Audit Committee, with an administrative line of reporting to the Company Secretary of the Manager.

The Head of Internal Audit is a certified public accountant, and complies with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The Audit Committee has reviewed and is satisfied with the adequacy of the Internal Audit resource.

Communication with Shareholders

Principle 14: Communication with Shareholders

The Listing Manual of the SGX-ST requires that a listing entity discloses to the market matters that would be likely to have a material effect on the price of the entity's securities. The Manager upholds a strong culture of continuous disclosure and transparent communication with FCT Unitholders and the investing community. The Manager's disclosure policy requires timely and full disclosure of all material information relating to FCT by way of public releases or announcements through the SGX-ST via SGXNET at first instance and then including the release on FCT's website at www.fraserscentrepointrust.com.

The Manager also conducts regular briefings for analysts and media representatives, which will generally coincide with the release of FCT's results. During these briefings, the Manager will review FCT's most recent performance as well as discuss the business outlook for FCT. In line with the Manager's objective of transparent communication, briefing materials are released to the SGX-ST and also made available on FCT's website.

During the period under review, the Manager also met or teleconferenced with Institutional investors in Singapore, Hong Kong, Europe, USA and Australia.

Dealings in Units

The Trust Deed requires each Director to give notice to the Manager of his acquisition of Units or of changes in the number of Units which he holds or in which he has an interest, within two Business Days after such acquisition or the occurrence of the event giving rise to changes in the number of Units which he holds or in which he has an interest.

In line with Listing Rule 1207(18) on Dealings in Securities, a quarterly circular on dealings in units, is issued to the Directors, officers and employees of the Manager informing them that they may hold Units but are prohibited from dealing in the Units:

- in the period commencing one month before the public announcement of FCT's annual results and (where applicable) property valuations and two weeks before the public announcement of FCT's quarterly results, and ending on the date of announcement of the relevant results or, as the case may be, property valuations; and
- at any time while in possession of price sensitive information.

In addition, the Manager has given an undertaking to the MAS that it will announce to the SGX-ST the particulars of its holdings in the Units and any changes thereto within two business days after the date on which it acquires or disposes of any Units, as the case may be. The Manager has also undertaken that it will not deal in the Units in the period commencing one month before the public announcement of FCT's annual results and (where applicable) property valuations and two weeks before the public announcement of FCT's quarterly results, and ending on the date of announcement of the relevant results or, as the case may be, property valuations.

Particulars of Directors as at 30 September 2007

Name of Director	Age	Academic & Professional Qualifications	Board Committees as Chairman or Member	Board appointment whether executive or non-executive Directorship: Dated first appointed Date last re-elected	Whether considered by NC to be independent	Remarks
Dr Han Cheng Fong	65	Bachelor of Science (Hons)(1st Class) in Physics, University of Singapore Master of Science, Doctor of Philosophy, University of Birmingham, UK	Nil	27.01.2006	Non-Executive Non-Independent	Resigned: 8 October 2007
Mr Lim Ee Seng	56	PBM, B. Eng (Civil), University of Singapore M. Science (Project Management), National University of Singapore Member, Institute of Engineers Member, Institute of Directors	Nil	27.01.2006	Non-Executive Non-Independent	-
Mr Christopher Tang Kok Kai	46	Bachelor of Science Degree, National University of Singapore Masters in Business Administration, National University of Singapore	Nil	27.01.2006	Executive Non-Independent	-
Mr Anthony Cheong Fook Seng	53	Member of the Institute of Chartered Accountants in England & Wales and the Institute of Certified Public Accountants of Singapore	Member: Audit Committee	27.01.2006	Non-Executive Non-Independent	-
Mr Bobby Chin Yoke Choong	56	Bachelor of Accountancy, University of Singapore Member of the Institute of Certified Public Accountants of Singapore Associate member of the Institute of Chartered Accountants in England and Wales	Chairman: Audit Committee	03.04.2006	Non-Executive Independent	-
Mr Philip Eng Heng Nee	61	Bachelor of Commerce in Accountancy Chartered Accountant (Australia)	Nil	03.04.2006	Non-Executive Independent	-
Mr Soh Kim Soon	62	B.A. (Hons), University of Singapore ACIB	Member: Audit Committee	23.03.2006	Non-Executive Independent	-

Note: (1) Directors' shareholdings in the Company and its related Companies: please refer to page 101.

(2) Directorships or Chairmanships in other listed Companies and other major appointments, both present and over the preceding 3 years: please refer to page 31.

INVESTOR RELATIONS

Frasers Centrepoint Trust is focused on cultivating relationships with longer-term investors by keeping shareholders and the financial community abreast of the latest developments and strategic direction of the trust through equitable, timely and effective communication. On this front, FCT's commitment was recognized when it won the Most Transparent Company (New Issues) category at the 7th Investors Choice Awards organized by the Securities Investors Association of Singapore, nominated by investors, analysts and the financial media.

FCT has attracted both institutional and non-institutional investors in the 16 months since its listing with its unit price appreciating over 51% from S\$1.03 per unit. As of July 2007, over 35% of FCT's units were held by institutional investors based in over 13 countries. Many of these institutional unitholders are considered to be value and growth investors with mid to long term investment horizons. To address the growing needs of local and foreign fund managers for more frequent meetings, FCT has invested considerable time in one-on-one and group meetings, conference calls, and investor conferences. Further, FCT conducts site visits at Causeway Point, Northpoint and Anchorpoint for analysts, and existing and potential unitholders who are interested in viewing the portfolio malls.

There are currently nine research houses actively covering FCT. Management is committed to maintaining regular communication with the covering sell-side analysts in affording the community an enhanced understanding of FCT's strategy and operational and financial performance.

FY2008 Event Calendar

January 2008	First Quarter 2008 Results Announcement
February 2008	First Quarter 2008 Distribution
April 2008	Second Quarter 2008 Results Announcement
May 2008	Second Quarter 2008 Distribution
July 2008	Third Quarter 2008 Results Announcement
August 2008	Third Quarter 2008 Distribution
October 2008	Fourth Quarter 2008 Results Announcement
November 2008	Fourth Quarter 2008 Distribution

Note: Dates are indicative and are subject to change

Analyst Coverage

Research House

Citigroup
Daiwa Institute of Research
DBS Vickers Securities
DMG & Partners Securities
Goldman Sachs
JP Morgan
Merrill Lynch
OCBC Securities
UBS Securities

Note: FCT is followed by the above research houses (as at 1 Nov 07)



FCT won the Most Transparent Company (New Issues) Category at the 7th Investors Choice Awards (SIAS).

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REPORT OF THE TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Frasers Centrepoint Trust (the "Trust") 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, the Code on Collective Investment Schemes and the Listing Manual (collectively referred to as the "laws and regulations"), 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 (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of the Certified Public Accountants of Singapore and the provisions of the Trust Deed.

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 72 to 99, comprising the Balance Sheet and Portfolio Statement as at 30 September 2007, the Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders' Funds and Statement of Cash Flows for the period from 5 June 2006 (date of constitution) to 30 September 2007, and a summary of significant accounting policies and other explanatory notes, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Arjun Bambawale
Director

Singapore

2 November 2007

STATEMENT BY THE MANAGER

In the opinion of the directors of Frasers Centrepoint Asset Management Ltd., the accompanying financial statements set out on pages 72 to 99 comprising the Balance Sheet and Portfolio Statement as at 30 September 2007, the Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders' Funds and Statement of Cash Flows for the period from 5 June 2006 (date of constitution) to 30 September 2007, 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 position of Frasers Centrepoint Trust (the "Trust") as at 30 September 2007, the total return, distributable income, movements in Unitholders' funds and cash flows for the period then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Trust will be able to meet its financial obligations as and when they materialise.

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

Lim Ee Seng
Director

Christopher Tang Kok Kai
Director and Chief Executive Officer

Singapore

2 November 2007

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF FRASERS CENTREPOINT TRUST

(CONSTITUTED IN THE REPUBLIC OF SINGAPORE PURSUANT TO A TRUST DEED DATED 5 JUNE 2006)

We have audited the accompanying financial statements of Frasers Centrepoint Trust (the "Trust"), which comprise the Balance Sheet and Portfolio Statement as at 30 September 2007, the Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders' Funds and Statement of Cash Flows for the period from 5 June 2006 (date of constitution) to 30 September 2007, and a summary of significant accounting policies and other explanatory notes, as set out on pages 72 to 99.

Manager's Responsibility for the Financial Statements

The Trust's Manager 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 the Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' 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 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 entity's preparation and fair presentation of the 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by the Trust's 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 opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust as at 30 September 2007, the total return, distributable income, movements in Unitholders' funds and cash flows for the period from 5 June 2006 (date of constitution) to 30 September 2007 in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

ERNST & YOUNG

Certified Public Accountants

Singapore

2 November 2007

BALANCE SHEET

AS AT 30 SEPTEMBER 2007

	Note	\$'000
Non-current assets		
Investment properties	3	988,500
Fixed assets	4	116
Investment in associate	5	48,027
		<hr/> 1,036,643 <hr/>
Current assets		
Trade and other receivables	6	2,100
Cash and cash equivalents	7	15,546
		<hr/> 17,646 <hr/>
Total assets		<hr/> 1,054,289 <hr/>
Current liabilities		
Trade and other payables	8	12,568
Current portion of security deposits		9,762
Deferred income	9	173
Interest-bearing borrowings	10	47,500
		<hr/> 70,003 <hr/>
Non-current liabilities		
Interest-bearing borrowings	10	258,948
Non-current portion of security deposits		7,881
Deferred income	9	741
Deferred tax liabilities	11	1,459
		<hr/> 269,029 <hr/>
Total liabilities		<hr/> 339,032 <hr/>
Net assets		<hr/> 715,257 <hr/>
Represented by:-		
Unitholders' funds		<hr/> 715,257 <hr/>
Units in issue ('000)	12	<hr/> 617,212 <hr/>
		\$
Net asset value per Unit	13	<hr/> 1.16 <hr/>

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

STATEMENT OF TOTAL RETURN

FOR THE FINANCIAL PERIOD FROM 5 JUNE 2006 (DATE OF CONSTITUTION) TO 30 SEPTEMBER 2007

	Note	\$'000
Gross revenue	14	94,891
Property expenses	15	(31,139)
Net property income		63,752
Interest income		425
Borrowing costs	16	(14,540)
Asset management fees	17	(6,853)
Professional fees		(585)
Trustee's fees		(242)
Audit fees		(90)
Income support	18	1,300
Other charges		(569)
Net investment income		42,598
Share of results of associate	2(d)	1,030
Surplus on revaluation of investment properties	3	88,831
Total return for the period before tax		132,459
Income tax expense	19	(1,459)
Total return for the period		131,000
Earnings per Unit (cents)	20	
Basic		6.68
Diluted		6.68

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

DISTRIBUTION STATEMENT

FOR THE FINANCIAL PERIOD FROM 5 JUNE 2006 (DATE OF CONSTITUTION) TO 30 SEPTEMBER 2007

\$'000

Net investment income	42,598
Net tax adjustments (Note A)	5,973
Distribution from associate	717
Income available for distribution to Unitholders	49,288

Distributions to Unitholders:

Distribution of 1.45 cents per Unit for period from 5/6/2006 to 30/9/2006	8,912
Distribution of 1.54 cents per Unit for period from 1/10/2006 to 31/12/2006	9,486
Distribution of 1.67 cents per Unit for period from 1/1/2007 to 31/3/2007	10,295
Distribution of 1.67 cents per Unit for period from 1/4/2007 to 30/6/2007	10,307

39,000

Income available for distribution to Unitholders at end of the period	10,288
---	--------

Note A – Net tax adjustments relate to the following non-tax deductible items:

– Asset management fees paid/payable in Units	4,455
– Trustee's fees	242
– Amortisation of loan arrangement fee	377
– Other items	899
Net tax adjustments	5,973

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

STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS

FOR THE FINANCIAL PERIOD FROM 5 JUNE 2006 (DATE OF CONSTITUTION) TO 30 SEPTEMBER 2007

	Note	\$'000
Operations		
Net increase in net assets resulting from operations		131,000
Unitholders' transactions		
Creation of Units		
– initial public offering		269,788
– partial satisfaction of purchase consideration on investment properties acquired		363,281
– issued as satisfaction of acquisition fees		469
– issued as satisfaction of asset management fees		3,519
Issue expenses	21	(13,800)
Distributions to Unitholders		(39,000)
Net increase in net assets resulting from Unitholders' transactions		584,257
Net assets at end of the period		715,257

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

PORTFOLIO STATEMENT

AS AT 30 SEPTEMBER 2007

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Occupancy Rates as at 30/9/2007	At Valuation as at 30/9/2007	Percentage of Total Net Assets as at 30/9/2007
						%	\$'000	%
<i>Investment properties in Singapore</i>								
Causeway Point	Leasehold	99 years	87 years	1 Woodlands Square	Commercial	99.9	675,700	94.5
Northpoint	Leasehold	99 years	82 years	930 Yishun Avenue 2	Commercial	100.0	265,800	37.1
Anchorpoint	Freehold	–	–	368 and 370 Alexandra Road	Commercial	51.6	47,000	6.6
Investment properties, at valuation							988,500	138.2
Investment in associate							48,027	6.7
Other assets and liabilities (net)							1,036,527	144.9
Net assets attributable to Unitholders							(321,270)	(44.9)
							715,257	100.0

On 31 December 2005, independent valuations of Causeway Point, Northpoint and Anchorpoint (together, the "Properties") were undertaken by Jones Lang LaSalle Consultants Pte Ltd and Knight Frank Pte Ltd. Both firms are independent valuers having appropriate professional qualifications and recent experience in the location and category of the Properties. The valuations of the Properties were based on the capitalisation of net income approach and discounted cash flow analysis approach. The valuations adopted were S\$622,300,000, S\$255,900,000 and S\$36,975,000 for Causeway Point, Northpoint and Anchorpoint respectively based on the average of the valuations by the two valuers. On 5 July 2006, the Trust acquired Causeway Point, Northpoint and Anchorpoint for considerations of S\$606,170,096, S\$249,267,118 and S\$36,016,614 respectively.

On 30 September 2006, independent valuations of the Properties were undertaken by Jones Lang LaSalle Consultants Pte Ltd. The valuations were based on the capitalisation of net income approach and discounted cash flow analysis approach. The valuations adopted were S\$635,000,000, S\$263,000,000 and S\$38,000,000 for Causeway Point, Northpoint and Anchorpoint respectively. The net changes in fair value of the Properties have been recognised in the Statement of Total Return.

The carrying amounts of the Properties as at 30 September 2007 were based on independent valuations undertaken by Knight Frank Pte Ltd. The valuations were based on the capitalisation of net income approach and discounted cash flow analysis approach. The valuations adopted were S\$675,700,000, S\$265,800,000 and S\$47,000,000 for Causeway Point, Northpoint and Anchorpoint respectively. The net changes in fair value of the Properties have been recognised in the Statement of Total Return.

The Properties are mainly leased to external customers. Generally, the leases contain an initial non-cancellable period of three years. Subsequent renewals are negotiated with the lessee. Contingent rental, which comprises gross turnover rental, recognised in the Statement of Total Return amounted to S\$2,598,000.

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 5 JUNE 2006 (DATE OF CONSTITUTION) TO 30 SEPTEMBER 2007

	\$'000
Operating activities	
Net investment income	42,598
Adjustments for:	
Allowance for doubtful receivables	22
Borrowings costs	14,540
Interest income	(425)
Asset management fees paid/payable in Units	4,455
Depreciation of fixed assets	26
Amortisation of lease incentives	(455)
Deferred income recognised	(619)
Operating income before working capital changes	60,142
Changes in working capital:	
Trade and other receivables	877
Trade and other payables	9,953
Cash flows from operating activities	70,972
Investing activities	
Investment in associate	(47,245)
Distribution received from associate	717
Interest received	425
Capital expenditure on investment properties	(5,288)
Acquisition of fixed assets	(142)
Net cash outflow on purchase of investment properties (Note B)	(513,988)
Cash flows from investing activities	(565,521)
Financing activities	
Proceeds from borrowings	328,810
Proceeds from issue of new Units	269,788
Payment of issue expenses	(13,800)
Repayment of short-term borrowings	(21,310)
Borrowing costs paid	(14,393)
Distributions	(39,000)
Cash flows from financing activities	510,095
Net increase in cash and cash equivalents	15,546
Cash and cash equivalents at beginning of the period	–
Cash and cash equivalents at end of the period (Note 7)	15,546

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

Note B – Net cash outflow on purchase of investment properties is set out below:

	\$'000
Investment properties	891,454
Receivable (Note 6a)	3,000
Cash	17,185
Security deposits	(17,185)
Net identifiable assets and liabilities acquired	<u>894,454</u>
Purchase consideration	894,454
Less:	
Units issued for partial satisfaction of purchase consideration on investment properties acquired	(363,281)
Cash acquired	(17,185)
Net cash outflow	<u>513,988</u>

Significant Non-Cash Transactions

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

- (i) 2,917,554 Units were issued and issuable in satisfaction of asset management fees payable in Units, amounting to a value of \$4,454,934; and
- (ii) 260,966 Units were issued in satisfaction of acquisition fees of \$469,165 in connection with the investment in H-REIT completed on 5 June 2007.

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

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2007

1. GENERAL

Frasers Centrepoint Trust (the "Trust") is a Singapore-domiciled unit trust constituted by a trust deed dated 5 June 2006 and any amendment or modifications 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 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 #14-01 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 financial statements were authorised for issue by the Manager and the Trustee on 2 November 2007.

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 not exceeding 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 2007

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 period from 5 June 2006 (date of constitution) to 30 September 2007, the Manager has opted to receive 65% of the asset management fees in the form of Units with the balance in cash. The portion of the asset management fees payable in the form of Units is made on a quarterly basis in arrears, and the portion payable in cash is made on a monthly basis.

The Manager is also entitled to receive an 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 acquisition or disposal 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. Based on the current agreement between the Manager and the Trustee, the Trustee's fee is charged on a scaled basis of up to 0.03% per annum of the value of the Deposited Property of the Trust.

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 fee is 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 Certified Public Accountants of Singapore, 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 of 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 a historical cost basis except for investment properties which are stated at fair value.

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.

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

Other than for the valuation of investment properties as discussed below, there are no instances of application of judgements or the use of estimation techniques which may have a significant effect on the amounts recognised in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a) Basis of preparation (cont'd)

Investment properties are stated at fair value based on valuations performed by independent professional valuers. In determining the fair value, the valuers have used valuation methods which involve certain estimates. In relying on the valuations reports, the Manager is satisfied that the valuation methods and estimates are reflective of the current market conditions.

b) FRS not yet effective

The Trust has not applied the following FRS that have been issued but not yet effective:

	Effective date (Annual period beginning on or after)
FRS 1 : Amendment to FRS 1 (revised), Presentation of Financial Statements (Capital Disclosures)	1 January 2007
FRS 107 : Financial Instruments: Disclosures	1 January 2007

The Manager expects that the adoption of the above pronouncements will have no material impact to the financial statements in the period of initial application, except for FRS 107 and the amendment to FRS 1 as indicated below.

FRS 107, Financial Instruments: Disclosures and Amendment to FRS 1 (revised), Presentation of Financial Statements (Capital Disclosures)

FRS 107 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The amendment to FRS 1 requires the Trust to make new disclosures to enable users of the financial statements to evaluate the Trust's objectives, policies and processes for managing capital. The Trust will apply FRS 107 and the amendment to FRS 1 from annual period beginning 1 January 2007.

c) Investment properties

Investment properties are stated at initial cost on acquisition, and at valuation thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Transaction costs shall be included in the initial measurement. 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 Statement of Total Return as a net revaluation surplus or deficit in the value of the investment properties.

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

When an investment property is disposed of, the resulting gain or loss recognised in the Statement of Total Return is the difference between net disposal proceeds and the carrying amount of the property.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Investment properties (cont'd)

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

d) Investment in associate

An associate is an entity, not being a subsidiary or a joint venture, in which the Trust has significant influence. This generally coincides with the Trust having 20% or more of the voting power, or has representation on the Board of directors.

The Trust's investment in associate is accounted for using the equity method. Under the equity method, the investment in associate is stated in the balance sheet at cost plus post-acquisition changes in the Trust's share of net assets of the associate. The Trust's share of the profit or loss of the associate is recognised in the Statement of Total Return. Where there has been a change recognised directly in the equity of the associate, the Trust recognises its share of such changes. After application of the equity method, the Trust determines whether it is necessary to recognise any impairment loss with respect to the Trust's net investment in the associate. The associate is equity accounted for from the date the Trust obtains significant influence until the date the Trust ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment.

Any excess of the Trust'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 Trust's share of the associate's profit or loss in the period in which the investment is acquired.

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

The most recently available audited financial statements of the associate are used by the Trust in applying the equity method. Where the dates of the audited financial statements used are not co-terminous with those of the Trust, the share of results is arrived at from the last audited financial statements available and un-audited management financial statements to the end of the accounting period. Consistent accounting policies are applied for like transactions and events in similar circumstances.

e) Impairment of non-financial assets

The Trust 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 Trust makes an estimate of the asset's recoverable amount.

An impairment loss is recognised in the Statement of Total Return whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. An impairment loss in respect of investment properties carried at revalued amounts is recognised in the same way as a revaluation decrease on the basis set out in Note 2(c).

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. 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Impairment losses recognised in prior periods are assessed at each reporting date for any indications 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 carrying 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 Statement 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.

f) Financial assets

Non-derivative financial instruments comprise trade and other receivables and cash and cash equivalents.

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

Financial assets are recognised on the balance sheet when, and only when, the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised where the contractual rights to receive cash flows from the assets have expired which usually coincides with receipts of payments for the assets. On derecognition, the difference between the carrying amount and the sum of the consideration received is recognised in the Statement of Total Return.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. Bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

h) Impairment of financial assets

The Trust assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost 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 Statement of Total Return.

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 Statement of Total Return, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i) Financial liabilities

Financial liabilities include trade and other payables, payables to related parties, security deposits and interest-bearing borrowings. Financial liabilities are recognised on the balance sheet when, and only when, the Trust becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the Statement of Total Return when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

j) Deferred income

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

k) Issue expenses

Issue expenses relate to Unit issue costs incurred in connection with the initial public offering of the Trust on the SGX-ST. All such expenses are charged directly against Unitholders' funds.

l) Revenue recognition

Rental income from operating leases

Rental income receivable under operating leases is recognised in the Statement 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 rental, which comprises gross turnover rental, is recognised as income in the accounting period on a receipt basis. No contingent rental is recognised if there are uncertainties due to the possible return of amounts received.

Interest income

Interest income is recognised in the Statement of Total Return on an accrual basis.

m) Expenses

Property expenses

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

Asset management fees

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

Trust expenses

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

Borrowing costs

Interest expense and similar charges are recognised in the Statement of Total Return in the period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n) Taxation

Taxation on the return for the period comprises current and deferred tax. Income tax is recognised in the Statement of Total Return except to the extent that it relates to items directly related to Unitholders' funds, in which case it is recognised in Unitholders' funds.

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

Deferred income tax is provided using the liability method, on all 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 assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of the Trust for income earned and expenditure incurred after its listing on the SGX-ST. 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 Trustee and the Manager will deduct income tax at the prevailing corporate tax rate (currently at 18%) from the distributions made to Unitholders that are made out of the taxable income of the Trust, except:

- (i) 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
- (ii) 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 the reduced rate of 10% from the distribution.

A Qualifying Unitholder is a Unitholder who is:

- (i) A tax resident Singapore-incorporated company;
- (ii) A non-corporate Singapore constituted or registered entity (e.g. town council, statutory board, charitable organisation, management corporation, club and trade and industry association constituted, incorporated, registered or organised in Singapore);
- (iii) A Singapore branch of a foreign company which has been presented a letter of approval from the Comptroller of Income Tax granting waiver from tax deducted at source in respect of distributions from the Trust;

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n) Taxation (cont'd)

- (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 which are considered as 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.

3. INVESTMENT PROPERTIES

	\$'000
At 5 June 2006	–
Acquisition of investment properties	891,454
Capital expenditure capitalised	7,760
	<hr/> 899,214
Surplus on revaluation	89,286
At 30 September 2007	<hr/> 988,500 <hr/>

The investment properties have been mortgaged as security for credit facilities granted by Star Topaz Limited (Note 10) to the Trust.

The net change in fair value of the properties recognised in the Statement of Total Return is net of amortisation of lease incentives as follows:

	\$'000
Surplus on revaluation	89,286
Amortisation of lease incentives	(455)
	<hr/> 88,831 <hr/>

4. FIXED ASSETS

	\$'000
Cost	
At 5 June 2006	–
Additions	142
At 30 September 2007	142
Accumulated depreciation	
At 5 June 2006	–
Charge for the period	26
At 30 September 2007	26
Carrying amount	
At 5 June 2006	–
At 30 September 2007	116

5. ASSOCIATE

	\$'000
Investment in associate	48,027

Details of the associate is as follows:

Name of associate	Place of incorporation/business	Effective equity interest held by the Trust %
Hektar Real Estate Investment Trust ⁽¹⁾	Malaysia	27.0

⁽¹⁾ No audit performed since its date of establishment.

Hektar Real Estate Investment Trust ("H-REIT") is a real estate investment trust constituted in Malaysia under 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, which is primarily used for retail purposes.

In June 2007, the Trust invested RM104.5 million (\$\$46.9 million) to subscribe for 86.4 million units or 27.0% interest in H-REIT.

The fair value of the Trust's investment in H-REIT is \$54.7 million as at 28 September 2007.

The below summarised financial information relating to the associate is not adjusted for the percentage held by the Trust, and is based on the latest available unaudited management financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2007

5. ASSOCIATE (cont'd)

	\$'000
Assets and liabilities	
Non-current assets	225,021
Current assets	12,373
Total assets	<u>237,394</u>
Current liabilities	11,659
Non-current liabilities	80,408
Net assets attributable to unitholders	<u>145,327</u>
Total liabilities	<u>237,394</u>
Results	
Revenue	18,199
Expenses	(9,579)
Total return for the period	<u>8,620</u>

As the results of H-REIT are not expected to be announced in sufficient time to be included in the Trust's results for the quarter ended 30 September 2007, the Trust had estimated the results of H-REIT for the quarter ended 30 September 2007 based on its results for the preceding quarter.

6. TRADE AND OTHER RECEIVABLES

	\$'000
Trade receivables	651
Allowance for doubtful receivables	(22)
Net trade receivables	<u>629</u>
Deposits	170
Prepayments	365
Other receivables	936
	<u>2,100</u>

Other receivables include the following:

- (a) Amount of \$500,000 being \$3 million paid in advance for the estimated net cash balance of Northpoint Management Corporation recoverable upon the liquidation of the Management Corporation, net of \$2.5 million refund received during the period. The liquidation is expected to complete within twelve months from the balance sheet date; and
- (b) Amount of \$429,487 being the final drawdown of the \$1.3 million income support from Frasers Centrepoint Limited to the Trust to make good the shortfall of forecast net property income of Anchorpoint as disclosed in the Trust's IPO prospectus.

7. CASH AND CASH EQUIVALENTS

	\$'000
Cash at bank and in hand	3,915
Fixed deposits with a financial institution	11,631
	<u>15,546</u>

The weighted average effective interest rate relating to cash and cash equivalents at the balance sheet date is 1.68% per annum.

8. TRADE AND OTHER PAYABLES

	\$'000
Trade payables and accrued operating expenses	8,996
Amounts due to related parties (trade)	2,337
Deposits and advances	828
Interest payable	407
	<u>12,568</u>

Included in trade payables and accrued operating expenses is an amount due to the Trustee of \$51,180.

Included in amounts due to related parties are amounts due to the Manager and the Property Manager of \$1,568,443 and \$542,650 respectively.

9. DEFERRED INCOME

	\$'000
Cost	
At 5 June 2006	–
Additions	1,533
At 30 September 2007	<u>1,533</u>
Accumulated amortisation	
At 5 June 2006	–
Charge for the period	619
At 30 September 2007	<u>619</u>
Net deferred income	<u>914</u>
This comprises:	
Current portion	173
Non-current portion	741
	<u>914</u>

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2007

10. INTEREST-BEARING BORROWINGS

	\$'000
Non-current liabilities	
Term loan maturing after 1 year but within 5 years	260,000
Loan arrangement fee	(1,052)
	<hr/> 258,948 <hr/>
Current liabilities	
Bridge loan	47,500
	<hr/> 47,500 <hr/>

The term loan facility is granted to the Trust by a special purpose company, Star Topaz Limited ("Star Topaz"). Under the facility agreement between Star Topaz and the Trustee, Star Topaz has granted the Trust a five-year facility of \$260 million at a fixed interest rate of 3.9825% per annum under a S\$1 billion multicurrency secured medium term note programme. The expected maturity date of the loan falls in July 2011.

As security for this credit facility granted by Star Topaz to the Trust, the Trust has granted in favour of Star Topaz the following:

- a debenture creating fixed and floating charges over the assets of the Trust relating to the investment properties;
- a mortgage over the investment properties;
- an assignment of the rights, title and interest of the Trust in and to the insurances effected over the investment properties;
- an assignment of the rights, title and interest of the Trust in and to the rental proceeds arising from or in connection with the investment properties;
- an assignment of the rights, title and interest of the Trust in and to all moneys standing to the credit of the bank accounts maintained by the Trust in connection with the investment properties;
- an assignment of the rights, title and interest of the Trust in and to the property management agreements relating to the investment properties; and
- an assignment of the rights, title and interest of the Trust in and to the Northpoint Co-operation Agreement dated 5 July 2006 between the Trust and Yishun Development Pte Ltd in connection with the construction and completion of the works linking the Northpoint Shopping Centre to the new building to be erected on the land adjacent thereto.

The Trust also has obtained a \$60 million Bridge Loan facility granted by Oversea-Chinese Banking Corporation Limited. As at 30 September 2007, the Trust has utilised \$47.5 million of the facility.

11. DEFERRED TAX LIABILITIES

Deferred tax liabilities relate to deferred tax imputed on the surplus on revaluation of the investment properties.

12. UNITS IN ISSUE

	No. of Units '000
Units in issue	
At 5 June 2006 (date of constitution)	–
Issue of Units	
– initial public offering	261,930
– partial satisfaction of purchase consideration on investment properties acquired	352,700
– issued as satisfaction of acquisition fees	261
– issued as satisfaction of asset management fees	2,321
At 30 September 2007	<u>617,212</u>
Units to be issued	
– as asset management fees payable in Units	596
At 30 September 2007	<u>596</u>
Total issued and issuable Units at 30 September 2007	<u>617,808</u>

During the financial period, the Trust issued 261,930,000 Units at issue price of \$1.03 per Unit for cash to partly finance the purchase consideration for the initial portfolio of Causeway Point, Northpoint and Anchorpoint. In addition, the Trust issued 352,700,000 Units at issue price of \$1.03 per Unit to the vendor as partial satisfaction of the purchase consideration for the initial portfolio of Causeway Point, Northpoint and Anchorpoint.

Each Unit in the Trust 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 in number of the Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- One vote per Unit.

The restrictions of a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request the Manager to redeem his Units while the Units are listed on SGX-ST.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2007

12. UNITS IN ISSUE (cont'd)

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.

13. NET ASSET VALUE PER UNIT

Net asset value per Unit is based on:

	\$'000
Net assets	715,257
	No. of Units
	'000
Total issued and issuable Units at 30 September 2007 (Note 12)	617,808

14. GROSS REVENUE

	Period from 5/6/2006 to 30/9/2007 \$'000
Gross rental income	84,763
Others	10,128
	<hr/>
	94,891
	<hr/>

15. PROPERTY EXPENSES

	Period from 5/6/2006 to 30/9/2007 \$'000
Property tax	7,884
Utilities	5,099
Maintenance	7,082
Property management fees	3,598
Marketing expenses	3,633
Allowance for doubtful receivables	22
Depreciation	26
Others	3,795
	<hr/>
	31,139
	<hr/>

The Trust does not have any employees.

16. BORROWING COSTS

	Period from 5/6/2006 to 30/9/2007 \$'000
Interest expense	14,163
Amortisation of loan arrangement fees	377
	<hr/>
	14,540
	<hr/>

17. ASSET MANAGEMENT FEES

Included in asset management fees is an aggregate of 2,917,554 Units that have been or will be issued to the Manager as satisfaction of the asset management fees payable in Units.

18. INCOME SUPPORT

Being income support from Frasers Centrepoint Limited to the Trust to make good the shortfall of forecast net property income of Anchorpoint, resulting from asset enhancement works at Anchorpoint which commenced in March 2007, as disclosed in the Trust's IPO prospectus.

19. INCOME TAX EXPENSE

	Period from 5/6/2006 to 30/9/2007 \$'000
Reconciliation of effective tax rate	
Net investment income	42,598
	<hr/>
Income tax using Singapore tax rate of 18%	7,668
Non-tax deductible items	1,075
Income not subject to tax	129
Tax transparency	(8,872)
Deferred tax	(1,459)
	<hr/>
	(1,459)
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2007

20. EARNINGS PER UNIT

The calculation of basic earnings per Unit is based on the weighted average number of Units during the period and net investment income after tax.

	Period from 5/6/2006 to 30/9/2007 \$'000
Net investment income	42,598
Taxation	(1,459)
Net investment income after tax	41,139
	No. of Units \$'000
Weighted average number of Units:	
– initial public offering	261,930
– partial satisfaction of purchase consideration on investment properties acquired	352,700
– issued and issuable as satisfaction of asset management fees	1,238
– issued as satisfaction of acquisition fees	70
	615,938

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

21. ISSUE EXPENSES

Issue expenses comprise professional, advisory, underwriting, printing and other costs related to the issuance of Units in the Trust.

These expenses are deducted directly against the Unitholders' funds. Included in issue expenses are non-audit fees paid to auditors of the Trust amounting to \$367,500 for acting as independent reporting accountants.

22. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Trust if the Trust has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Trust and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager and Property Manager (Frasers Centrepoint Property Management Services Pte. Ltd., previously known as Frasers Centrepoint Retail Concepts Pte. Ltd.) are wholly-owned subsidiaries of Frasers Centrepoint Limited, the parent of the Trust.

In the normal course of the operations of the Trust, asset management fees and Trustee's fees have been paid or are payable to the Manager and the Trustee respectively.

During the financial period, other than the transactions disclosed in the financial statements, these were the following related party transactions, which were carried out in the normal course of business on arm's length commercial terms:

22. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

	Period from 5/6/2006 to 30/9/2007 \$'000
Asset enhancement works and consultancy fees paid/payable to the Property Manager	84
Property management fees and reimbursements paid/payable to the Property Manager	7,617
Acquisition fees paid to the Manager in connection with the investment in H-REIT completed on 5 June 2007	469
Reimbursements paid/payable to the Manager	57
Reimbursements paid/payable to a related company	721

23. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

Exposure to credit, interest rate and liquidity risks arises in the normal course of the Trust's business. The Manager continually monitors the Trust's exposure to the above risks.

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 Trust as and when they fall due.

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. Cash and fixed deposits are placed with a financial institution which is regulated.

As at 30 September 2007, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the balance sheet.

Interest rate risk

The Trust'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 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. The Manager adopts a policy of fixing the interest rates for a portion of its outstanding borrowings via financial derivatives or other suitable financial products.

Liquidity risk

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Trust's operations. In addition, the Manager also monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

Fair value

The Manager believes that the fair values of financial assets and liabilities approximate their carrying values at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2007

24. SEGMENT REPORTING

Segment information is presented in respect of the Trust's business segments. This primary format is based on the Trust's 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 period to acquire segment assets that are expected to be used for more than one year.

Business segments

The Trust is in the business of investing in the following shopping malls, which are considered to be the main business segments: Causeway Point, Northpoint and Anchorpoint. All the existing properties are located in Singapore.

Geographical segments

The Trust's operations are primarily in Singapore except for its associate, where operations are in Malaysia.

24. SEGMENT REPORTING (cont'd)

Business segments

	Causeway Point \$'000	Northpoint \$'000	Anchorpoint \$'000	Total \$'000
Revenue and expenses				
Gross rental income	56,424	24,316	4,023	84,763
Others	7,533	2,472	123	10,128
Gross revenue	63,957	26,788	4,146	94,891
Segment net property income	45,610	17,970	172	63,752
Interest income				425
Income support	–	–	1,300	1,300
Unallocated expenses				(22,879)
Net investment income				42,598
Share of results of associate				1,030
Surplus on revaluation of investment properties	68,581	16,260	3,990	88,831
Total return for the period before tax				132,459
Income tax expense	(1,234)	(293)	68	(1,459)
Total return for the period after tax				131,000
Assets and liabilities				
Segment assets	677,514	267,417	47,475	992,406
Investment in associate				48,027
Unallocated assets				13,856
Total assets				1,054,289
Segment liabilities	16,260	7,239	6,569	30,068
Unallocated liabilities				
– trade and other payables				2,516
– interest-bearing borrowings				306,448
Total liabilities				339,032
Other segmental information				
Allowance for doubtful receivables	–	22	–	22
Amortisation of lease incentives	124	67	264	455
Investment properties:				
– Capital expenditure	825	206	6,729	7,760
Fixed assets:				
– Capital expenditure	102	14	26	142
– Depreciation	14	4	8	26

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2007

25. COMMITMENTS

\$'000

Capital expenditure contracted but not provided for:

– contracted but not provided for	1,079
– authorised but not contracted for	1,376
	<hr/>
	2,455
	<hr/>

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

\$'000

Receivable:

Within 1 year	54,224
After 1 year but within 5 years	76,579
After 5 years	63
	<hr/>
	130,866
	<hr/>

26. 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 IRAS should 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 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.

27. SUBSEQUENT EVENTS

Subsequent to the period ended 30 September 2007, these were the following events:

- (a) The Manager declared a distribution of \$10,309,000 to Unitholders in respect of the period 1 July 2007 to 30 September 2007.
- (b) The Trustee entered into a put and call option agreement with Yishun Development Pte Ltd (a wholly owned subsidiary of Frasers Centrepoint Limited, the sponsor of the Trust). Pursuant to which both parties have the right to require the other party to enter into a sale and purchase agreement to acquire an investment property, the whole of Lot 2985X of Mukim 19 (which is adjacent to the Trust's existing Northpoint) together with the building (the "Building") to be erected thereon (the "Property"), for a consideration not lower than \$139.5 million and not higher than \$170.5 million, subject to conditions precedent. The Property has a site area of approximately 44,273 sq ft. Approval has been obtained to construct a 4 storey commercial building with 2 basement levels on the site. The Building is planned to be physically joined to Northpoint with an approved maximum gross floor area of approximately 132,967 sq ft, and net lettable area of approximately 83,100 sq ft.

28. FINANCIAL RATIOS

	%
Expenses to weighted average net assets ⁽¹⁾ :	
– including performance component of asset management fees	1.00
– excluding performance component of asset management fees	0.62
Portfolio turnover rate ⁽²⁾	–

⁽¹⁾ The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Trust, excluding property expenses, interest expense and income tax expense.

⁽²⁾ The annualised ratios are computed based on the lesser of purchases or sales of underlying investment properties of the Trust expressed as a percentage of daily average net asset value.

29. COMPARATIVE INFORMATION

No comparative figures are provided as this is the first set of financial statements prepared for the Trust since the date of its constitution.

STATISTICS OF UNITHOLDERS

AS AT 30 NOVEMBER 2007

Issued and Fully Paid-Up Units

As at 30 November 2007

Date	Event	Number of Units	Amount (\$)	Price (\$)
5 July 06	Initial public offering	261,930,000	269,787,900	1.03
5 July 06	Consideration Units	352,700,000	363,281,000	1.03
30 October 06	Asset management fees	724,479	839,745	1.16
30 January 07	Asset management fees	599,208	887,068	1.48
27 April 07	Asset management fees	498,815	895,025	1.79
26 June 07	Acquisition fees	260,966	469,165	1.80
27 July 07	Asset management fees	499,001	897,355	1.80
29 October 07	Asset management fees	596,051	935,741	1.57
Total Units Outstanding		617,808,520		

There were 617,808,520 Units (voting rights: one vote per Unit) outstanding as at 30 November 2007. There is only one class of Units.

Top Twenty Unitholders

As at 30 November 2007

As shown in the Register of Unitholders

Ranking	Unitholders	Number of Units	% of Total
1	FCL Trust Holdings Pte. Ltd.	313,500,000	50.74%
2	Citibank Nominees Singapore Pte Ltd	136,453,621	22.09%
3	DBS Nominees Pte Ltd	42,201,280	6.83%
4	DBSN Services Pte Ltd	35,248,980	5.71%
5	HSBC (Singapore) Nominees Pte Ltd	28,402,700	4.60%
6	United Overseas Bank Nominees Pte Ltd	7,336,600	1.19%
7	OCBC Securities Private Ltd	6,414,000	1.04%
8	Raffles Nominees Pte Ltd	5,973,930	0.97%
9	Frasers Centrepoint Asset Management Ltd.	3,178,520	0.51%
10	DB Nominees (S) Pte Ltd	2,177,000	0.35%
11	Fam Yue Onn Michael	1,000,000	0.16%
12	Superbowl Holdings Limited	1,000,000	0.16%
13	Royal Bank Of Canada (Asia) Ltd	889,000	0.14%
14	Oversea Chinese Bank Nominees Pte Ltd	850,000	0.14%
15	Land Transport Authority Of Singapore	835,000	0.14%
16	Yap Chong Hin Gabriel	800,000	0.13%
17	Winston Oh Min Chung	654,000	0.11%
18	UOB Kay Hian Pte Ltd	640,000	0.10%
19	Chua Han Yong	388,000	0.06%
20	DBS Vickers Securities (S) Pte Ltd	373,000	0.06%
Total		588,315,631	95.23%

SUBSTANTIAL UNITHOLDERS

AS AT 30 NOVEMBER 2007

Ranking	Unitholders	Direct Interest		Deemed Interest	
		Number of Units	%	Number of Units	%
1	Frasers Centrepoint Limited ⁽¹⁾	–	–	316,678,520	51.26
2	PGGM Pension Fund, Netherlands	37,154,000	6.01	–	–
3	Standard Life Group	37,022,000	5.99	–	–
4	ALG Entities	31,000,000	5.02	–	–

⁽¹⁾ Frasers Centrepoint Limited is deemed to be interested in the 316,082,469 Units held by FCL Trust Holdings Pte Ltd (a wholly owned subsidiary of Frasers Centrepoint Limited) and the Manager, Frasers Centrepoint Asset Management Ltd. (a wholly owned subsidiary of Frasers Centrepoint Limited).

Size of Holdings

As at 30 November 2007

As shown in the Register of Unitholders

Size of Holdings	Number of Unitholders	%	Number of Units	%
1 – 999	9	0.32	2,048	0.00
1,000 – 10,000	2,278	81.68	9,591,761	1.55
10,001 – 1,000,000	492	17.64	27,328,080	4.42
1,000,000 and above	10	0.36	580,886,631	94.03
Total	2,789	100.00	617,808,520	100.00

Manager's Directors' Unitholdings

As at 21 October 2007

Ranking	Unitholders	Number of Units	
		Direct Interest	Deemed Interest
1	Christopher Tang Kok Kai	300,000	–
2	Lim Ee Seng	200,000	–
3	Bobby Chin Yoke Chong	–	100,000
4	Soh Kim Soon	100,000	–
5	Anthony Cheong Fook Seng	50,000	–

Free Float

Based on information made available to the Manager, no less than 10 percent of the Units were held in the hands of the public and this complies with Rule 723 of the Listing Manual.

ADDITIONAL INFORMATION

Related Party Transactions

The transactions entered into with related parties during the financial period and which fall within the Listing Manual of the CIS Code, are as follows:

Name of Related Party	Aggregate value of all related party transactions during the financial period under review (excluding transactions of less than \$100,000 each)
	\$'000
Fraser's Centrepont Limited and its subsidiaries	
– Asset management fees	6,853
– Property management fees	3,598
– Reimbursables	4,797
– Acquisition fees related to acquisitions of 27% interest in Hectar	469
Real Estate Investment Trust	
HSBC Institutional Trust Services (Singapore) Limited	
– Trustee's fees	242

Saved as disclosed above, there were no additional related party transactions (excluding transactions of less than \$100,000 each) entered into during the financial period under review.

Please also see Significant Related Party Transactions in Note 22 in the financial statements.

Rules 905 and 906 of the Listing Manual are not applicable if such related party transactions are made on the basis of, and in accordance with, the terms and conditions set out in the Trust prospectus dated 27 June 2006 and therefore would not be subject to Audit Committee review/approval.

Subscription of the Trust Units

As at 30 September 2007, an aggregate of 617,212,469 Units were in issue. On 29 October 2007, the Trust issued 596,051 Units to the Manager as asset management fees for the period from 1 July 2007 to 30 September 2007.

CORPORATE INFORMATION

FRASERS CENTREPOINT TRUST

c/o HSBC Institutional Trust Services
(Singapore) Limited
21 Collyer Quay #10-01
HSBC Building
Singapore 049320
Phone: (65) 6534-1900
Fax: (65) 6533-1077
Website: www.fraserscentrepointrust.com

UNIT REGISTRAR AND UNIT TRANSFER OFFICE

Lim Associates (Pte) Ltd
3 Church Street
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Phone: (65) 6536-5355
Fax: (65) 6536-1360

TRUSTEE

HSBC Institutional Trust Services
(Singapore) Limited
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Phone: (65) 6534-1900
Fax: (65) 6533-1077

THE MANAGER

Frasers Centrepont Asset
Management Ltd.
438 Alexandra Road
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Fax: (65) 6272-8776

THE PROPERTY MANAGER

Frasers Centrepont Property Management
Services Pte Ltd
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Fax: (65) 6277-2188

AUDITOR

Ernst & Young
One Raffles Quay
Level 18 North Tower
Singapore 048583
Phone: (65) 6535-7777
Fax: (65) 6532-7662

BANKERS

Oversea-Chinese Banking
Corporation Limited
Standard Chartered Bank

DIRECTORS OF THE MANAGER

Mr Lim Ee Seng
Acting Chairman

Mr Christopher Tang Kok Kai
CEO and Executive Director

Mr Anthony Cheong Fook Seng
Non-Executive Director

Mr Bobby Chin Yoke Choong
Independent Non-Executive Director

Mr Philip Eng Heng Nee
Independent Non-Executive Director

Mr Soh Kim Soon
Independent Non-Executive Director

AUDIT COMMITTEE

Mr Bobby Chin Yoke Choong (Chairman)
Mr Anthony Cheong Fook Seng
Mr Soh Kim Soon

COMPANY SECRETARY

Mr Anthony Cheong Fook Seng



Fraser's Centrepont Asset Management Ltd
Company Registration No: 200601347G

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