





## Editorial

Corporate profile	1
FCT at a glance	2
Financial highlights	4

## Year in review

Key events	6
Letter to Unitholders	8

## Unlocking portfolio value & Potential pipeline for acquisition

Anchorpoint	12
Northpoint	14
Northpoint 2	16
YewTee Point	17
Bedok Mall	18
The Centrepoint	19

## Organisational detail

Organisational structure	21
Board of Directors	22
Management teams	24

## Operational & financial review and Market overview

Operational & financial review	28
Portfolio review	31
Risk management	34
Market overview	35
Singapore REIT sector	38

## Mall profiles

Causeway Point	40
Northpoint	42
Anchorpoint	44
Hektar REIT	46

Investor relations	48
Community engagement	49

## Corporate governance 50

## Financials

Financial statements	60
Statistics of Unitholders	100
Additional information	102
Corporate information	ibc



# Fraser's Centrepont 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 stakes.

FCT's portfolio consists of three quality suburban malls in Singapore with a combined appraised value of S\$1.1 billion as at 30 September 2008. 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.

To unlock the full potential of its assets, FCT has undertaken asset enhancement initiatives designed to maximise each property's performance. The potential injection of pipeline assets will help FCT gain greater scale and drive income growth for Unitholders. FCT also enjoys good overseas returns from a portfolio of quality regional malls in Malaysia via its 31% strategic stake in Hektar REIT.

Listed on the Main Board of the Singapore Exchange Securities Trading Limited since 5 July 2006, FCT is managed by Fraser's Centrepont Asset Management Ltd., a division of property company Fraser's Centrepont Limited, which is a wholly-owned subsidiary of Fraser and Neave, Limited.

## FY2008 performance at a glance

Gross revenue

**S\$84.7million**

Distribution per unit ("DPU")

**7.29¢**

Increase in DPU

**11%**

Net asset value per unit ("NAV")

**S\$1.23**





## FRASERS CENTREPOINT TRUST, A LEADING RETAIL REIT WITH HIGH QUALITY ASSETS AND DEFENSIVE CASHFLOWS IS GROWING VIA SEVERAL GROWTH THRUSTS.

### LEADING RETAIL REIT

- |   |  |
|---|--|
| <p>1. High quality assets</p> <ul style="list-style-type: none"> <li>• Strategic locations</li> <li>• Large catchment populations</li> <li>• Quality tenant base</li> </ul> | <p>2. Defensive cashflows</p> <ul style="list-style-type: none"> <li>• Majority of tenant sales focused on non-discretionary spending</li> <li>• Limited suburban retail supply</li> <li>• High historical occupancy levels</li> </ul> |
|---|--|

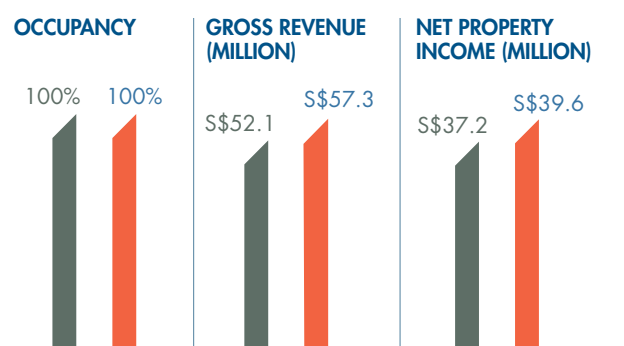
### STRATEGIC GROWTH THRUSTS

- |  |  |  |
|--|--|--|
| <p>1. Sustainable rental growth</p> <ul style="list-style-type: none"> <li>• Achieved 14% increase in rental renewals over preceding rents in FY2008.</li> <li>• Continued strong demand from retailers for well run suburban malls located close to transportation hubs.</li> </ul> | <ul style="list-style-type: none"> <li>• Started on the second mall enhancement initiative at Northpoint to rejuvenate and integrate the mall with its new wing Northpoint 2.</li> <li>• Enhancement plans for Causeway Point currently under development.</li> </ul>                            | <p>4. Potential acquisition pipeline</p> <ul style="list-style-type: none"> <li>• Sponsor, Frasers Centrepoint Limited has extended to FCT a five year right of first refusal to its Singapore assets, providing FCT with a potential acquisition pipeline comprising of high quality strategically located assets.</li> </ul> |
| <p>2. Unlock portfolio value</p> <ul style="list-style-type: none"> <li>• Completed the first in a series of three mall enhancements with the relaunch of Anchorpoint as Singapore's first outlet mall in May 2008.</li> </ul>   | <p>3. Overseas growth</p> <ul style="list-style-type: none"> <li>• Acquired an additional 4% stake in Hektar REIT to raise its shareholdings to 31% in April 2008.</li> <li>• Hektar REIT is Malaysia's premier retail-focused REIT with a portfolio of three quality regional malls.</li> </ul> |  |



## CAUSEWAY POINT

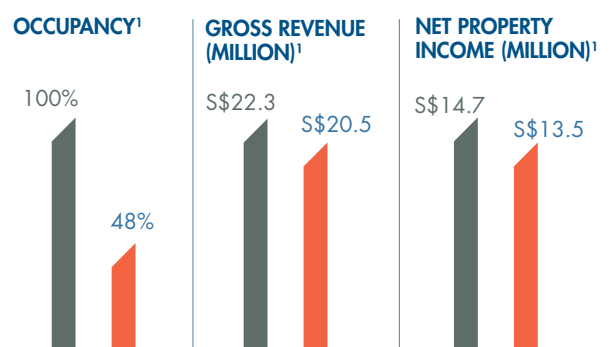
Net lettable area	418,543 sq ft
Location	Woodlands
Connectivity	MRT station & bus interchange
Catchment population	294,600
Shopper traffic	28.6 million



## NORTHPOINT

Net lettable area	149,244 sq ft
Location	Yishun
Connectivity	MRT station & bus interchange
Catchment population	179,400
Shopper traffic	16.3 million

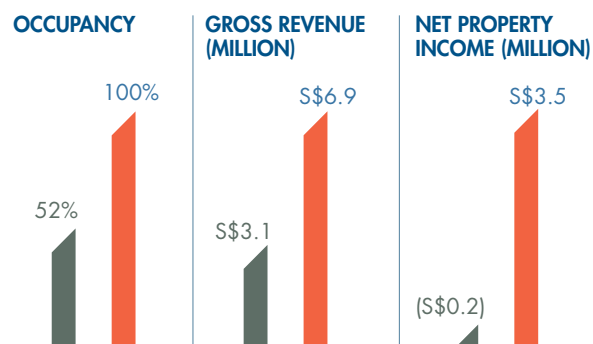
<sup>1</sup> Comparisons not meaningful as Northpoint is currently undergoing planned asset enhancement works



## ANCHORPOINT

Net lettable area	71,610 sq ft
Location	Queenstown
Connectivity	Bus stop & shuttle bus service
Catchment population	73,500
Shopper traffic	NA <sup>2</sup>

<sup>2</sup> Shopper traffic not available as the traffic counter was removed during asset enhancement works



Note: All data as at 30 September 2008





FCT IS DELIVERING SUSTAINABLE GROWTH TO UNITHOLDERS WHILE MAINTAINING A STRONG FINANCIAL POSITION WITH ITS PRUDENT CAPITAL MANAGEMENT.

## FINANCIAL HIGHLIGHTS

Financial year ended 30 September	FY2008	FY2007	Change
Gross revenue	S\$84.7m	S\$77.5m	9.2%
Net property income	S\$56.6m	S\$51.7m	9.4%
Income available for distribution	S\$45.2m	S\$40.4m	12.1%
DPU	7.29¢	6.55¢	11.3%

## CAPITAL MANAGEMENT

Financial year ended 30 September	FY2008	FY2007	Change
Total assets	S\$1,127.0m	S\$1,055.3m	6.8%
NAV	S\$1.23	S\$1.16	6.0%
Total borrowings	S\$317.5m	S\$307.5m	3.3%
Gearing	28%	29%	NA
Corporate rating	A3	A3	NA





YEAR IN  
REVIEW

## KEY EVENTS

**OCTOBER 2007** Renewed the lease of key tenant John Little department store (21,000 sq ft) in Causeway Point.

**NOVEMBER 2007** Renewed the leases of key tenants Courts electronic store (36,000 sq ft) and Cold Storage supermarket (35,000 sq ft) in Causeway Point.

Northpoint sponsored a recycling initiative and design competition in conjunction with Yishun Junior College.

**JANUARY 2008** Embarked on S\$39 million asset enhancement initiative to rejuvenate and optimise Northpoint's financial performance. Besides transferring gross floor area from the fourth level to higher yielding lower levels, Northpoint will also be fully integrated with its new wing Northpoint 2, to create a single seamless 232,000 sq ft mall. The enhancement is expected to achieve a return on investment of 11% and projected to have an accretion of approximately 7% to the portfolio's net property income.

## 2008 HIGHLIGHTS

NOV  
07

Northpoint sponsors recycling initiative and design competition

Northpoint commences S\$39million enhancement works

JAN  
08

Anchorpoint enhancement complete

MAY  
08

Anchorpoint holds Enterprising Retailing Team Challenge

JUN  
08

Causeway Point hosts HeritageFest

JUL  
08

FY2008 DPU rose 11% year-on-year

SEP  
08

FCT HAS LAID STRONG FOUNDATIONS WHILE BUILDING A ROBUST PLATFORM TO ENHANCE UNITHOLDERS' RETURNS.



**MAY 2008** Relaunched Anchorpoint as Singapore's first outlet mall after completing asset enhancement works costing S\$13 million. Average rentals and shopper traffic grew 41% and 17% respectively, attesting to its popularity with tenants and shoppers alike. The enhancement delivered a return on investment of 14% while Anchorpoint's net property income doubled to S\$3.5 million.

**JUNE 2008** Anchorpoint held the inaugural Enterprising Retailing Team Challenge in collaboration with the National Institute of Education to allow students to manage their own retail business over a period of two days.

**JULY 2008** Renewed the lease of key tenant Popular Book Store (14,000 sq ft) in Northpoint.

Causeway Point hosted the official opening ceremony of HeritageFest, marking the first time that this event is held in the heartlands of Singapore.

**SEPTEMBER 2008** Achieved 11.3% year-on-year increase in FY2008 DPU.



(left)  
Mr Christopher Tang

(right)  
Mr Lim Ee Seng



## FY2008 WAS AN EVENTFUL YEAR WITH DIFFICULT MARKET CONDITIONS, BUT FCT HAS EMERGED STRONGER THAN BEFORE AND IS WELL POISED TO MEET THE CHALLENGES IN THE YEAR AHEAD.

Dear Unitholders,

On behalf of the Board of Directors of Frasers Centrepoint Asset Management Ltd, manager of Frasers Centrepoint Trust ("FCT"), we are pleased to share with you the progress that FCT has made in the Financial Year ended 30 September 2008 ("FY2008").

### Year in review

FY2008 was an eventful year. The unfolding subprime contagion increased volatility

across all financial markets with the benchmarks FTSE Straits Times Index and FTSE Real Estate Index, falling 36% and 54% respectively. FCT's unit price performance was not spared from the financial maelstrom, ending the financial year with a 49% decline in unit price.

Despite the decline in unit price, at the underlying operational level, FCT continued to deliver strong FY2008 results, buttressed by its solid portfolio of





# 12%

Income available  
for distribution

# 7.29¢

Distribution per unit

# S\$1.23

Net asset value  
per unit

suburban retail malls, strong balance sheet and a committed management team.

Gross revenues rose 9% in FY2008 over the previous year to S\$84.7 million, despite disruptions to Northpoint's operations as a result of planned asset enhancement works. Income available for distribution increased 12% to S\$45.2 million. Unitholders received DPU totalling 7.29 cents in FY2008, representing a 11% increase over the previous financial year.

In the tight credit market, FCT benefited from our policy of a prudent capital structure and management strategy of conservative gearing, locked-in interest and long tenure of our loans. As at 30 September 2008, our gearing ratio remains conservative at 28.1% with the earliest material loan expiry occurring only in July of 2011.

### Portfolio performance

FCT achieved 14% increase in rental renewals over preceding rents in FY2008, on the back of strong retailer demand for our malls, rental uplift from Anchorpoint, and tight suburban retail supply. Gross turnover ("GTO") rents grew strongly, as we made significant progress in increasing the proportion of leases with GTO clause from 28% a year ago to 82% as at end September 2008, exceeding the 75% target we have set earlier.

Our portfolio of malls continued to perform well, with both Causeway Point and

Anchorpoint achieving full occupancy as at 30 September 2008. Northpoint registered occupancy rate of 48%, as a result of planned vacancy to facilitate the asset enhancement works taking place at the property.

Shopper traffic remained very healthy with Causeway Point and Northpoint drawing 28.6 million and 16.3 million shoppers respectively in FY2008.

In April 2008, we increased our strategic stake in Hektar REIT to 31% from 27% previously. We like Hektar REIT's portfolio, which consist of regional shopping malls that dominate their trade area, not unlike the characteristics of FCT malls. We participate in Hektar REIT's growth strategies via our representations on the Board and ExCo. Our investment in Hektar REIT have yielded good returns, with our share of its distributions totalling S\$3.4 million in FY2008.

FCT's asset size increased to S\$1,127 million as at 30 September 2008 from S\$1,055 million a year ago, reflecting the value created at the malls. Correspondingly, FCT's NAV rose to S\$1.23 per unit as at 30 September 2008 compared to S\$1.16 per unit in the previous corresponding period.

### Asset enhancement progress

In FY 2008, we continued to build upon the strong foundations of the portfolio. We are pleased to report the good progress that we have made in our asset enhancement

initiatives ("AEI"). Our AEI master plan is a strategic initiative designed to enhance and rejuvenate our existing malls, thereby realising the full potential of our assets.

Anchorpoint's AEI has been a resounding success. Relaunched in May 2008 after extensive asset enhancement works costing S\$13 million, Anchorpoint has been transformed into Singapore's first outlet mall. Together with a strong food and beverage focus, the performance of the revamped Anchorpoint has been excellent. Average rentals and monthly shopper traffic rose 41% and 17% respectively after AEI, demonstrating the popularity of its new positioning and retail mix with tenants and shoppers alike. Net property income doubled after completion, with the return on investment of 14.1% surpassing our forecasts of 10.6%.

In January 2008, we embarked on the second leg of our AEI master plan to refresh Northpoint, Singapore's pioneer suburban mall. Costing approximately S\$39 million, the enhancement work will transfer gross floor area from the fourth level to higher yielding lower levels. Average rentals are expected to increase 20% to S\$13.20 per sq ft per month. Net property income is forecast to rise 30% to S\$18 million, translating to a return on investment of 11%. Upon completion in June 2009, Northpoint will be fully integrated with its new wing Northpoint 2, creating a single seamless



shopping mall with a total net lettable area ("NLA") of approximately 232,000 sq ft.

### Resilience in uncertain economic times

FCT's property portfolio comprises of suburban malls which are strategically located close to major transportation hubs, serve large captive populations and houses a majority of tenants catering to non-discretionary spending in goods and services. These qualities imbue FCT's income and cashflow with strong resilience as consumer behaviour is likely to change by substituting luxury and big ticket purchases with increased spending on basic goods and non-discretionary services in the event of an economic slowdown. Our past experience has been that suburban malls continue to perform strongly with minimal impact on occupancy even in the midst of economic downturns.

Over at Northpoint, the ongoing asset enhancement programme will also provide a substantial boost to FCT's income as close to 90% of Northpoint's post enhancement NLA have already been committed ahead of its completion in June 2009.

FCT's 31% strategic stake in Hektar REIT will continue to provide stable growth to FCT's income. Hektar REIT shares similar defensive characteristics to FCT, with a portfolio of Malaysian regional malls that serve a captive population

catchment. FCT is set to receive higher cash distributions from Hektar next year with the recent change in Malaysian tax laws. Starting in 2009, the withholding taxes to be paid by non-resident institutional investors of Malaysian REITs will be reduced from 20% to 10%.

Northpoint 2 received its temporary occupation permit ("TOP") on 16 October 2008, while YewTee Point is targeting to receive its TOP before March 2009. The plan to acquire these assets from our injection pipeline has been placed on hold until confidence and stability returns to the capital markets.

### Outlook

Despite the volatility in financial markets, FCT unitholders can look forward to sustainable income while benefiting from the stability of a lowly geared capital structure. FCT's portfolio of suburban malls provide highly defensive cashflows while the asset enhancement works at Northpoint will rejuvenate Singapore's pioneer mall, driving further income growth.

### Community engagement

Our suburban malls are an integral part of the suburban community life. We seek to play an active role by sponsoring worthy social and community events in the communities where our malls are situated. In the last financial year, Northpoint sponsored a recycling and

fund raising initiative with Yishun Junior College. Anchorpoint held the inaugural Enterprising Retailing Team Challenge in collaboration with the National Institute of Education to allow students to manage their own retail business over a period of two days. Causeway Point also got into the act by hosting the official opening ceremony of HeritageFest, marking the first time that this event is held in the heartlands of Singapore.

### Acknowledgements

The progress that FCT has made would not have been possible if not for the strong support provided by our tenants, shoppers, business partners and staff. We wish to express our sincere appreciation to them for their invaluable contribution. Last but not least, we thank you, our Unitholders, for your trust and confidence in us.

**Mr Lim Ee Seng**  
Chairman

**Mr Christopher Tang**  
Chief Executive Officer





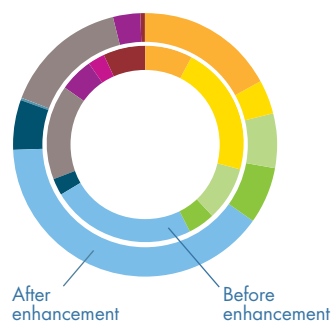
UNLOCKING  
PORTFOLIO  
VALUE &  
POTENTIAL  
PIPELINE FOR  
ACQUISITION



# UNLOCKING PORTFOLIO VALUE

ANCHORPOINT

## TRADE MIX – NLA



Category	After enhancement	Before enhancement
Fashion	17.2%	7.8%
Household	3.9%	21.6%
Services/education	6.7%	8.7%
Beauty, hair, cosmetics, personal care	7.0%	4.6%
Food and restaurants	39.6%	23.7%
Books, music, art & craft, hobbies	6.1%	2.9%
Sports apparels & equipment	0.5%	0.0%
Supermarket/hypermarket	15.1%	15.6%
Healthcare	3.3%	5.4%
Leisure/entertainment	0.0%	2.8%
Vacant	0.5%	6.8%





## ANCHORPOINT'S PERFORMANCE POST ENHANCEMENT



## FCT COMPLETED ITS FIRST IN A SERIES OF THREE MALL ENHANCEMENTS WITH THE RELAUNCH OF ANCHORPOINT AS SINGAPORE'S FIRST OUTLET MALL IN MAY 2008.

With an exciting village theme and a revamped mix of outlet stores helmed by attractive food & beverage offerings, Anchorpoint's unique retail concept distinguishes it from other suburban retail malls.

Anchorpoint now features retail outlets providing high quality goods at marked down prices. Among the outlet stores that have opened at Anchorpoint are Billabong, Charles & Keith, Clubmarc Express, City Chain, Capitol Optical, Factory Outlet Store (FOS), G2000, Giordano, Options 180 and Pedro. Jewellers such as Goldheart and SK Jewellery have also opened outlet stores there. These fashion outlet shops replaced furnishing shops which used to comprise 21% of Anchorpoint's net lettable area.

The food and beverage offerings at Anchorpoint have also been enhanced. Disney set up its first food and beverage outlet in Singapore at Anchorpoint. Named "Disney Naturally", it is a café-style healthy eatery targeted at young families. The

food court has moved to the basement to improve traffic flow within the mall. Managed by Koufu, the food court presents an idyllic village countryside setting and metropolitan flavours ranging from char siew rice to Osaka cuisine and Italian pizza.

There is also Kopi Alley where shoppers can enjoy local coffee shop titbits at the mall's double-volume basement atrium. To complete the line-up, fast food and takeaways outlets such as KFC and Subway are also available.



The new double-volume basement atrium at Anchorpoint

**UNLOCKING  
PORTFOLIO  
VALUE**

**NORTHPOINT**

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 FORECAST FINANCIALS POST ENHANCEMENT



## FCT EMBARKED ON ITS SECOND MALL ENHANCEMENT INITIATIVE AT NORTHPOINT IN JANUARY 2008.

Opened in 1992, Northpoint was Singapore's first suburban mall and its tremendous success sparked the whole suburban mall trend. 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.

A two-storey Annex building will be demolished to make way for the mall's

extension. Gross floor area will then be transferred from the fourth floor to higher yielding areas on the first to third floors, where the Annex building formerly stood. A children's play area, complete with water features will be constructed on Northpoint's rooftop.

Northpoint will also be fully integrated with its new wing Northpoint 2, creating a single seamless shopping mall with a total net lettable area of approximately 232,000 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.

Northpoint's asset enhancement program will be executed over several phases and completion is expected by end June 2009.



Newly revamped Northpoint basement one shops

## POTENTIAL PIPELINE

### NORTHPOINT 2

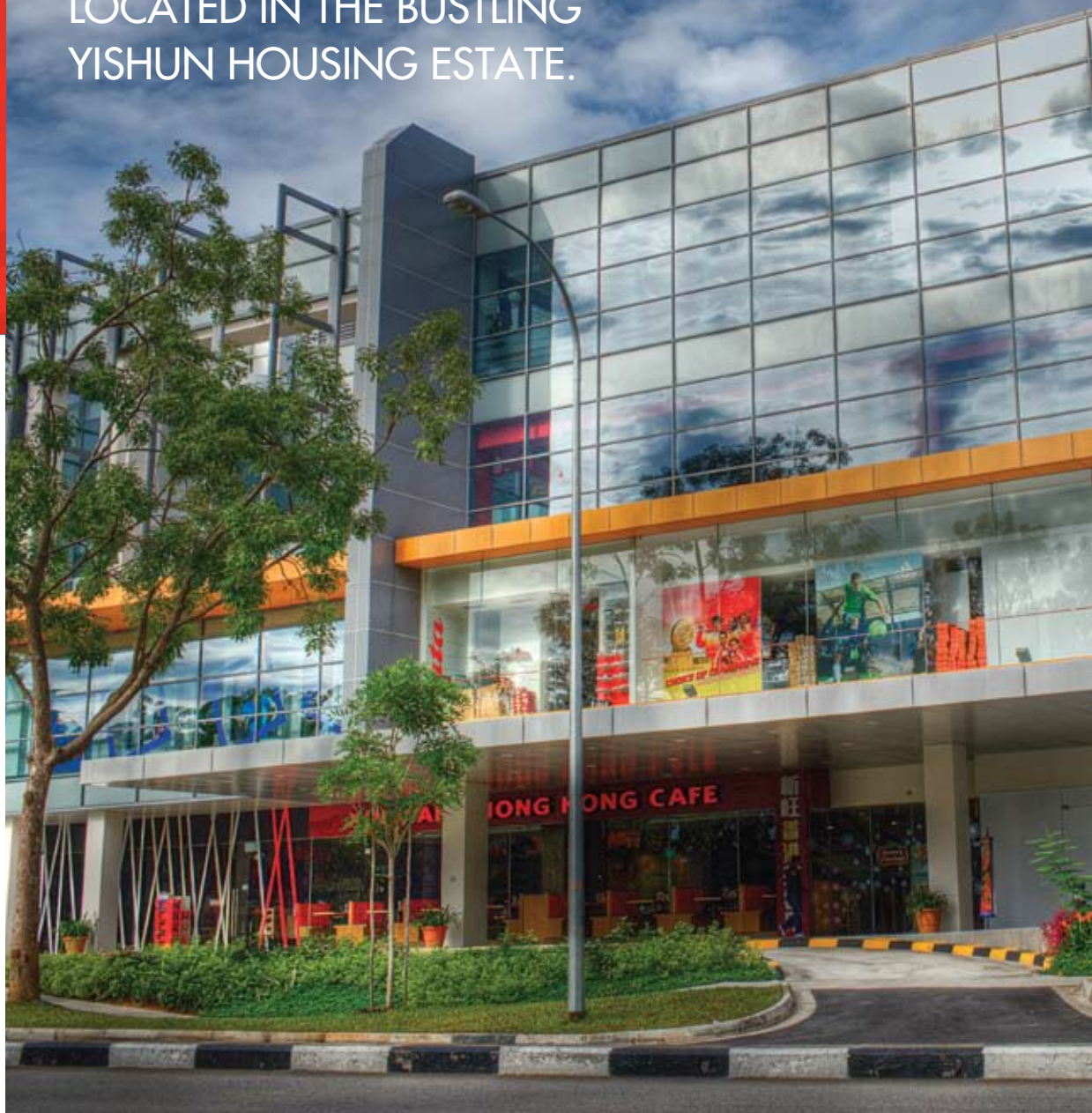
Net lettable area  
83,000 sq ft

Location  
Yishun

Connectivity  
Yishun MRT  
station and bus  
interchange

Population catchment  
179,400

NORTHPOINT 2 IS STRATEGICALLY  
LOCATED IN THE BUSTLING  
YISHUN HOUSING ESTATE.



Straddling between the Yishun MRT station and bus interchange, Northpoint 2 will benefit from the large flow of commuter traffic transiting from one major public transportation node to another.

Northpoint 2 was designed to complement the adjacent Northpoint. When Northpoint's asset enhancement initiative is complete, both malls will be fully integrated into a single seamless mall of 232,000 sf. The enlarged mall will become a community hub for Yishun and an integral part of the precinct.

Northpoint 2 is close to fully leased as retailers were quick to seize opportunities in suburban malls where new supply have been limited. Spectacle Hut, G2000 and City Chain were amongst the many quality retailers that have sign up at Northpoint 2. Ishi Mura, a foodcourt based on a novel Japanese concept has also set up shop at Northpoint 2 and is set to start a new trend in the food and beverage industry. A community library located on the fourth level will serve residents in the mall's vicinity.

Northpoint 2 received its temporary occupation permit in October 2008.



YEWTEE POINT IS SET TO ENHANCE THE SHOPPING EXPERIENCE AND CONVENIENCE OF YEW TEE RESIDENTS WHEN COMPLETED.

POTENTIAL  
PIPELINE

YEWTEE POINT



Located strategically in Yew Tee town centre, YewTee Point is well served by the neighbouring Yew Tee MRT station and is easily accessible via the Kranji Expressway.

Sited directly above the mall is YewTee Residences, a 139-units condominium with full condominium facilities. When completed, YewTee Point will serve approximately 80,000 residents living in the Yew Tee neighbourhood estate, comprising of HDB apartment blocks and private residential properties

such as Regent Grove, The Quintet, Yew Mei Green and Villa Verde.

YewTee Point is anchored by Koufu Foodcourt and NTUC Fairprice supermarket, both located in the basement level. The mall will offer a wide range of food and beverage options such as Xing Wang Hongkong Café, Shin Tokyo, Subway, Prata Café and Long John Silver's. Other offerings include fashion retail, beauty and healthcare, lifestyle and educational services.

Net lettable area  
72,000 sq ft

Location  
Yew Tee

Connectivity  
Yew Tee MRT station

Population catchment  
80,000

## POTENTIAL PIPELINE

### BEDOK MALL

BEDOK MALL IS STRATEGICALLY LOCATED  
IN THE TOWN CENTRE OF THE HIGHLY  
POPULATED BEDOK HOUSING ESTATE.

Artist's impression



**Net lettable area**  
81,000 sq ft

**Location**  
Bedok

**Connectivity**  
Bedok MRT station  
and bus interchange

**Population catchment**  
129,100

With its close proximity to the MRT station and bus interchange, it will be easily accessible to the 129,100 residents living around the Bedok district. The mall will

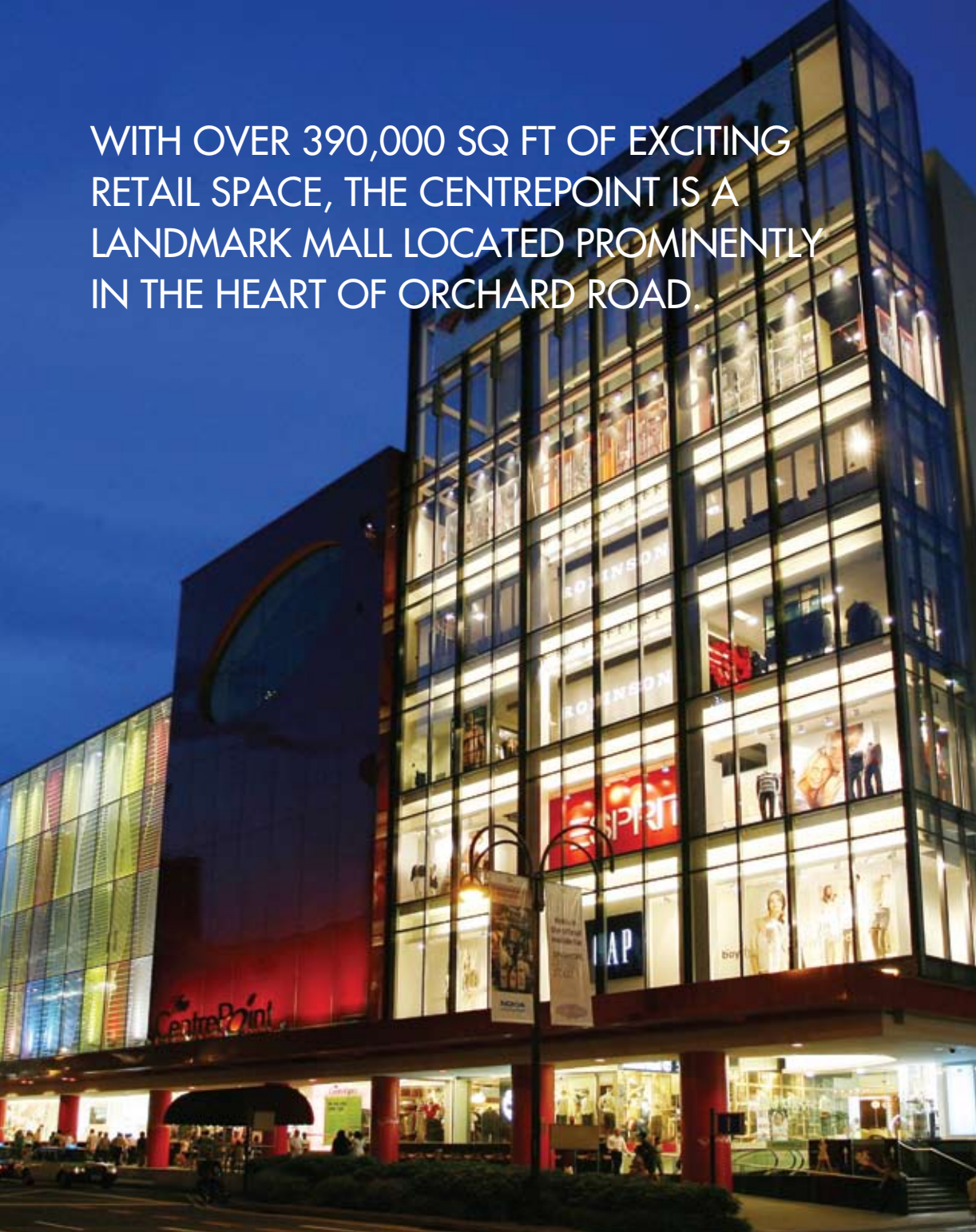
redefine the shopping experience in the town centre with unique retail concepts and restaurants.



WITH OVER 390,000 SQ FT OF EXCITING RETAIL SPACE, THE CENTREPOINT IS A LANDMARK MALL LOCATED PROMINENTLY IN THE HEART OF ORCHARD ROAD.

**POTENTIAL  
PIPELINE**

**THE  
CENTREPOINT**



Net lettable area  
392,138 sq ft

Location  
Orchard  
shopping district

Connectivity  
Somerset  
MRT station

Population catchment  
4,590,000

Anchored by quality tenants such as Robinsons department store and Cold Storage supermarket, The Centrepoint features an excellent mix of well-known retailers while offering a wide selection of quality merchandise. The Centrepoint places high value on keeping in tune

with the changing lifestyles of today's consumers and introduces fresh concepts to continuously pique shoppers' interest. In the 25 years of its existence, The Centrepoint has gained a loyal following of local shoppers as well as tourists from abroad.





ORGANISATIONAL  
DETAIL



## 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.

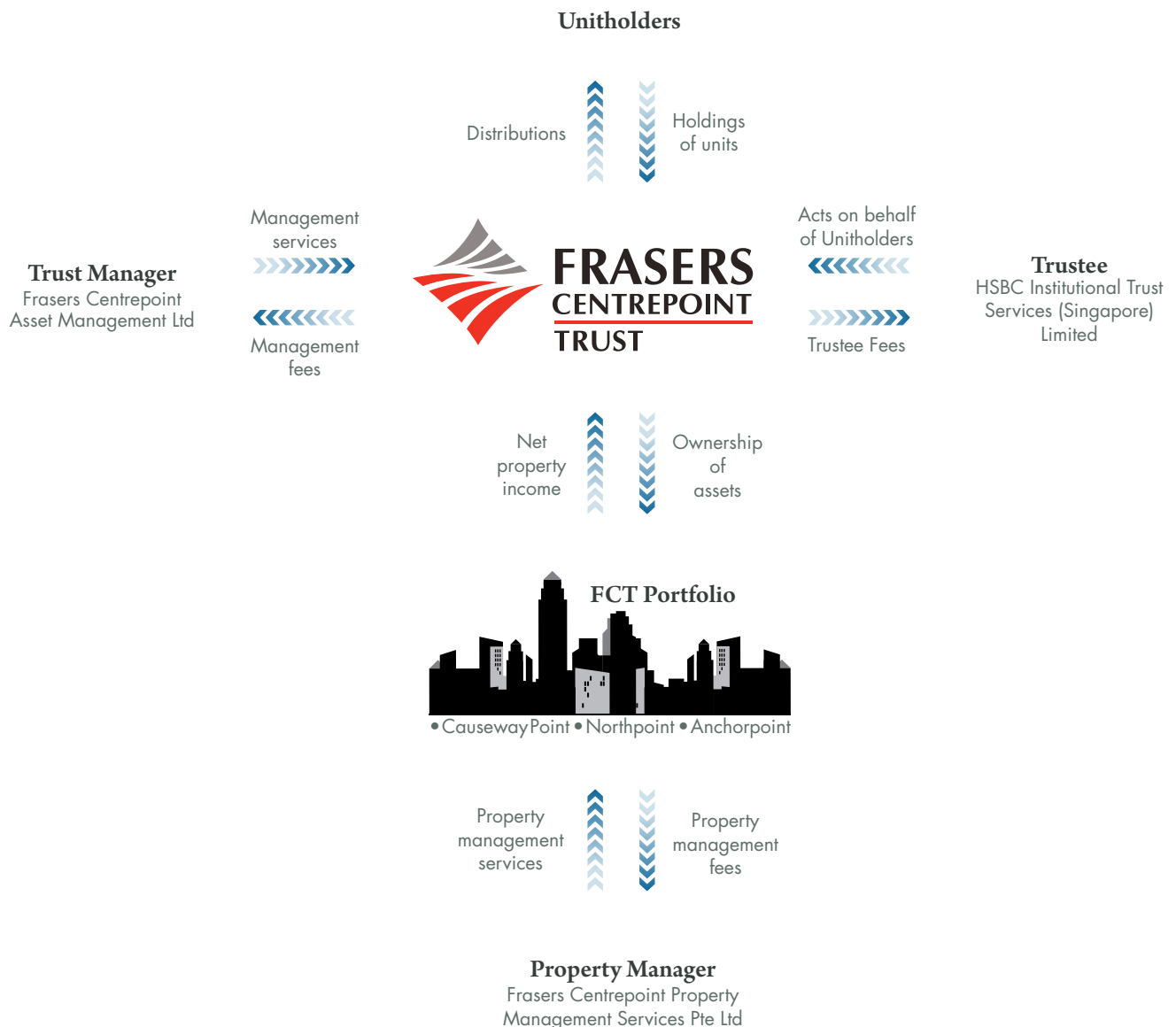
We aspire to create and offer a vibrant and exciting shopping experience to meet the expectations of our Shoppers.

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.

## ORGANISATIONAL STRUCTURE



## BOARD OF DIRECTORS



From left to right as reflected below

### **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. He is also the Chief Executive Officer of Frasers Centrepoint Commercial, the FCL division which is responsible for commercial property investment, development and management, fund and asset management.

Mr Tang has over 19 years of experience in asset management, investment management, marketing and operations in the real estate and manufacturing industries. Prior to joining the Fraser & Neave Group in 2001, he held senior positions with DBS Bank, DBS Land and British Petroleum.

Mr Tang is a member of the Management Board of Asian Public Real Estate Association ("APREA"), the representative body for the publicly traded real estate sector in Asia. He is also a Director of listed companies – Frasers Property (China) Limited and Frasers Centrepoint Asset Management (Commercial), the manager of Frasers Commercial Trust, an office REIT, and China Dairy Group Ltd. 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 the Group Company Secretary of Fraser & Neave Group. Mr Cheong joined the Fraser & Neave Group in Times Publishing Limited as Corporate General Manager (Group Finance) and Company Secretary in 2001. Mr Cheong currently holds directorships on the Boards of a number of subsidiaries of the Fraser & Neave Group 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 from KPMG in September 2005.

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 served as a Board member of Urban Redevelopment Authority from 1997 to 2006 and was its Chairman from 2001 to 2006.

He is currently the Chairman of Singapore Totalisator Board, a member of the Competition Commission of Singapore and Singapore Labour Foundation. He also serves on the Board of Trustees of Singapore Indian Development Association. Mr Chin is a director of several listed companies including Oversea-Chinese Banking Corporation Limited, Yeo Hiap Seng Limited, Neptune Orient Lines Limited, Ho Bee Investment Limited and AV Jennings Limited.





### 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 and Orchard Energy Pte Ltd, Director of Singapore Computer Systems Limited, Frasers Centrepont Asset Management Ltd, Hektar Asset Management Sdn Bhd, Chinese Development Assistance Council and Commissioner of PT Adira Dinamika Multi Finance, Tbk, Indonesia. Mr Eng is also Singapore's Ambassador to Greece. He was also recently appointed as Director of NTUC Income. He spent 23 years with the Jardine Cycle & Carriage Group before retiring in February 2005 as Group Managing Director.

Mr Eng graduated from the University of New South Wales with a Bachelor of Commerce in Accountancy and is an Associate Member of the Institute of Chartered Accountants in Australia.

### Mr Lim Ee Seng

Chairman

Mr Lim Ee Seng is the Chief Executive Officer and a director of Frasers Centrepont 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 both locally and overseas. These include property development, property investment, the Retail and Office REIT, and an international chain of serviced apartments. Mr Lim is Chairman of Frasers Property (China) Ltd, a Hong Kong listed property company. Mr Lim has more than 27 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. He is also a Fellow of the Institute of Directors, Singapore.

### 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 held key senior positions in both business and support functions during his 29 year tenure. Mr Soh also sits on the Boards of EnGro Corporation Limited, National Healthcare Group Pte Ltd and NTUC Income Insurance Cooperative Limited.

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

### **Mr Christopher Tang Kok Kai** Chief Executive Officer & Executive Director

Christopher works closely with the Board of Directors to formulate the overall business and investment strategy of FCT. He is responsible for the overall management and planning of the strategic direction of FCT, as well as overseeing the day-to-day operations.

Please refer to the Board of Directors section for details of Christopher's profile.

### **Mr Jack Lam** Deputy CEO

Jack assists the CEO in executing management plans and in overseeing the day-to-day operations of FCT. Concurrently, Jack also leads the Investment team which is responsible for identifying, evaluating and executing acquisition and investment initiatives in Singapore and key regional markets, with a view to growing and enhancing FCT's asset portfolio and Unitholder return.

Jack has over 15 years of experience in the local and regional real estate markets, spanning a variety of roles in investment, asset management, advisory and research. He 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** Assistant General Manager

Poh Tin's responsibilities 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.

Poh Tin has 21 years of real estate asset and property management experience. She holds Diplomas in Building Maintenance and Management from Ngee Ann Technical College and Management Studies from Singapore Institute of Management. She obtained her Bachelor of Science Honours degree in Real Estate Management from Oxford Brookes University.

### **Ms Teo Siaw Shien** Financial Controller

Siaw Shien is responsible for the finances of FCT and provides support in areas of secretariat compliance, taxation and treasury.

Siaw Shien has over 17 years of accounting and finance experience. She 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.

### **Mr James Goh Chat Shen** Head, Investor Relations & Research

James is responsible for overseeing FCT's investor relations efforts and industry research analysis. He focuses on providing transparent and continuous disclosure to the investment community while actively reaching out to potential investors via roadshows, conferences and the FCT website.

James has over 8 years of experience in the investor relations and analytical research field. He is a CFA charter holder and a graduate of Nanyang Technological University with a Bachelor of Accountancy (Honours) degree.



## THE PROPERTY MANAGEMENT TEAM

### **Mrs Wendy Low** General Manager

Wendy leads the property management team which is responsible for the provision of property, lease and project management and marketing communication services for FCT malls.

Wendy has over 23 years of experience in all aspects of estate, property and shopping mall management. She holds a Master of Science degree in Property and Maintenance Management, a Bachelor of Science (Honours) degree in Estate Management from the National University of Singapore and a Graduate Diploma in marketing from the Marketing Institute of Singapore. She is an active member of the Overseas Travel Committee, a sub-committee of The Association of Shopping Centres (Singapore) and a member of the Singapore Institute of Surveyors and Valuers.

### **Mr Edward Kway** Head, Engineering

Edward's responsibilities include engineering, building operations, security and carpark operations for FCT malls. He is involved extensively in asset enhancement initiatives and new building projects and has successfully implemented many cost saving initiatives.

Edward has over 26 years of experience in the building industry, of which 14 years been spent in the hospitality industry. An Electrical Engineer by training and a qualified Fire Safety Manager, he also holds a Bachelor of Business Management and Economics degree from Charles Sturt University, Australia.

### **Ms See San San** Head, Leasing

San San heads the leasing function across all FCT malls. She is responsible for planning the desired trade and tenant mix of the malls with the objective of ensuring optimum rental returns.

San San has over 20 years of marketing and management experience in the retail, industrial and residential sector. She 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 oversees the day-to-day operations of Northpoint and is responsible for optimising the operational and financial performance of Northpoint.

Kam Seng has more than 22 years of experience in building and plant construction, and management of major shopping centres. He 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.



## THE PROPERTY MANAGEMENT TEAM (CONT'D)

**Ms Molly Lim**  
Senior Centre Manager,  
Causeway Point

Molly oversees the day-to-day operations of Causeway Point and is responsible for optimising the operational and financial performance of Causeway Point.

Molly has more than 18 years of experience in leasing commercial properties, which includes 14 years of shopping centre management. She 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 Sandy Yong**  
Centre Manager,  
Anchorpoint

Sandy oversees the day-to-day operations of Anchorpoint and is responsible for optimising the operational and financial performance of Anchorpoint.

Sandy has more than 12 years of retail leasing and property management experience. She obtained her Bachelor of Science Honours degree in Real Estate Management from Oxford Brookes University.

**Mr Raymond Chan**  
Senior Manager,  
Advertising & Promotions

Raymond is responsible for the marketing communication matters of FCT malls, overseeing the media planning & production, casual leasing, sales promotions, sponsorship and customer services. He is also responsible for the A&P budgets

and implementation of standard system and work processes across all FCT malls.

Raymond has more than 14 years of experience in the shopping centre industry. Prior to joining the property industry, he spent over 8 years as a foreign service officer with the Singapore Ministry of Foreign Affairs. Raymond holds a joint Business Studies Diploma from Ngee Ann Technical College & Polytechnic of Central London.

**Mr Andre Lobo**  
Senior Manager,  
Advertising & Promotions

Andre oversees the advertising and promotional planning, sponsorship and public relations matters.

Andre has over 21 years of experience in the industry. He graduated from the National University of Singapore with a Bachelors Degree in Business Administration.





OPERATIONAL  
& FINANCIAL  
REVIEW AND  
MARKET  
OVERVIEW



**Financial year ended 30 September  
(S\$ '000)**

	<b>FY2008</b>	<b>FY2007</b>	<b>Change</b>
Gross rent	73,256	68,574	6.8%
Other revenue	11,408	8,925	27.8%
<b>Gross revenue</b>	<b>84,664</b>	<b>77,499</b>	<b>9.2%</b>
Property expenses	28,098	25,777	9.0%
<b>Net property income</b>	<b>56,566</b>	<b>51,722</b>	<b>9.4%</b>
Distribution from associate	3,358	717	368.3%
<b>Distributable income</b>	<b>45,244</b>	<b>40,353</b>	<b>12.1%</b>

**COMPARISON OF THE YEAR ENDED 30 SEPTEMBER  
2008 TO THE YEAR ENDED 30 SEPTEMBER 2007**

During FY2008, we executed 111 new retail leases and renewals totaling nearly 190,199 square feet or 30% of FCT's total net lettable area.

FY2008 gross rental revenue increased 7% to S\$73.3 million, driven by our ability to achieve full occupancy in Causeway Point and Anchorpoint and strong rental increments.

Causeway Point achieved rental reversions of 14%, reflecting the strong demand for quality suburban retail space.

The reinvigorated Anchorpoint achieved rental increment of 41%, demonstrating the popularity of its revamped positioning and retail mix.

**Leasing data (1 Oct 07 - 30 Sep 08)**

Number of renewals / new leases	111
NLA leased (sq ft)	190,199
Percentage of total NLA	29.7%
Increase over preceding rents	14.0%

**Occupancy  
(As at end)**

	<b>Sep2008</b>	<b>Sep2007</b>
Causeway Point	100%	100%
Northpoint	48%	100%
Anchorpoint	100%	52%
<b>FCT</b>	<b>88%</b>	<b>95%</b>



FY2008 gross revenue rose 9% to S\$84.7 million.



The reinvigorated Anchorpoint achieved rental increment of 41% post enhancement works.





The stronger performance in Causeway Point and Anchorpoint was partially offset by the planned reduction to Northpoint's occupancy rate. Northpoint underwent substantial enhancement works costing S\$39 million, impacting the mall's daily operations.

FY2008 other revenues grew 28% to S\$11.4 million, driven by the increased proportion of tenants that pays FCT a small percentage of their gross turnover as rent.

We have increased the percentage of leases with step-up clauses to 86% of all leases. Step-up clauses stipulate annual increases to the base rent, providing FCT with steady annual growth in rental revenues.

FY2008 property expenses increased S\$2.3 million, attributable to higher maintenance expenses.

Causeway Point carried out substantial repair and replacement works during the year, driving higher overall maintenance expenses.

FY2008 net property income ("NPI") rose 9% as the increases in Causeway Point and Anchorpoint offset the decline in Northpoint income.

Causeway Point's NPI grew 7% to S\$39.6 million in FY2008, driven by strong rental increments and higher other revenues.

NPI at Northpoint fell 9% to S\$13.5 million, as daily operations and occupancy levels were affected by the planned enhancement works.

Gross rent (S\$ '000)	FY2008	FY2007	Change
Causeway Point	48,805	45,674	6.9%
Northpoint	18,039	19,921	(9.4%)
Anchorpoint	6,412	2,979	115.2%
<b>FCT</b>	<b>73,256</b>	<b>68,574</b>	<b>6.8%</b>

Leases with GTO and step-up (% of leases with)	FY2008	FY2007	Change
Gross turnover	82%	28%	54% pt
Step-up	86%	25%	61% pt

Property expenses (S\$ '000)	FY2008	FY2007	Change
Property manager's fee	3,187	2,933	8.7%
Property tax	6,752	6,487	4.1%
Maintenance expenses	11,677	10,140	15.2%
Others	6,482	6,217	4.3%
<b>Property expenses</b>	<b>28,098</b>	<b>25,777</b>	<b>9.0%</b>



The percentage of leases with GTO clauses increased to 82%, exceeding our target of 75%.



NPI rose 9% on the back of higher Causeway Point and Anchorpoint income.



Anchorpoint's NPI turnaround from a loss of S\$187,000 to a profit of S\$3.5 million in FY2008, after the successful revamp of the mall.

Our investment in Hektar REIT yielded strong returns, with our share of its distributions totaling S\$3.4 million in FY2008.

This was higher than the previous year as we had only accounted for two quarters of Hektar REIT's results in FY2007; and also because we had increased our stake in Hektar REIT to 31% in April 2008.

FY2008 distributable income rose 12% to S\$45.2 million, on the back of FCT's strong operational performance.

FY2008 DPU rose 11% to 7.3¢ per share, despite disruption to Northpoint's operations arising from its asset enhancement works.

FCT's appraised value rose 8% to S\$1,063 million, supported by increases in all three malls.

Net assets grew 7% to S\$767 million as at end September 2008. NAV per unit similarly rose 7% to S\$1.24.

Net property income (S\$ '000)	FY2008	FY2007	Change
Causeway Point	39,607	37,167	6.6%
Northpoint	13,487	14,742	(8.5%)
Anchorpoint	3,472	(187)	NM
<b>FCT</b>	<b>56,566</b>	<b>51,722</b>	<b>9.4%</b>

Distributions per unit (S¢)	FY2008	FY2007	Change
First quarter	1.61	1.54	4.5%
Second quarter	1.75	1.67	4.8%
Third quarter	1.88	1.67	12.6%
Fourth quarter	2.05	1.67	22.8%
<b>Full year</b>	<b>7.29</b>	<b>6.55</b>	<b>11.3%</b>

Appraised value (S\$ million)	FY2008	FY2007	Change
Causeway Point	710	676	5.0%
Northpoint	286	266	7.5%
Anchorpoint	67	47	42.6%
<b>FCT</b>	<b>1,063</b>	<b>989</b>	<b>7.5%</b>



FY2008 DPU rose 11% to 7.3¢ per share.



NAV per unit rose 7% to S\$1.24.



## SUMMARY (30 SEPTEMBER 2008)

	Causeway Point	Northpoint	Anchorpoint
Year of completion	1998	1992	1997
Address	1 Woodlands Square Singapore 738099	930 Yishun Avenue 2 Singapore 769098	368 and 370 Alexandra Road Singapore 159952/3
Connectivity	Woodlands MRT station and bus interchange	Yishun MRT station and bus interchange	Near Queenstown MRT Station and bus stop
Tenure	99 years leasehold (expires year 2094)	99 years leasehold (expires year 2089)	Freehold
NLA	418,543 sq ft	149,244 sq ft	71,610 sq ft
Population catchment	294,600	179,400	73,500
Appraised value	S\$710.0 million	S\$286.0 million	S\$67.0 million
% of portfolio value	67%	27%	6%
Occupancy	100%	48% <sup>1</sup>	100%
Shops	261	106	97
Carpark lots	915	194	130

<sup>1</sup> Northpoint occupancy affected by planned enhancement works

## TOP 10 TENANTS BY NLA (30 SEPTEMBER 2008)

	Tenants	%NLA
1	Metro Pte Ltd <sup>1</sup>	11.7%
2	Cold Storage Pte Ltd <sup>2</sup>	7.3%
3	Courts (Singapore) Ltd	5.7%
4	Cathay Cineplexes Pte Ltd	5.0%
5	John Little Pte Ltd	5.0%
6	Horizon Foodmalls (Causeway)	3.8%
7	Popular Book Company Pte Ltd	3.6%
8	Food-Link Services Pte Ltd	2.5%
9	McDonald's Restaurants Pte Ltd	0.8%
10	Giordano Originals (S) Pte Ltd	0.6%

<sup>1</sup> Includes the leases for  
Metro Department Store  
and Clinique Service Centre

<sup>2</sup> Includes the leases for  
Cold Storage, Guardian Pharmacy  
and 7-Eleven



FCT malls serve over half a million residents in its trade area.



FCT has large quality tenants with sales focused on non-discretionary spending.



## TRADE MIX BY NLA



Category	September 2008	September 2007
Fashion	10.5%	10.3%
Household	9.0%	9.9%
Services/education	3.1%	3.3%
Beauty, hair, cosmetics, personal care	3.0%	4.0%
Food and restaurants	22.4%	21.7%
Books, music, art & craft, hobbies	5.4%	6.2%
Sports apparels & equipment	1.6%	2.2%
Department store	16.6%	16.7%
Supermarket/hypermarket	6.7%	10.0%
Healthcare	1.8%	2.6%
Leisure/entertainment	7.6%	7.6%
Vacant	12.3%	5.5%



FCT continues to enjoy a well diversified trade mix.

## TRADE MIX BY GROSS RENTAL INCOME



Category	September 2008	September 2007
Fashion	21.8%	20.9%
Household	10.5%	10.3%
Services/education	5.2%	5.1%
Beauty, hair, cosmetics, personal care	4.6%	5.6%
Food and restaurants	27.9%	25.0%
Books, music, art & craft, hobbies	5.2%	6.3%
Sports apparels & equipment	3.1%	3.6%
Department store	9.3%	8.5%
Supermarket/hypermarket	4.9%	5.9%
Healthcare	3.5%	5.0%
Leisure/entertainment	4.1%	3.8%



Shopper traffic at Causeway Point increased by 10% to 29 million.

## Shopper traffic (million)

	FY2008	FY2007	Change
Causeway Point	28.6	26.0	10.0%
Northpoint <sup>1</sup>	16.3	18.4	(11.4%)
Anchorpoint <sup>2</sup>	NA	NA	NA
FCT	NA	NA	NA

<sup>1</sup> Northpoint shopper traffic affected by planned enhancement works

<sup>2</sup> Anchorpoint shopper traffic not available as the traffic counter was removed during enhancement works





### Lease expiry profile (30 September 2008)

	FY09	FY10	FY11	FY12	FY13
Number of leases	36	62	168	56	14
Expiries as % of NLA	18.0%	12.2%	35.4%	27.3%	4.9%
Expiries as % of gross rental income	12.0%	11.2%	41.7%	26.4%	6.5%

## CAPITAL RESOURCES

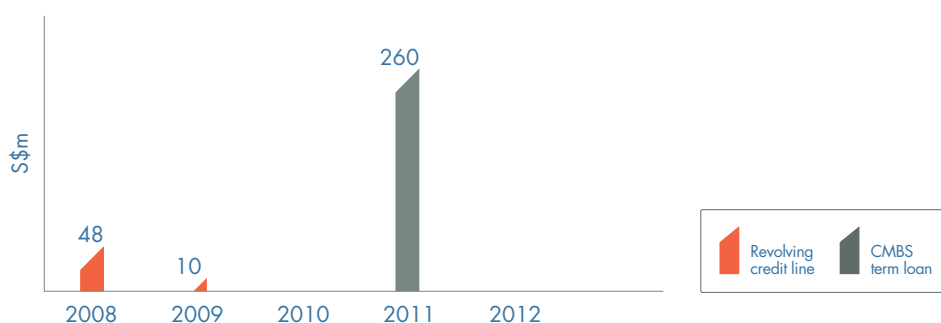
### Financial year ended 30 September

	FY2008	FY2007	Change
Total borrowings	S\$318m	S\$308m	3.3%
Corporate rating	A3	A3	NA
Gearing	28%	29%	NA
Interest cover	4.4 X	4.1 X	NA
Average cost of debt	3.34%	3.78%	NA

### Debt data

	Amount	Interest rate	Maturity
Revolving credit line	S\$58m	Floating	Rolls over 3-monthly
CMBS term loan	S\$260m	Fixed	July 2011
Total borrowings	S\$318m	-	-

### Debt maturity profile



Gearing remains conservative at 28%.



FCT faces minimal refinancing risk as the bulk of loans only expire in 2011.



## 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 FCT's enterprise-wide risk management framework. Recognising and managing risks are central to the business and to protecting Unitholders' interests and value.

### Operational risks

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

### Investment risks

As FCT grows its investment portfolio via the acquisition of new properties and

other forms of permitted investments, all investment activities are subjected to a disciplined and rigorous appraisal process. All investment proposals are evaluated based on a comprehensive set of investment criteria including location, quality of tenant base, building condition, competitive landscape, market climate, investment return, long-term sustainability and growth potential.

### Credit risk

FCT has established credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed 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.

### Interest rate risk

Interest rate risk is managed by FCT 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. FCT 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

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





## SINGAPORE'S RESILIENT ECONOMIC GROWTH IN THE FIRST HALF OF 2008 SUCCUMBED TO A DETERIORATING EXTERNAL ENVIRONMENT IN THE SECOND HALF OF THE YEAR.

### Singapore economy

After several quarters of robust growth, the economy saw a modest 2Q2008 expansion of 2.3% year-on-year, compared to a growth of 7% in the preceding quarter. GDP in the 3Q2008 however, declined by 0.6% over the same period last year. The contraction in 3Q2008 was largely due to a sharp fall in the manufacturing sector, resulting from negative growth in biomedical manufacturing and weak external demand for electronics.

A recession in the US and Europe will dominate the outlook for Asian economies. Whilst not unscathed by the global slowdown, Singapore is expected to remain relatively resilient, cushioned by continued, albeit slower growth in the domestic economy. With inflationary concerns now muted, the exchange rate policy is expected to focus on stimulating growth. The Ministry of Trade and Industry lowered its full-year 2008 GDP growth forecast to

2.5% in November. The outlook for 2009 remains uncertain, hinging on the extent and duration of the slowdown in the US and Europe. The Government estimates that growth in 2009 will range from -1% to 2%.

### Singapore retail market

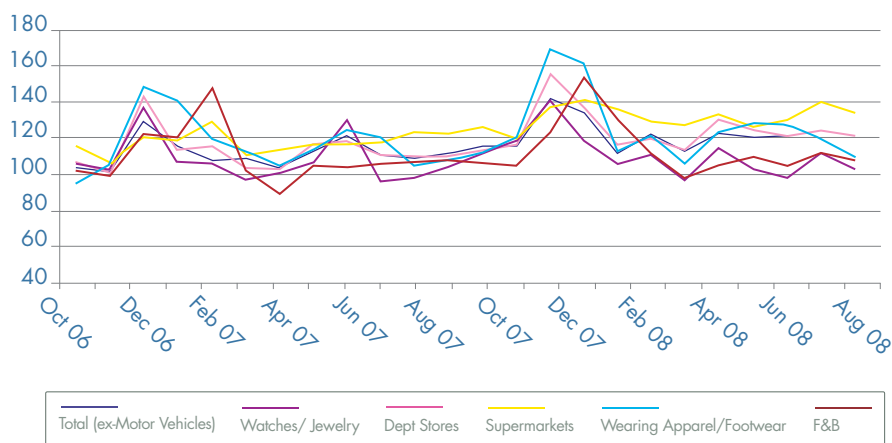
Consumer confidence in Singapore continues to be mildly positive on expectations of relatively steady

employment and income. Excluding motor vehicles, retail sales rose by 8.4% in September 2008 compared to the same period a year ago. Compared to August 2008, retail sales (excluding motor vehicles) declined by 0.8%. Department stores and supermarkets registered September sales growth in excess of 10% year-on-year. Sales of luxury items like watches and jewellery however fell marginally by 0.3% in September compared to the same period a year ago. According to a recent survey by MasterCard, Singapore's retail sales is forecast to grow by 5.2% year-on-year to S\$17.4 billion in the second half of 2008.





## RETAIL SALES INDEX



Source : Department of Statistics

Tourist arrivals from January to September 2008 reached 7.6 million visitors, a 0.1% increase compared to the same period a year ago. Indonesia, PR China, Australia, India and Japan were the top five visitor-generating markets in September. Against the current global economic slowdown, tourist arrival for the year is expected to fall short of the Singapore Tourism Board's ("STB") full year target of 10.8 million visitors.

An estimated S\$6.5 billion in tourism receipts were received from January to June 2008, representing a 0.2% fall over

the previous corresponding period. The STB is optimistic that the 2008 target for tourism receipts of S\$15.5 billion will be met, spurred by the successful inaugural F1 Grand Prix night racing in late September. Going forward, Singapore's tourism industry is positioned for a transformation, with the opening of the two integrated resorts from 2009 and the hosting of the Youth Olympics Games in 2010.

The outlook for the Singapore retail property market continues to be encouraging. According to the Urban Redevelopment Authority of Singapore ("URA"), the total retail stock stood

at 34.4m sq ft as at end September 2008, largely unchanged from a year ago. Approximately 64% of the retail stock is private sector owned.

Retail occupancy rates have risen steadily from a low of 90.3% as at 3Q06 to a high of 93.7% as at end September 2008. Other than catering to expansion needs of existing tenants, the retail market continues to see the entry of new local and foreign retail operators. Suburban retail malls, by virtue of their niche positioning, continue to enjoy occupancy rates of close to 100%.

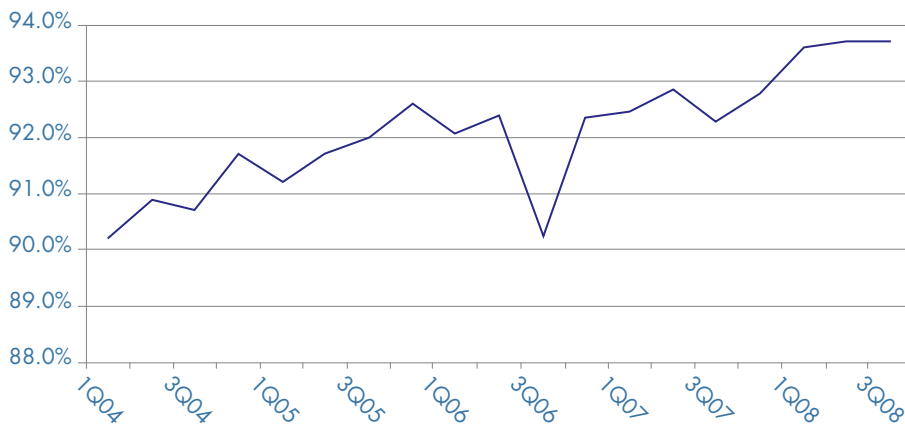
Although the URA estimates that on average, retail rental rates decreased by 0.6% in the third quarter of 2008 compared to the previous quarter, suburban mall rents have remained resilient. Compared to a year ago, average retail rental rates have risen 6.3%. Mirroring the mildly positive leasing market, retail capital values have increased by 6.6% year-on-year on average as at third quarter of 2008.

In keeping pace with changing consumer needs and competition, retail asset owners have diligently reinvested capital to refurbish and reposition their malls. This has been more rampant in the prime shopping district, where new supply from several large developments will complete from late 2008.

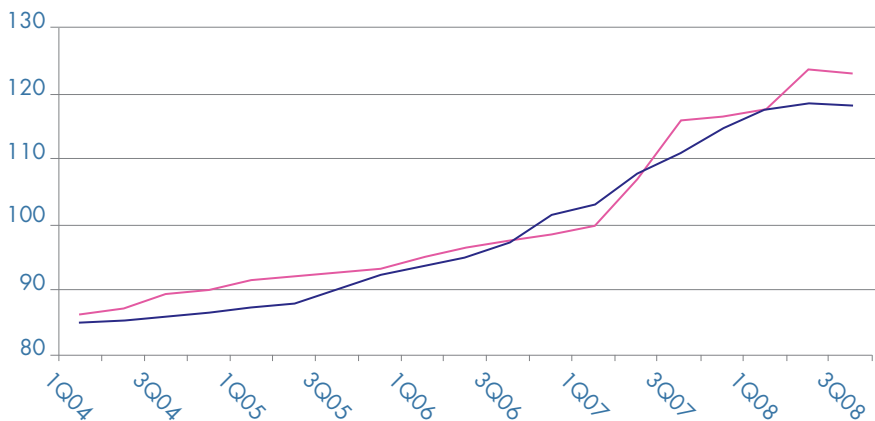




#### URA – OCCUPANCY RATE (RETAIL)



#### URA – PRICE AND RENTAL INDEX (RETAIL)



Source : Urban Redevelopment Authority

URA Retail Price Index    URA Retail Rental Index

As at the end of September 2008, the URA estimates that 7.9m sq ft of new retail space is expected to be completed between the 3Q2008 and 2011. Of this, 23% is still in planning stage. Approximately 1.2m 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. The largest of these, ION (660,000 sq ft) has received positive leasing demand and is already half leased ahead of its opening in 2009.

Longer term, the new draft Master Plan 2008 has set the guide for the growth of the retail scene in the next 10-15 years, with an estimated 8m sq ft potentially materializing from these plans. In the more immediate future, the anticipated new supply from these plans will be in the CBD area (1.45 ha parcel to be sold with conservation buildings Capitol Building/Stamford House for mixed entertainment/retail/hotel use) and Jurong East (687,000 sq ft).

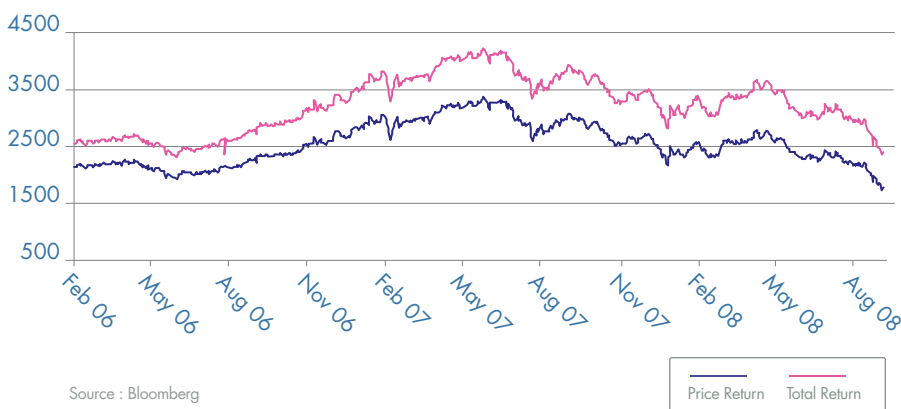


## Singapore REIT sector

The sector comprised 21 listed REITs as at 30 September 2008, with a market capitalization of S\$19.1 billion accounting for 3.8% of the total market capitalization of all listed companies on the SGX-ST. In comparison, 18 REITs were listed in the previous corresponding period, with a market capitalization of S\$29.5 billion. The three new listings between October 2007 and June 2008 were cross border REITs, confirming Singapore's position as a major Asian REIT centre. Of the 21 REITs listed on the SGX-ST presently, seven are cross-border with pure overseas assets.

Singapore REITs entered a consolidation phase as the US sub-prime debacle began to unravel. Mirroring the dismal performance of global equities, unit prices of Singapore REITs have fallen below 2006 levels. Investors focused on financial strength, penalizing REITs with refinancing requirements and high gearing. Despite a challenging environment, Singapore REITs continued to perform well, delivering distributable income within market expectations. This reflected the positive real estate market in Singapore as well as REIT Managers' continuous effort to deliver higher income through active asset management and asset enhancement initiatives. Acquisition-led growth took a back seat, as credit availability shrank and capital markets languished.

## UBS SINGAPORE REIT INDEX



M&A interest and activity was visibly higher during the year, framed against the extension of the Singapore code on takeovers and mergers to REITs in June 2007. Widening discounts to NAV for many listed REITs prompted some Managers to commence strategic reviews to seek ways of narrowing the discount. Of significance to the Group was the acquisition by Frasers Centrepoint Limited of a 17.6% stake in SGX-ST listed Allco Commercial Real Estate Investment Trust and 100% of its REIT Manager, Allco (Singapore) Limited from Allco Finance Group Limited and its affiliates in August 2008. Frasers Commercial Trust, the renamed entity, will be repositioned and is expected to spearhead the Group's REIT management business in commercial properties.

The sound regulatory environment governing Singapore REITs and a high level of transparency have been critical in maintaining investor confidence in the sector. Despite the liquidity crunch, Singapore REITs continue to be financially sound, delivering stable and growing income. Singapore's prudent property funds guidelines – for example a borrowing limit of 35% without a credit rating or 60% subject to a disclosed credit rating and an investment restriction in property development of up to 10% of deposited property – have served to mitigate the risks that inherently exists in the real estate sector. Singapore REITs remain well positioned to ride out the current downturn and should benefit when liquidity normalizes in the equity and capital markets.





MALL  
PROFILES



**PROFILE SNAPSHOT**  
(30 September 2008)

Year of completion  
1998

**Address**

1 Woodlands  
Square, Singapore  
738099

**Connectivity**

Woodlands  
MRT station and  
bus interchange

**Tenure**

99 years leasehold  
(expires year 2094)

**Net lettable area**

418,543 sq ft

**Population catchment**

294,600

**Appraised value**

\$S\$710 million

**Shops**

261

**Carpark lots**

915

## CAUSEWAY POINT, AN AWARD WINNING MALL, IS LOCATED IN THE HEART OF WOODLANDS, ONE OF THREE REGIONAL CENTRES UNDER THE SINGAPORE CONCEPT PLAN.

With net lettable area of 418,543 sq ft, the seven-storey shopping and entertainment complex is complemented with a retail basement and two levels of basement carpark. Causeway Point is conveniently located adjacent to two major transportation hubs, the Woodlands MRT station and the Woodlands regional bus interchange.

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.

### Performance review

Gross revenue grew 10% to S\$57.3 million, boosted by growth in base rentals and turnover rents. NPI increased in line with revenue to S\$39.6 million. Causeway Point continued to maintain

full occupancy while various promotions and events such as the opening of the HeritageFest and celebration of the mall's 10th birthday helped increased visitor numbers to the mall.

### Tenancy mix

Causeway Point offers a wide range of shopping, F&B and entertainment options and is anchored by quality tenants such as Courts, Metro and Cold Storage. As part of our regular efforts to optimise the retail mix and improve the shopping experience at Causeway Point, new fashion outlets such as Citigems, Soo Kee Jewellery, BYSI, Mila and Iora were introduced to the mall. The addition of new F&B outlets such as McCafe, Toastbox, Ajisen Ramen and Brecks Café has also enhanced the overall dining experience at the Causeway Point.

### Operational & financial review financial year ended 30 September

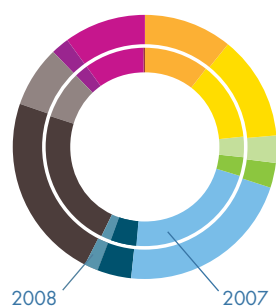
	FY2008	FY2007	Change
Gross revenue (\$\$ '000)	57,266	52,094	9.9%
Net property income (\$\$ '000)	39,607	37,167	6.6%
Occupancy <sup>1</sup>	100%	100%	-
Visitor traffic (million)	28.6	26.0	10.0%

<sup>1</sup> As at end September





## TRADE MIX BY NLA



Category	September 2008	September 2007
Fashion	10.9%	10.7%
Household	12.9%	12.8%
Services/education	3.2%	3.2%
Beauty, hair, cosmetics, personal care	3.2%	3.1%
Food and restaurants	21.7%	21.6%
Books, music, art & craft, hobbies	4.0%	4.3%
Sports apparels & equipment	1.7%	1.7%
Department store	22.7%	22.8%
Supermarket/hypermarket	7.7%	7.7%
Healthcare	2.1%	2.1%
Leisure/entertainment	9.9%	9.9%
Vacant	0.0%	0.1%

## TRADE MIX BY GROSS RENTAL INCOME



Category	September 2008	September 2007
Fashion	21.3%	20.3%
Household	13.0%	13.0%
Services/education	5.1%	5.0%
Beauty, hair, cosmetics, personal care	4.8%	4.8%
Food and restaurants	24.7%	24.9%
Books, music, art & craft, hobbies	4.0%	4.5%
Sports apparels & equipment	2.8%	2.9%
Department store	10.6%	11.0%
Supermarket/hypermarket	5.1%	5.0%
Healthcare	4.1%	3.9%
Leisure/entertainment	4.5%	4.7%

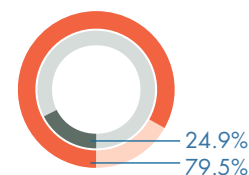
## Lease expiry profile (30 September 2008)

	FY09	FY10	FY11	FY12	FY13
Number of leases	24	23	116	21	1
Expiries as % of NLA	25%	12%	39%	21%	2%
Expiries as % of gross rental income	17%	12%	51%	18%	2%

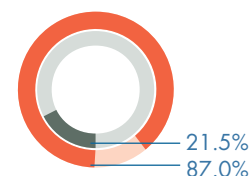
## TOP TEN TENANTS (30 September 2008)

	%NLA
1 Metro	17.9%
2 Courts	8.6%
3 Cold Storage	8.4%
4 Cathay Cineplexes	7.7%
5 Horizon Foodmall	5.9%
6 John Little	5.0%
7 Kiddy Palace	3.3%
8 Banquet	3.0%
9 Popular Book	2.3%
10 Giordano	0.5%

## % OF LEASES WITH GTO



## % OF LEASES WITH STEP-UP



FY2007 FY2008



## NORTHPOINT, IS THE PIONEER SUBURBAN SHOPPING CENTRE IN SINGAPORE.

### PROFILE SNAPSHOT (30 September 2008)

Year of completion  
1992

Address  
930 Yishun  
Avenue 2,  
Singapore 769098

Connectivity  
Yishun MRT  
station and  
bus interchange

Tenure  
99 years leasehold  
(expires year 2089)

Net lettable area  
149,244 sq ft

Population catchment  
179,400

Appraised value  
S\$286 million

Shops  
106

Carpark lots  
194

Located within the Yishun Town Centre, Northpoint is undergoing an S\$39 million asset enhancement which will rejuvenate the mall and better integrate it with the new Northpoint 2. With the asset enhancement initiative, the enlarged mall is set to become a community hub for Yishun and an integral part of the precinct.

### Performance review

Gross revenue fell 8% to S\$20.5 million, as Northpoint underwent enhancement works to refresh and integrate the mall to Northpoint 2. Occupancy dipped to 48% as sections of the malls were closed for the enhancement works. NPI declined correspondingly to S\$13.5 million.

### Tenancy mix

Northpoint is undergoing a substantial change in tenant mix as the mall undergoes asset enhancement works. New tenants like Chewy Junior, Gio Gio and Dong Dae Mun will appeal to shoppers looking for a quick snack while Mayim, Breeks, Pasta Mania and Genesis BBQ will increase the range of dining choices available to hungry shoppers. New fashion tenants such as Punk Star, Natural Project and Mphosis will complete the exciting revamp at Northpoint.

### Operational & financial review financial year ended 30 September

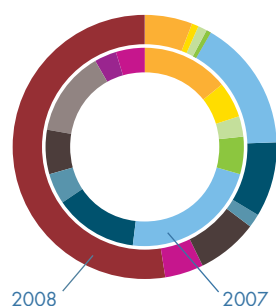
	FY2008	FY2007	Change
Gross revenue (S\$ '000)	20,521	22,325	(8.1%)
Net property income (S\$ '000)	13,487	14,742	(8.5%)
Occupancy <sup>1</sup>	48%	100%	-
Visitor traffic (million)	16.3	18.4	(11.4%)

<sup>1</sup> As at end September





## TRADE MIX BY NLA



Category	September 2008	September 2007
Fashion	6.1%	14.2%
Household	0.6%	6.0%
Services/education	1.3%	3.3%
Beauty, hair, cosmetics, personal care	0.4%	6.0%
Food and restaurants	16.2%	22.6%
Books, music, art & craft, hobbies	9.1%	13.7%
Sports apparels & equipment	1.8%	4.8%
Department store	7.3%	7.4%
Supermarket/hypermarket	0.0%	13.8%
Healthcare	0.0%	3.5%
Leisure/entertainment	4.7%	4.7%
Vacant	52.4%	0.0%

## TRADE MIX BY GROSS RENTAL INCOME



Category	September 2008	September 2007
Fashion	25.0%	24.9%
Household	1.5%	5.3%
Services/education	4.9%	4.6%
Beauty, hair, cosmetics, personal care	1.9%	6.4%
Food and restaurants	35.9%	23.9%
Books, music, art & craft, hobbies	10.3%	10.5%
Sports apparels & equipment	6.4%	5.6%
Department store	9.2%	4.1%
Supermarket/hypermarket	0.0%	5.5%
Healthcare	0.0%	7.0%
Leisure/entertainment	4.8%	2.2%

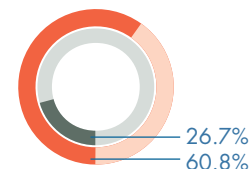
## Lease expiry profile (30 September 2008)

	FY09	FY10	FY11	FY12	FY13
Number of leases	4	8	28	30	13
Expiries as % of NLA	1%	2%	13%	57%	16%
Expiries as % of gross rental income	3%	2%	19%	48%	19%

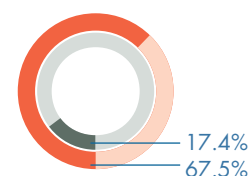
## TOP TEN TENANTS (30 September 2008)

	%NLA
1 Food-Link	11.1%
2 Popular Book	9.1%
3 John Little	7.3%
4 L.A.I. Singapore	4.7%
5 ABR Holdings	2.3%
6 RSH (Singapore)	1.8%
7 McDonald's Restaurant	1.6%
8 OCBC Bank	1.2%
9 Kiddy Palace	1.2%
10 Delifrance Singapore	0.8%

## % OF LEASES WITH GTO



## % OF LEASES WITH STEP-UP



FY2007 FY2008



## ANCHORPOINT WAS RECENTLY RELAUNCHED AS SINGAPORE'S FIRST OUTLET MALL.

### PROFILE SNAPSHOT (30 September 2008)

Year of Completion  
1997

Address  
368 and 370  
Alexandra  
Road, Singapore  
159952/3

Connectivity  
Near Queenstown  
MRT Station and  
bus stop

Tenure  
Freehold

Net lettable area  
71,610 sq ft

Population catchment  
73,500

Appraised value  
S\$67 million

Shops  
97

Carpark lots  
130

Located at the junction of Queensway and Alexandra Road, Anchorpoint comprises two levels of shops located on the first storey and first basement level of a five-storey commercial-cum-residential block with basement carpark. It recently underwent a successful revamp and has been repositioned as an unique outlet mall helmed by attractive food & beverage offerings.

### Performance review

Gross revenue more than doubled to S\$6.9 million, boosted by 41% growth in rentals post enhancement works. NPI turned around from a loss of S\$187,000 to a S\$3.5 million profit. Occupancy has since reverted to 100% post enhancement works.

### Tenancy mix

With the successful completion of its asset enhancement works, Anchorpoint has been transformed into a "village" themed outlet mall. Reputable retailers such as Charles and Keith, FOS, G2000, City Chain, Giordano amongst

many others have set up fashion outlets offering a good selection of fashion merchandise at marked down prices. Tenants like Cold Storage Supermarket, Systematic Laundromat, Bloomington Greeting, Showplace and Creations From The Heart also underwent renovation to introduce a tinge of "urban village element" to their shop design to gel with the overall concept of the mall's new look. The mall now devotes about 40% of its lettable space to F&B outlets, providing a variety of food and dining ambience to the residents and workers in the vicinity. It is anchored by Cold Storage Supermarket and Koufu Foodcourt, and also houses several unique first of its kind concept shops. The renowned Tung Lok Group has introduced their first causal Chinese dining concept, Zhou's Kitchen to the mall, occupying the free-standing conservation building known as Copperdome. Anchorpoint is also home to Singapore's first Disney café-style healthy eatery, "Disney Naturally."

### Operational & financial review financial year ended 30 September

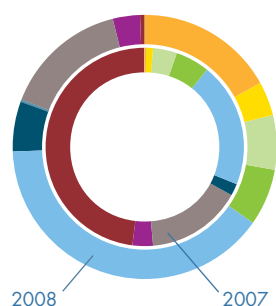
	FY2008	FY2007	Change
Gross revenue (S\$ '000)	6,877	3,080	123.3%
Net property income (S\$ '000)	3,472	(187)	NM
Occupancy <sup>1</sup>	100%	52%	-
Visitor traffic (million)	NA	NA	NA

<sup>1</sup> As at end September





## TRADE MIX BY NLA



Category	September 2008	September 2007
Fashion	17.2%	0.3%
Household	3.9%	1.1%
Services/education	6.7%	4.0%
Beauty, hair, cosmetics, personal care	7.0%	5.6%
Food and restaurants	39.6%	20.3%
Books, music, art & craft, hobbies	6.1%	1.8%
Sports apparels & equipment	0.5%	0.0%
Department store	0.0%	0.0%
Supermarket/hypermarket	15.1%	15.6%
Healthcare	3.3%	3.4%
Leisure/entertainment	0.0%	0.0%
Vacant	0.5%	48.0%

## TRADE MIX BY GROSS RENTAL INCOME



Category	September 2008	September 2007
Fashion	20.7%	1.3%
Household	4.4%	2.8%
Services/education	7.1%	10.0%
Beauty, hair, cosmetics, personal care	7.0%	12.6%
Food and restaurants	39.7%	35.5%
Books, music, art & craft, hobbies	6.8%	5.0%
Sports apparels & equipment	0.6%	0.0%
Department store	0.0%	0.0%
Supermarket/hypermarket	9.7%	23.2%
Healthcare	4.0%	9.6%
Leisure/entertainment	0.0%	0.0%

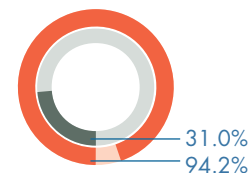
## Lease expiry profile (30 September 2008)

	FY09	FY10	FY11	FY12	FY13
Number of leases	8	31	24	5	0
Expiries as % of NLA	6%	30%	53%	10%	0%
Expiries as % of gross rental income	8%	32%	48%	12%	0%

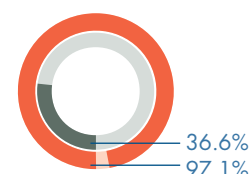
## TOP TEN TENANTS (30 September 2008)

	%NLA
1 Cold Storage	15.8%
2 Koufu	9.2%
3 Tung Lok	6.6%
4 Thai Express	3.9%
5 Perfect Aim	3.3%
6 Watson's	3.3%
7 G2000 Apparel	2.9%
8 Sakuraya Food	2.6%
9 Sarika Connoisseur	2.5%
10 Jack's Place Restaurant	2.3%

## % OF LEASES WITH GTO



## % OF LEASES WITH STEP-UP



FY2007 FY2008



The strategic investment in Hektar REIT provides FCT with accretive returns from an underlying portfolio of high quality regional malls in Malaysia.



## FCT OWNS A 31% STAKE IN HEKTAR REIT, MALAYSIA'S PREMIER RETAIL-FOCUSED REIT.

### Summary

(30 September 2008)

Subang Parade

Mahkota Parade

Wetex Parade

Location	Selangor	Melaka	Johor
Land tenure	Freehold	99 yr leasehold (2101)	Freehold
Gross floor area (sq ft)	1.2 million	1.1 million	290,200
Net lettable area (sq ft)	475,811	466,527	173,847
Population catchment	705,000	287,273	328,695
Carpark lots	1,390	955	190
Appraised value	RM 311 million	RM 248 million	RM 118 million
% of portfolio value	46.0%	36.6%	17.4%
Tenants	125	108	79
Occupancy	99.8%	96.1%	90.3%
Annual visitor traffic (2007)	7.8 million	8.8 million	NA
Year opened	1988	1994	1996
Year acquired by REIT	2006	2006	2008
Year refurbished	2006-7	Currently in phases	Currently in planning

### Performance review

Net distributions grew 368% to S\$3.4 million, as FCT only accounted for two quarters of Hektar's results in FY2007; and also because FCT increased its stake in Hektar REIT from 27% to 31% in April 2008. Occupancy remains healthy at 97%. Hektar REIT won an ICSC Asia Pacific award in 2008 for its refurbishment of Subang Parade.

### Operational & financial review 12 months ended 30 September

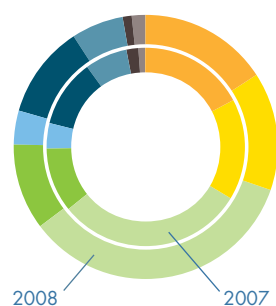
	FY2008	FY2007	Change
Net distributions received from Hektar (S\$ '000)	3,358	717	368.3%
Occupancy <sup>1</sup>	97%	97%	-

<sup>1</sup> As at end September





## TRADE MIX BY NLA



Category	September 2008	June 2007
Fashion & footwear	16.1%	17.3%
Food & beverage/food court	14.4%	16.5%
Department store/supermarket	34.3%	30.4%
Gifts/books/toys/specialty	10.6%	10.6%
Education/services	4.2%	4.3%
Leisure & entertainment, sport & fitness	11.3%	11.0%
Electronics & IT	6.5%	7.1%
Homewares & furnishing	1.1%	1.9%
Others	1.5%	0.9%

## TRADE MIX BY GROSS RENTAL INCOME



Category	September 2008	June 2007
Fashion & footwear	29.4%	31.0%
Food & beverage/food court	19.0%	22.0%
Department store/supermarket	15.1%	13.4%
Gifts/books/toys/specialty	13.0%	11.6%
Education/services	6.9%	6.6%
Leisure & entertainment, sport & fitness	8.4%	8.2%
Electronics & IT	4.2%	3.6%
Homewares & furnishing	1.2%	1.7%
Others	2.8%	1.9%

## Tenancy expiry profile (30 September 2008)

	FY08	FY09	FY10	FY11	FY12
Number of leases	15	84	89	87	19
Expiries as % of NLA	6%	30%	19%	23%	16%
Expiries as % of gross rental income	4%	26%	25%	28%	12%



Hektar malls serve over 1.3 million residents in its trade area.



Over 300 tenants provide the complete shopping experience.



## FRASERS CENTREPOINT TRUST IS COMMITTED TO HONEST AND TRANSPARENT COMMUNICATIONS WITH UNITHOLDERS AND THE INVESTMENT COMMUNITY.

FCT continues to improve the quality of its disclosures by broadening the range of contents available on its website. Analysts and investors now have at their disposal a comprehensive excel spreadsheet detailing FCT's capital structure, financial and operational performance. All of the presentation slides shown to investors are also released on FCT's website [www.fraserscentrepointtrust.com](http://www.fraserscentrepointtrust.com).

In the Financial Year ended September 2008, FCT met over 110 investors and analysts in 75 meetings. FCT continues to be well supported by institutional investors, with over 78% of FCT's free float held by institutional investors based in over 16 countries. Many of FCT's institutional investors have value and growth orientation with mid to long term investment horizons.

There are currently 13 research houses actively covering FCT. Management will continue to maintain regular communication with sell-side analysts to enhance the investment community's understanding of FCT's strategy and performance.

### FY2009 FINANCIAL CALENDAR

23 January 2009	First quarter 2009 results announcement
February 2009	First quarter 2009 distribution
23 April 2009	Second quarter 2009 results announcement
May 2009	Second quarter 2009 distribution
23 July 2009	Third quarter 2009 results announcement
August 2009	Third quarter 2009 distribution
23 October 2009	Fourth quarter 2009 results announcement
November 2009	Fourth quarter 2008 distribution

Note: Dates are indicative and are subject to change

### ANALYST COVERAGE

BNP Paribas	DMG & Partners Securities
Credit Suisse	Goldman Sachs
CIMB-GK	JP Morgan
Citigroup	Merrill Lynch
Daiwa Institute of Research	OCBC Securities
DBS Vickers Securities	UBS Securities
	UOB Kay Hian

Note: As at 1 November 2008





### SCHOOL RECYCLING AND FUND RAISING INITIATIVE

**Venue** Northpoint  
**Date** November 2007

Northpoint sponsored 5,000 drink cans to Yishun Junior College to kick start their school fund raising initiative. After selling the drink cans, students collected back the empty cans before turning them into creative Christmas displays such as Santa Claus and Christmas trees. A design competition was held to judge the entries and the award winning Christmas designs were put on display in Northpoint. Besides raising funds for the school, this green activity also raised awareness of the importance and relevance of recycling to shoppers and nearby residents.



### ENTERPRISING RETAILING TEAM CHALLENGE 2008

**Venue** Anchorpoint  
**Date** June 2008

Anchorpoint hosted the inaugural Enterprising Retailing Team Challenge 2008 on 7 and 8 June 2008 at its atrium. Organised by Yuying Secondary School, in collaboration with South One Cluster and the National Institute of Education, the event provided a platform for Secondary Three students from nine schools to put into practice what they have learnt from their Elements of Business Skills ("EBS") class, a new subject that was introduced this year. The students were given the autonomy to manage their own business, overseeing all aspects including marketing, customer service and finance management. It was a good out-of-classroom learning experience for the students, and the exposure will translate into relevant reference points when they go back to class to continue with EBS lessons.



### HERITAGEFEST

**Venue** Causeway Point  
**Date** July 2008

The official opening ceremony of the HeritageFest, an annual event organised by the National Heritage Board was held at Causeway Point in July 2008. This marked the first time that the event was held in the heartlands of Singapore. Guests and shoppers were treated to three unique and rare traditional street theatre performances. The event also featured an exhibition on traditional street theatre featuring highlights and milestones of the cultural journeys and careers of Cultural Medallion recipients Joanna Wong, Som Said and Santha Bhaskar. Many left the HeritageFest imbued with a strong sense of nostalgia and a stronger understanding of entertainment from bygone days.

# CORPORATE GOVERNANCE

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Year ended 30 September 2008

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Board matters	<b>52</b>
Remuneration matters	<b>55</b>
Accountability & audit	<b>55</b>
Communication with shareholders	<b>58</b>
Particulars of directors	<b>59</b>

# CORPORATE GOVERNANCE REPORT

Year ended 30 September 2008

## INTRODUCTION

Frasers Centrepoint Trust (“FCT”), in its vision to be “Your Malls of Choice” and in its mission to achieve long-term growth in net asset value per unit, is firmly committed to the highest standards of corporate governance.

FCT, as a listed real estate investment trust on the Main Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), is managed by Frasers Centrepoint Asset Management Ltd. (the “Manager”). It is under the sponsorship of Frasers Centrepoint Limited (the “Sponsor”), which is wholly owned by Fraser and Neave, Limited (“F&N”).

This Report gives an account of the Manager’s corporate governance framework and practices in compliance with the Code of Corporate Governance 2005 (the “Code 2005”). As FCT is a listed real estate investment trust, not all principles of the Code 2005 may be applicable to FCT and the Manager. 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 and will 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: Board’s Conduct of its Affairs

The composition of the Board of Directors of the Manager (the “Board”) is as follows:

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

<sup>1</sup> Mr Lim Ee Seng has been Acting Chairman since 27 November 2007, and was appointed as Chairman with effect from 1 July 2008.

The Board works closely with and has oversight of Management, providing entrepreneurial leadership, setting strategic aims and directions of the Manager, reviewing Management performance and accountability, and sets the values and standards of corporate governance for the Manager and FCT. None of the Directors has entered into any service contract directly with FCT.

There are regular meetings of the Board, at least once every quarter, to review the key activities, performance and business strategies of the Manager, and FCT. In the event Directors are unable to attend Board meetings, the Manager’s Articles of Association provide for telephonic, video conferencing or any other form of electronic or instantaneous communication meetings.



# CORPORATE GOVERNANCE REPORT

Year ended 30 September 2008

The Manual of Authority sets out the levels of authorisation required for specified transactions, including those that require Board approval.




New Directors undergo orientation programmes to provide them with information on FCT's strategic directions, policies and business activities, including major new projects. The Board is regularly updated on new laws that may affect FCT's business, regulatory changes and financial reporting standards.

A session on the Competition Act (Cap 50B), and its impact on FCT's business, was conducted for Management. Complete, timely and adequate information are provided to the Board by Management. The Audit Committee closely monitors changes to regulations and accounting standards.

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 business environment.

The number of Board and Audit Committee meetings held during the year ended 30 September 2008 as well as the attendance of each Board member at these meetings, are disclosed below:

	Board Meetings	Audit Committee Meetings
Meetings held during the year ended 30 September 2008	5	4
<b>Attendance of Board Members</b>		
Mr Lim Ee Seng <sup>1</sup>	5	
Mr Christopher Tang Kok Kai	5	
Mr Anthony Cheong Fook Seng	5	4
Mr Bobby Chin Yoke Choong	5	4
Mr Philip Eng Heng Nee	5	
Mr Soh Kim Soon	5	4

 Chairman	 Members	 Not applicable
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<sup>1</sup> Mr Lim Ee Seng has been Acting Chairman since 27 November 2007, and was appointed as Chairman with effect from 1 July 2008.

# CORPORATE GOVERNANCE REPORT

Year ended 30 September 2008

## Principle 2: Board Composition and Guidance

The Board comprises six members, of which more than one-third of the Board are independent Non-executive Directors. The Board has considered the independence of Mr Bobby Chin Yoke Choong who sits as an independent director of Oversea-Chinese Banking Corporation (“OCBC”). OCBC is a substantial shareholder<sup>1</sup> of F&N, with which the F&N group of companies has a business relationship, under normal commercial terms. The Board is satisfied that Mr Chin can be considered independent.

<sup>1</sup> A substantial shareholder of F&N is one which has 5 percent or more interest in the voting shares of F&N.

The size of the Board and core competencies of its members in various fields of accounting/finance, business/management experience, industry knowledge, and strategic planning experience, effectively serve FCT and the Manager. Management is able to benefit from their external, diverse and objective perspective on issues that are brought before the Board, with a robust exchange of ideas and views between the Board and Management, to help shape the strategic process. The composition of the Board is reviewed regularly, to ensure the appropriate mix of expertise and experience.

Half of the Board is non-executive and non-independent. There are procedures in place to deal with conflicts of interest issues, if any including the following:

- The Manager will not manage any other real estate investment trust which invests in the same type of properties as FCT;
- All executive officers are 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; and
- At least one-third of the Board comprises Independent Directors.

The profiles of the directors are set out on page 22 of this Annual Report.

## Principle 3: Chairman and Chief Executive Officer

### Relationship Between the Chairman and Chief Executive Officer

The positions of the Chairman and the Chief Executive Officer are separate to ensure appropriate balance of power and authority. The Chairman and Chief Executive Officer are not related to each other, nor is there any other business relationship between them.

The Chairman leads and ensures the effectiveness of the Board, encouraging constructive relations between and among the Board and Management, and facilitating effective contribution of the Directors, as well as promoting high standards of corporate governance practices in FCT and the Manager. The Chief Executive Officer has full executive responsibilities over the operations of the Manager. This separation of roles between the Chairman and the Chief Executive Officer facilitates a healthy professional relationship between the Board and Management.

# CORPORATE GOVERNANCE REPORT

Year ended 30 September 2008

## **Principle 4: Board Membership**

### **Nominating Committee**

A nominating committee has not been constituted for the Manager, as FCT is externally managed by the Manager and has no personnel of its own. In respect of the search and nomination process for new directors, in addition to the usual selection process, the Board identifies the skill-set and experience the Board wishes to see, and engages search companies as well as networking contacts to identify and shortlist candidates, to spread its reach for the best person for the role.

Key information regarding Directors is set out on page 59.

## **Principle 5: Board Performance**

Objective performance criteria are used, to assess the effectiveness of the Board as a whole and the contribution of each Director. This would include Directors' attendance and contributions during Board meetings, as well as the factors set out in the Guidelines to Principle 5 of the Code 2005.

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

On an on-going basis, and prior to Board meetings, adequate and timely information are given by Management to Board members, who have separate and independent access to Management. The Company Secretary, who is also a Non-executive Director and a member of the Audit Committee, attends all Board meetings. A procedure is in place for Directors, either individually or as a group, to take independent professional advice, in the furtherance of their duties and at the Manager's expense.

## **REMUNERATION MATTERS**

### **Principle 7: Remuneration Matters**

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

### **Principle 9: Disclosure on Remuneration**

FCT, as a trust, is externally managed by the Manager which has experienced and well-qualified management personnel to manage the operational matters of the Manager and FCT. Remuneration of the Directors and officers of the Manager are not paid out of the trust property of FCT, but are directly remunerated by the Manager from the fees it receives.

## **ACCOUNTABILITY AND AUDIT**

### **Principle 10: Accountability and Audit**

The Board, with the support of Management, is responsible for providing a balanced and understandable assessment of FCT's performance, position and prospects, on a quarterly basis.



# CORPORATE GOVERNANCE REPORT

Year ended 30 September 2008

## Principle 11: Audit Committee

The Audit Committee comprises three Non-executive Directors, two of whom including the Chairman, are independent:

**Mr Bobby Chin Yoke Choong** Chairman

**Mr Anthony Cheong Fook Seng** Member

**Mr Soh Kim Soon** Member

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

The Audit Committee's responsibilities include:

- monitoring and evaluating the effectiveness of the Manager's internal control process, and directing prompt remedial action by Management;
- reviewing the financial statements and the audit report for recommendation to the Board for approval;
- monitoring Management's compliance with applicable legislation, the Listing Manual and the Property Funds Guidelines;
- reviewing the appointment and re-appointment of the external auditors for recommendation to the Board for approval, as well as 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
- ensuring compliance by Management, 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 Audit Committee believes that the Whistle-Blowing Policy provides a channel through which employees may report in good faith and in confidence, any concerns in financial and other matters, and that arrangements are in place for the independent investigation with appropriate follow-up action.

In performing its functions, the Audit Committee met with the internal and external auditors 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 in its review of all non-audit services provided by the external auditors, is satisfied that the nature and extent of such services do not affect the independence of the external auditors.

# CORPORATE GOVERNANCE REPORT

Year ended 30 September 2008

## Principle 12: Internal Controls

The Audit Committee reviews and reports to the Board on the adequacy of a sound system of controls, including financial, operational and compliance controls, and risk management policies and systems established by Management.

The Manager has established a system of internal controls comprising procedures and processes to safeguard FCT's assets, Unitholders' interest as well as to manage risks.

The Audit Committee reviews the risk profiles of FCT and the Manager, and guides Management to ensure that robust risk management and internal controls are in place. Effective risk management is fundamental to 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. Each transaction is comprehensively analysed to understand the risks involved. Financial and operational key risk indicators are in place to track key risk exposures.

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.

All Related Party Transactions are undertaken on normal commercial terms and are not prejudicial to the interests of FCT and the Unitholders. This may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining one or more valuations from independent professional valuers (in accordance with the Property Funds Guidelines).

All Related Party Transactions are entered in a register maintained by the Manager, including any quotations from unrelated parties and independent valuations forming the bases on which such transactions are entered into. The Manager incorporates into its internal audit plan a review of all Related Party Transactions entered into by FCT, which has to comply with the Listing Manual of the SGX-ST. The Audit Committee reviews the internal audit reports at least twice a year. In addition, the Trustee also has the right to review such audit reports to ascertain that the Property Funds Guidelines have been complied with.

In respect of transactions entered into or to be entered into by the Trustee for and on behalf of FCT with a related party of the Manager (which would include relevant Associates thereof) or FCT, the Trustee is required to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of FCT and the Unitholders, and in accordance with all applicable requirements of the Property Funds Guidelines and/or the Listing Manual. Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into such a transaction involving a related party of the Manager or FCT.

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.

# CORPORATE GOVERNANCE REPORT

Year ended 30 September 2008

## 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.

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 is satisfied that the Internal Audit function is adequately resourced, and has appropriate standing with FCT and the Manager.

## COMMUNICATION WITH SHAREHOLDERS

### Principle 14: Communication with Shareholders

The Manager upholds a strong culture of continuous disclosure and transparent communication with FCT Unitholders and the investing community with timely and full disclosure of all material information relating to FCT. This is effected by way of public releases or announcements through the SGX-ST via SGXNET and posted on FCT's website at [www.fraserscentrepointrust.com](http://www.fraserscentrepointrust.com).

The Manager conducts regular briefings for analysts and media representatives, generally planned together with the release of FCT's results. FCT's performance and business outlook for FCT are discussed at such briefings, and to ensure transparency, such 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 FCT units

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 prohibiting dealings in FCT 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 FCT units and any changes thereto within two business days after the date on which it acquires or disposes of any FCT units, as the case may be. The Manager has also undertaken that it will not deal in FCT 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 2008

Name of Director	Age	Academic & Professional Qualifications	Board Committees as Chairman or Member	Directorship: Date first appointed Date last re-elected	Board appointment whether executive or non-executive Whether considered to be independent
Mr Lim Ee Seng	57	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	47	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	54	Member of the Institute of Chartered Accountants in England & Wales and The Institute of Certified Public Accountants in Singapore	Member: Audit Committee	27.01.2006	Non-Executive Non-Independent
Mr Bobby Chin Yoke Choong	57	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	62	Bachelor of Commerce in Accountancy  Chartered Accountant (Australia)	Nil	03.04.2006	Non-Executive Independent
Mr Soh Kim Soon	63	B.A. (Hons), National University of Singapore  ACIB	Member: Audit Committee	23.03.2006	Non-Executive Independent

<sup>1</sup> Directors' shareholdings in FCT: please refer to page 101.

<sup>2</sup> Directorships or Chairmanships in other listed Companies and other major appointments, both present and over the preceding 3 years: please refer to page 22.

## FINANCIALS

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Report of the trustee	<b>62</b>
Statement by the manager	<b>63</b>
Independent auditors' report to the Unitholders of Frasers Centrepont Trust	<b>64</b>
Balance sheet	<b>65</b>
Statement of total return	<b>66</b>
Distribution statement	<b>67</b>
Statement of movements in Unitholders funds	<b>68</b>
Portfolio statement	<b>69</b>
Statement of cash flows	<b>70</b>
Notes to the financial statements	<b>72</b>



# 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 (as amended) (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 65 to 99, comprising the Balance Sheet and Portfolio Statement as at 30 September 2008, the Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders’ Funds and Statement of Cash Flows for the year then ended, 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**

**John van Verre**  
Director

**Singapore**  
12 November 2008

## STATEMENT BY THE MANAGER

In the opinion of the directors of Frasers Centrepoint Asset Management Ltd., the accompanying financial statements set out on pages 65 to 99 comprising the Balance Sheet and Portfolio Statement as at 30 September 2008, the Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders' Funds and Statement of Cash Flows for the year ended 30 September 2008, 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 2008, the total return, distributable income, movements in Unitholders' funds and cash flows for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of 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**  
12 November 2008

# 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 2008, the Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders' Funds and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 65 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 audit opinion.

## OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust as at 30 September 2008, the total return, distributable income, movements in Unitholders' funds and cash flows for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trust" issued by the Institute of Certified Public Accountants of Singapore.

## Ernst & Young LLP

Independent Accountants  
and Certified Public Accountants

## Singapore

12 November 2008



# BALANCE SHEET

As at 30 September 2008

	Note	2008 '000	2007 '000
<b>Non-current assets</b>			
Investment properties	3	1,063,000	988,500
Fixed assets	4	118	116
Investment in associate	5	55,833	48,027
		1,118,951	1,036,643
<b>Current assets</b>			
Trade and other receivables	6	2,465	3,152
Cash and cash equivalents	7	5,618	15,546
		8,083	18,698
<b>Total assets</b>		<b>1,127,034</b>	<b>1,055,341</b>
<b>Current liabilities</b>			
Trade and other payables	8	18,536	12,568
Current portion of security deposits		5,628	9,762
Deferred income	9	561	173
Interest-bearing borrowings	10	57,500	47,500
		82,225	70,003
<b>Non-current liabilities</b>			
Interest-bearing borrowings	10	260,000	260,000
Non-current portion of security deposits		14,773	7,881
Deferred income	9	619	741
Deferred tax liabilities	11	2,182	1,459
		277,574	270,081
<b>Total liabilities</b>		<b>359,799</b>	<b>340,084</b>
<b>Net assets</b>		<b>767,235</b>	<b>715,257</b>
Represented by:-			
Unitholders' funds		771,336	715,257
Translation reserve	5	(4,101)	-
<b>Unitholders' funds and reserve</b>		<b>767,235</b>	<b>715,257</b>
<b>Units in issue ('000)</b>	<b>12</b>	<b>620,204</b>	<b>617,212</b>
<b>Net asset value per Unit (\$)</b>	<b>13</b>	<b>1.23</b>	<b>1.16</b>

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

# STATEMENT OF TOTAL RETURN

For the financial year ended 30 September 2008

	Note	01/10/2007 to 30/09/2008	05/06/2006 (date of constitution) to 30/09/2007
		\$'000	\$'000
Gross revenue	14	84,664	94,891
Property expenses	15	(28,098)	(31,139)
Net property income		56,566	63,752
Interest income		157	425
Borrowing costs	16	(12,135)	(14,540)
Asset management fees	17	(6,067)	(6,853)
Professional fees		(509)	(585)
Trustee's fees		(210)	(242)
Audit fees		(103)	(90)
Income support		-	1,300
Other charges		(375)	(569)
Net income		37,324	42,598
Share of results of associate - operations	2(e)	3,536	1,030
- revaluation surplus	2(e)	4,170	-
Surplus on revaluation of investment properties	3	51,595	88,831
Unrealised loss from fair valuation of derivatives		(990)	-
Total return before tax		95,635	132,459
Taxation	18	(723)	(1,459)
<b>Total return for the year/period</b>		<b>94,912</b>	<b>131,000</b>
<b>Earnings per Unit (cents)</b>	<b>19</b>		
Basic		15.33	21.27
Diluted		15.33	21.27

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

# DISTRIBUTION STATEMENT

For the financial year ended 30 September 2008

	01/10/2007 to 30/09/2008	05/06/2006 (date of constitution) to 30/09/2007
	\$'000	\$'000
Income available for distribution to Unitholders at beginning of year/period	10,288	-
Net income	37,324	42,598
Net tax adjustments (Note A)	4,562	5,973
Distribution from associate	3,358	717
	45,244	49,288
Income available for distribution to Unitholders	55,532	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
Distribution of 1.67 cents per Unit for period from 1/7/2007 to 30/9/2007	10,317	-
Distribution of 1.61 cents per Unit for period from 1/10/2007 to 31/12/2007	9,958	-
Distribution of 1.75 cents per Unit for period from 1/1/2008 to 31/3/2008	10,838	-
Distribution of 1.88 cents per Unit for period from 1/4/2008 to 30/6/2008	11,660	-
	42,773	39,000
Income available for distribution to Unitholders at end of year/period	12,759	10,288
Note A – Net tax adjustments relate to the following non-tax deductible items:		
- Asset management fees paid/payable in Units	3,944	4,455
- Trustee's fees	210	242
- Amortisation of loan arrangement fee	280	377
- Amortisation of lease incentives	(1,606)	(455)
- Deferred income	(162)	173
- Other items	1,896	1,181
Net tax adjustments	4,562	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 year ended 30 September 2008

	01/10/2007 to 30/09/2008 \$'000	05/06/2006 (date of constitution) to 30/09/2007 \$'000
Balance at beginning of year/period	715,257	-
<b>Operations</b>		-
Net increase in net assets resulting from operations	94,912	131,000
<b>Unitholders' transactions</b>		
Creation of Units		
- initial public offering	-	269,788
- partial satisfaction of purchase consideration on investment properties acquired	-	363,281
- issued as satisfaction of acquisition fee	75	469
- issued as satisfaction of asset management fees	3,865	3,519
Issue expenses	-	(13,800)
Distributions to Unitholders	(42,773)	(39,000)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(38,833)	584,257
Balance at end of year/period	771,336	715,257

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

## PORTFOLIO STATEMENT

As at 30 September 2008

Description of Property	Tenure of Land	Term of Lease (years)	Remaining Term of Lease (years)	Location	Existing Use	Occupancy Rate as at		Carrying amount as at		Percentage of Total Assets as at	
						30/9/2008 (%)	30/9/2007 (%)	30/9/2008 (\$'000)	30/9/2007 (\$'000)	30/9/2008 (%)	30/9/2007 (%)
Investment properties in Singapore											
Causeway Point	Leasehold	99	86	1 Woodlands Square	Commercial	100.0	99.9	710,000	675,700	63.0	64.0
Northpoint	Leasehold	99	81	930 Yishun Avenue 2	Commercial	47.6 <sup>1</sup>	100.0	286,000	265,800	25.4	25.2
Anchorpoint	Freehold	-	-	368 and 370 Alexandra	Commercial	99.5	51.6	67,000	47,000	5.9	4.5
Investment properties, at valuation											
Investment in associate								1,063,000	988,500	94.3	93.7
								55,833	48,027	5.0	4.5
Other assets								1,118,833	1,036,527	99.3	98.2
								8,201	18,814	0.7	1.8
Total assets attributable to Unitholders								1,127,034	1,055,341	100.0	100.0

On 30 September 2008, independent valuations of Causeway Point, Northpoint and Anchorpoint (together, the “Properties”) were undertaken by Knight Frank Pte Ltd, 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 valuation methods of direct comparison, capitalisation approach and discounted cash flows. The valuations adopted were \$710,000,000 (2007: \$675,700,000), \$286,000,000 (2007: \$265,800,000) and \$67,000,000 (2007: \$47,000,000) for Causeway Point, Northpoint and Anchorpoint respectively. The net changes in fair values of the Properties have been recognised in the Statement of Total Return.

The Properties are leased to third parties. Generally, these leases contain an initial non-cancellable period of three years. Subsequent renewals are negotiated with the lessees. Contingent rental, which comprises gross turnover rental, recognised in the Statement of Total Return amounted to S\$4,460,000 (2007: S\$2,598,000).

<sup>1</sup>Decrease in occupancy of Northpoint due to the planned vacancy to facilitate the asset enhancement works.

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

# STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2008

	01/10/2007 to 30/09/2008	05/06/2006 (date of constitution) to 30/09/2007
	\$'000	\$'000
<b>Operating activities</b>		
Total return before tax	95,635	132,459
Adjustments for:		
Allowance for doubtful receivables	1	22
Receivables written off	1	-
Borrowings costs	12,135	14,540
Interest income	(157)	(425)
Asset management fees paid/payable in Units	3,944	4,455
Depreciation of fixed assets	25	26
Share of associate's results (including revaluation surplus)	(7,706)	(1,030)
Surplus on revaluation of investment properties	(51,595)	(88,831)
Unrealised loss from fair valuation of derivatives	990	-
Amortisation of lease incentives	(1,606)	(455)
Deferred income recognised	(845)	(619)
Operating income before working capital changes	50,822	60,142
Changes in working capital:		
Trade and other receivables	291	877
Trade and other payables	3,904	9,953
<b>Cash flows from operating activities</b>	<b>55,017</b>	<b>70,972</b>
<b>Investing activities</b>		
Investment in associate	(7,484)	(47,245)
Distributions received from associate	3,358	717
Interest received	157	425
Capital expenditure on investment properties	(17,302)	(5,288)
Acquisition of fixed assets	(27)	(142)
Net cash outflow on purchase of investment properties (Note B)	-	(513,988)
<b>Cash flows from investing activities</b>	<b>(21,298)</b>	<b>(565,521)</b>
<b>Financing activities</b>		
Proceeds from borrowings	10,000	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	(10,874)	(14,393)
Distributions to Unitholders	(42,773)	(39,000)
<b>Cash flows from financing activities</b>	<b>(43,647)</b>	<b>510,095</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(9,928)</b>	<b>15,546</b>
Cash and cash equivalents at beginning of year/period	15,546	-
<b>Cash and cash equivalents at end of year/period (Note 7)</b>	<b>5,618</b>	<b>15,546</b>

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



# STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2008

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

	01/10/2007 to 30/09/2008	05/06/2006 (date of constitution) to 30/09/2007
	\$'000	\$'000
Investment properties	-	891,454
Receivable	-	3,000
Cash	-	17,185
Security deposits	-	(17,185)
<b>Net identifiable assets and liabilities acquired</b>	-	894,454
Purchase consideration	-	894,454
Less:		
Units issued for partial satisfaction of purchase consideration on investment properties acquired	-	(363,281)
Cash acquired	-	(17,185)
<b>Net cash outflow</b>	-	513,988

## Significant Non-Cash Transactions

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

- (i) 3,507,898 (2007: 2,917,554) Units were issued and issuable in satisfaction of asset management fees payable in Units, amounting to a value of \$3,943,922 (2007: \$4,454,934) in respect of the financial year ended 30 September 2008; and
- (ii) 60,101 (2007: 260,966) Units were issued in satisfaction of acquisition fee of \$74,574 (2007: \$469,165) in connection with the additional investment in Hektar Real Estate Investment Trust completed on 14 April 2008.

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

The following notes form an integral part of the financial statements.

## 1. GENERAL

Frasers Centrepoint Trust (the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 5 June 2006 and any amendment or modification thereof (the “Trust Deed”) between Frasers Centrepoint Asset Management Ltd. (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust 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 12 November 2008.

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 follow:

### (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.

The Manager may elect to receive the fees in cash or Units or a combination of cash and Units (as it may in its sole discretion determine). For the year ended 30 September 2008, 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 in the form of Units is payable on a quarterly basis in arrears, and the portion in cash is payable on a monthly basis.

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

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

## (c) Trustee's fees

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The financial statements have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of 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 the historical cost basis except as disclosed in the accounting policies below.

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

Estimates and underlying assumptions are reviewed on an ongoing basis. 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.



# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## 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 valuation reports, the Manager is satisfied that the valuation methods and estimates used are reflective of the market conditions as at 30 September 2008.

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

- (i) Note 2(d) – Investment properties
- (ii) Note 21 – Financial risk management

### (b) Future changes in accounting policies

The Trust has not adopted the following FRS that have been issued and are relevant to the Trust but not yet effective:

		Effective date (Annual period beginning on or after)
FRS 1:	Revised FRS 1, Presentation of Financial Statements	1 January 2009
FRS 108:	Operating Segments	1 January 2009

The Manager expects that the adoption of the above pronouncements to have the following impact on the financial statements in the period of initial application:

The revised FRS 1 – Presentation of Financial Statements was issued in March 2008 and becomes effective for annual periods beginning on or after 1 January 2009. The Standard separates owner and non-owner movements in Unitholders' funds. The statement of movements in Unitholders' funds will include only details of transactions with owners, with all non-owner movements presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of income and expense, either in one single statement, or in two linked statements. The Trust is still evaluating whether it will have one or two statements.

FRS 108 requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker. The impact of this Standard on the other segment disclosures is still to be determined. As this is a disclosure Standard, it will have no impact on the financial position or financial performance of the Trust when implemented in 2009.

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## (c) Foreign currency

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

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

The assets and liabilities of foreign operations are translated into Singapore dollars at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity as translation reserve. On disposal of a foreign operation, the cumulative amount recognised in translation reserve relating to that particular foreign operation is recognised in the Statement of Total Return.

## (d) 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.

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

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.

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

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

### (e) 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 results 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 results 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. Where necessary, adjustments are made to bring the accounting policies into line with those of the Trust.

### (f) 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.

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.



# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

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 recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the 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.

## (g) Financial assets

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 instruments. 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.

## (h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

## (i) 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 2008

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

### (j) Financial liabilities

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 the 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.

### (k) Derivative financial instruments

The Trust uses interest rate swap contracts to hedge its interest rate exposure. These derivatives are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently re-measured at their fair value. Changes in fair value of any derivative instrument are recognised in the Statement of Total Return.

The fair value of interest rate swap contracts is determined by reference to the market value for similar instruments.

### (l) 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.

### (m) 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.

### (n) 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 that may result in the possible return of amounts received.

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## Interest income

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

## (o) Expenses

### Property expenses

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

### 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 are Trustee's fees which are 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.

## (p) Taxation

Taxation on the return for the period may comprise 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 period when the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.



# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

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

### (p) Taxation (cont'd)

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 distributions.

A Qualifying Unitholder is a Unitholder who is:

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

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.

### (q) Segment reporting

A segment is a distinguishable component of the Trust that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments.

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## 3. INVESTMENT PROPERTIES

	2008	2007
	\$'000	\$'000
At beginning	988,500	-
Acquisition of investment properties	-	891,454
Capital expenditure capitalised	21,299	7,760
	1,009,799	899,214
Surplus on revaluation recognised in Statement of Total Return	53,201	89,286
At end	1,063,000	988,500

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

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 of direct comparison, capitalisation approach and discounted cash flows which involve certain estimates. The Manager is of the view that the valuation methods and estimates are reflective of the market condition as at 30 September 2008.

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

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:

	2008	2007
	\$'000	\$'000
Surplus on revaluation	53,201	89,286
Amortisation of lease incentives	(1,606)	(455)
	51,595	88,831

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## 4. FIXED ASSETS

	2008	2007
	\$'000	\$'000
<b>Cost</b>		
At beginning	142	-
Additions	27	142
At end	169	142
<b>Accumulated depreciation</b>		
At beginning	26	-
Charge for year/period	25	26
At end	51	26
<b>Carrying amount</b>		
At beginning	116	-
At end	118	116

## 5. ASSOCIATE

	2008	2007
	\$'000	\$'000
Shares, at cost	55,273	47,714
Share of post-acquisition reserves	4,661	313
Translation difference	(4,101)	-
	55,833	48,027
Fair value of associate for which there is a published price quotation	43,522	54,747

Details of the associate are as follow:

	Place of incorporation / business	Effective equity interest held by the Trust	
		2008	2007
		%	%
Hektar Real Estate Investment Trust <sup>1</sup>	Malaysia	31.06	27.00

<sup>1</sup>Audited by SJ Grant Thornton.



# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

Hektar Real Estate Investment Trust (“H-REIT”) is a real estate investment trust constituted in Malaysia by a trust deed dated 5 October 2006. H-REIT units are listed on the Main Board of Bursa Malaysia Securities Berhad. The principal investment objective of H-REIT is to invest in income-producing real estate in Malaysia, which are primarily used for retail purposes.

In June 2007, the Trust acquired 86.4 million units or 27.0% interest in H-REIT. In April 2008, FCT acquired a further 4.06% in H-REIT, thereby increasing its unitholding in H-REIT to 31.06%.

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 2008, the Trust had estimated the results of H-REIT for the quarter ended 30 September 2008 based on its results for the preceding quarter, adjusted for significant transactions and events occurring up to the reporting date of the Trust, if any.

The following summarised financial information relating to the associate has not been adjusted for the percentage held by the Trust:

	2008 <sup>1</sup>	2007 <sup>2</sup>
	\$’000	\$’000
<b>Assets and liabilities</b>		
Non-current assets	282,885	225,021
Current assets	11,951	12,373
<b>Total assets</b>	<b>294,836</b>	<b>237,394</b>
Current liabilities	12,512	11,659
Non-current liabilities	125,424	80,408
Net assets attributable to unitholders	156,900	145,327
<b>Total liabilities</b>	<b>294,836</b>	<b>237,394</b>
<b>Results</b>		
Revenue	31,776	18,199
Expenses	(17,165)	(9,579)
Revaluation surplus	18,238	-
<b>Total return for year/period</b>	<b>32,849</b>	<b>8,620</b>

<sup>1</sup> The financial information is based on the latest available unaudited management financial statements for the six months ended 30 June 2008 and the pro-rated six month result from the audited financial statements for the period ended 31 December 2007.

<sup>2</sup> The financial information is based on the unaudited management financial statements for the period from 5 October 2006 (date of establishment) to 30 June 2007.

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## 6. TRADE AND OTHER RECEIVABLES

	2008	2007
	\$'000	\$'000
Trade receivables	968	651
Allowance for doubtful receivables	(1)	(22)
Net trade receivables	967	629
Deposits	14	170
Prepayments	204	365
Other receivables	508	936
Loan arrangement fees	772	1,052
	2,465	3,152

Trade receivables are non-interest bearing and are generally on 30 day terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Other receivables include an amount of \$500,000 (2007: \$500,000) due from Northpoint Management Corporation, recoverable upon the liquidation of the Management Corporation.

### Ageing of trade receivables at the balance sheet date

The Trust has trade receivables amounting to \$967,000 (2007: \$629,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	2008	2007
	\$'000	\$'000
Trade receivables past due:		
Less than 30 days	729	480
30 to 60 days	118	74
61 to 90 days	81	20
91 to 120 days	6	9
More than 120 days	33	46
	967	629

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## Trade receivables that are impaired

The Trust's trade receivables that are impaired at the balance sheet date and the movement of the allowance account used to record the impairment are as follow:

	Individually impaired	
	2008	2007
	\$'000	\$'000
Trade receivables – nominal amounts	1	22
Allowance for impairment	(1)	(22)
	-	-

Movement in allowance account:

At beginning	22	-
Impairment loss recognised	1	22
Allowance utilised	(22)	-
At end	1	22

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Based on the Trust's historical experience in the collection of trade receivables, the Manager believes that there is no additional credit risk beyond those which have been provided for.

## 7. CASH AND CASH EQUIVALENTS

	2008	2007
	\$'000	\$'000
Cash at bank and in hand	2,617	3,915
Fixed deposits with a financial institution	3,001	11,631
	5,618	15,546

The weighted average effective interest rate for fixed deposits with a financial institution is 1.62% (2007: 1.68%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## 8. TRADE AND OTHER PAYABLES

	2008	2007
	\$'000	\$'000
Trade payables and accrued operating expenses	13,215	8,996
Amounts due to related parties (trade)	2,277	2,337
Deposits and advances	1,460	828
Interest payable	593	407
Other payables	1	-
Fair value of interest rate swaps	990	-
	18,536	12,568

Included in trade payables and accrued operating expenses is an amount due to the Trustee of \$35,948 (2007: \$51,180). Included in amounts due to related parties are amounts due to the Manager of \$1,669,108 (2007: \$1,568,443) and the Property Manager of \$470,043 (2007: \$542,650) respectively.

Interest rate swaps are used to provide fixed rate funding for \$100 million of the term loan at average interest of 3.71% per annum for terms up to April 2015. The Trust does not apply hedge accounting.

## 9. DEFERRED INCOME

	2008	2007
	\$'000	\$'000
<b>Cost</b>		
At beginning	1,533	-
Additions	1,111	1,533
At end	2,644	1,533
<b>Accumulated amortisation</b>		
At beginning	619	-
Charge for year/period	845	619
At end	1,464	619
<b>Net deferred income</b>	1,180	914
<b>This comprises:</b>		
Current portion	561	173
Non-current portion	619	741
	1,180	914



# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## 10. INTEREST-BEARING BORROWINGS

	2008	2007
	\$'000	\$'000
<b>Non-current liabilities</b>		
Term loan maturing after 1 year but within 5 years	260,000	260,000
<b>Current liabilities</b>		
Bridge loan	57,500	47,500

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 has obtained a \$60 million bridge loan facility granted by Oversea-Chinese Banking Corporation Limited. As at 30 September 2008, the Trust has utilised \$57.5 million (2007: \$47.5 million) of the facility.

The Trust also has a \$100 million multicurrency bridge loan facility with DBS Bank. As at 30 September 2008, the facility is not utilised.

## 11. DEFERRED TAX LIABILITIES

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

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## 12. UNITS IN ISSUE

	2008	2007
	No. of Units '000	No. of Units '000
<b>Units in issue</b>		
At beginning	617,212	-
<b>Issue of Units</b>		
- initial public offering	-	261,930
- partial satisfaction of purchase consideration on investment properties acquired	-	352,700
- issued as satisfaction of acquisition fee	60	261
- issued as satisfaction of asset management fees	2,932	2,321
At end	620,204	617,212
<b>Units to be issued</b>		
- as asset management fees payable in Units	1,172	596
<b>Total issued and issuable Units at 30 September</b>	<b>621,376</b>	<b>617,808</b>

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.

A Unitholder's liability is limited to the amount paid or payable for any Units in the Trust. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## 13. NET ASSET VALUE PER UNIT

	2008	2007
	\$'000	\$'000
Net asset value per Unit is based on:		
Net assets	767,235	715,257
	No. of Units '000	No. of Units '000
Total issued and issuable Units at 30 September (Note 12)	621,376	617,808

## 14. GROSS REVENUE

	01/10/2007 to 30/09/2008	05/06/2006 (date of constitution) to 30/09/2007
	\$'000	\$'000
Gross rental income	73,256	84,763
Others	11,408	10,128
	84,664	94,891

## 15. PROPERTY EXPENSES

	01/10/2007 to 30/09/2008	05/06/2006 (date of constitution) to 30/09/2007
	\$'000	\$'000
Property tax	6,752	7,884
Utilities	3,807	5,099
Maintenance	7,863	7,082
Property management fees	3,187	3,598
Marketing expenses	3,257	3,633
Allowance for doubtful receivables	1	22
Receivables written off	1	-
Depreciation	25	26
Others	3,205	3,795
	28,098	31,139

The Trust does not have any employees.

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## 16. BORROWING COSTS

	01/10/2007 to 30/09/2008	05/06/2006 (date of constitution) to 30/09/2007
	\$'000	\$'000
Interest expense	11,855	14,163
Amortisation of loan arrangement fees	280	377
	12,135	14,540

## 17. ASSET MANAGEMENT FEES

Included in asset management fees is an aggregate of 3,507,898 (2007: 2,917,554) Units issued and issuable to the Manager as satisfaction of the asset management fees payable in Units.

## 18. TAXATION

	01/10/2007 to 30/09/2008	05/06/2006 (date of constitution) to 30/09/2007
	\$'000	\$'000
<b>Reconciliation of effective tax</b>		
Net income	37,324	42,598
Income tax using Singapore tax rate of 18% (2007: 18%)	6,718	7,668
Non-tax deductible items	817	1,075
Income not subject to tax	604	129
Income exempt from tax	(8,139)	(8,872)
	-	-
Deferred tax imputed on applicable portion of revaluation surplus of investment properties	723	1,459
	723	1,459



# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## 19. EARNINGS PER UNIT

The calculation of basic earnings per Unit is based on the weighted average number of Units during the year/period and total return for the year/period.

	01/10/2007 to 30/09/2008	05/06/2006 (date of constitution) to 30/09/2007
	\$'000	\$'000
Total return for year/period after tax	94,912	131,000

Weighted average number of units in issue	618,968	615,938
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Diluted earnings per Unit is the same as the basic earnings per Unit as there is no dilutive instrument in issue during the year/period.

## 20. 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 the Property Manager are wholly-owned subsidiaries of Frasers Centrepoint Limited.

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 year/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:

	01/10/2007 to 30/09/2008	05/06/2006 (date of constitution) to 30/09/2007
	\$'000	\$'000
Asset enhancement works and consultancy fees paid/payable to the Property Manager	301	84
Property management fees and reimbursement of expenses paid/payable to the Property Manager	6,993	7,617
Acquisition fees paid to the Manager in connection with the investment in H-REIT	75	469
Reimbursement of expenses paid/payable to the Manager	28	57
Reimbursement of expenses paid/payable to a related company	627	721

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## 21. FINANCIAL RISK MANAGEMENT

### (a) Capital management

The primary objective of the Trust's capital management is to ensure that it maintains a strong and healthy capital structure in order to support its business and maximise Unitholder value.

The Trust is subject to the aggregate leverage limit as defined in the Property Fund Guidelines of the CIS Code. The CIS Code stipulates that borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 35.0% of the fund's depository property. The Aggregate Leverage of a property fund may exceed 35.0% of its depository property (up to a maximum of 60.0%) only if a credit rating from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public.

As at 30 September 2008, the Trust's Aggregate Leverage stood at 28.1% of its depository property, which is within the limit set by the Property Fund Guidelines. The Trust has a corporate rating of "A3".

### (b) 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 Trust's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Manager has established credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with customers. Credit risk is also mitigated by the rental deposits held for each of the customers. In addition, receivables are monitored on an ongoing basis with the result that the Trust's exposure to bad debts is not significant.

The Manager has established an allowance account for impairment that represents its estimate of losses in respect of trade receivables. The main component of this allowance is estimated losses that relate to specific customers. Subsequently when the Trust is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired financial asset.

The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Balance Sheet. At the balance sheet date, approximately:

- 41.8% (2007: 38.5%) of the Trust's trade receivables were due from 5 tenants who are reputable companies located in Singapore; and
- 33.4% (2007: 19.8%) of the Trust's other receivables were due from Northpoint Management Corporation as disclosed in Note 6.

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Trust. Cash and fixed deposits that are neither past due nor impaired are placed with a financial institution which is regulated.

Information regarding financial assets that are either past due or impaired is disclosed in Note 6.

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## 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.

The Trust's exposure to interest rate risk is not significant as it relates primarily to its floating rate bridge loan as disclosed in Note 10.

## Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting financial obligations due to shortage of funds. The Trust's objective is to maintain sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations. The Manager monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Trust's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Manager monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

The table below summarises the maturity profile of the Trust's financial liabilities at the balance sheet date based on contractual undiscounted payments.

	Within 1 year	1 to 5 years	Over 5 years	Total
2008				
Trade and other payables	17,545	-	-	17,545
Security deposits	6,545	15,028	-	21,573
Interest-bearing borrowings	68,015	278,241	-	346,256
	92,105	293,269	-	385,374
2007				
Trade and other payables	12,568	-	-	12,568
Security deposits	9,834	8,362	189	18,385
Interest-bearing borrowings	57,976	288,595	-	346,571
	80,378	296,957	189	377,524

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

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

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

#### Foreign currency risk

The Trust is exposed to currency translation risk arising from its net investments in the associate in Malaysia. The Trust's net investment in H-REIT is not hedged as currency position in Ringgit is considered to be long-term in nature.

#### Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the Ringgit exchange rate (against Singapore dollar), with all other variables held constant, of the Trust's total return and Unitholders' funds and reserve.

	2008 \$'000		2007 \$'000	
	Total return	Unitholder's Funds and reserve	Total return	Unitholder's Funds and reserve
Ringgit - strengthened 3% (2007: 5%)	+231	+1,703	+51	+51
- weakened 3% (2007: 5%)	-231	-1,703	-51	-51

### (c) Estimation of fair value

The fair value of financial liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	2008 \$'000		2007 \$'000	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities:</b>				
Interest-bearing borrowings (non-current)	260,000	246,814	260,000	260,000
Security deposits (non-current)	14,773	14,248	7,881	8,135
	274,773	261,062	267,881	268,135

The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rates for similar types of lending or borrowing arrangements at the balance sheet date.

The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

Except for the above, the carrying amounts of financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.



# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## 22. 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 year/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, for which operations are in Malaysia.

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## 22. SEGMENT REPORTING (CONT'D)

### Business segments

Business segments	Causeway Point			Northpoint			Anchorpoint			05/06/2006 (date of constitution) to 30/09/2007	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Revenue and expenses											
Gross rental income	48,805	18,039	6,412	73,256	56,424	24,316	4,023	84,763			
Others	8,461	2,482	465	11,408	7,533	2,472	123	10,128			
Gross revenue	57,266	20,521	6,877	84,664	63,957	26,788	4,146	94,891			
Segment net property income	39,607	13,487	3,472	56,566	45,610	17,970	172	63,752			
Interest income				157				425			
Income support				-	-	-	1,300	1,300			
Unallocated expenses				(19,399)				(22,879)			
Net income				37,324				42,598			
Unrealised loss from fair valuation of derivatives				(990)				-			
Share of results of associate				7,706				1,030			
Surplus on revaluation of investment properties	33,475	3,902	14,218	51,595	68,581	16,260	3,990	88,831			
Total return for year/ period before tax				95,635				132,459			
Taxation	(618)	(74)	(31)	(723)	(1,234)	(293)	68	(1,459)			
Total return for year/ period after tax				94,912				131,000			

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## 22. SEGMENT REPORTING (CONT'D)

### Business segments

	Causeway			Causeway			2007 \$'000
	Point \$'000	Northpoint \$'000	Anchorpoint \$'000	Point \$'000	Northpoint \$'000	Anchorpoint \$'000	
<b>Assets and liabilities</b>							
Segment assets	711,555	286,884	67,412	677,514	267,417	47,475	992,406
Investment in associate							48,027
Unallocated assets							14,908
Total assets							1,055,341
Segment liabilities	20,234	13,758	4,277	16,260	7,239	6,569	30,068
Unallocated liabilities							2,516
- trade and other payables							307,500
- interest-bearing borrowings							340,084
Total liabilities							
<b>Other segmental information</b>							
Allowance for doubtful receivables	1	-	-	-	22	-	22
Receivables written off	-	-	1	-	-	-	-
Amortisation of lease incentives	870	225	511	124	67	264	455
Investment properties:							
- Capital expenditure:	(45)	16,073	5,271	825	206	6,729	7,760
Fixed assets:							
- Capital expenditure	7	3	17	102	14	26	142
- Depreciation	15	3	7	14	4	8	26

# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## 23. COMMITMENTS

	2008	2007
	\$'000	\$'000
Capital expenditure contracted but not provided for:		
- contracted but not provided for	23,749	1,079
- authorised but not contracted for	3,792	1,376
	27,541	2,455

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

	2008	2007
	\$'000	\$'000
Receivable:		
Within 1 year	63,963	54,224
After 1 year but within 5 years	103,463	76,579
After 5 years	-	63
	167,426	130,866

## 24. 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.

## 25. FINANCIAL RATIOS

	%	%
Expenses to weighted average net assets <sup>1</sup> :		
- including performance component of asset management fees	1.00	1.00
- excluding performance component of asset management fees	0.61	0.62
Portfolio turnover rate <sup>2</sup>	-	-

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

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



# NOTES TO THE FINANCIAL STATEMENTS

30 September 2008

## **26. SUBSEQUENT EVENTS**

Subsequent to the year ended 30 September 2008, the Manager declared a distribution of \$12,788,000 to Unitholders in respect of the period from 1 July 2008 to 30 September 2008.

## **27. COMPARATIVE INFORMATION**

The comparative information relates to the period from 5 June 2006 (date of constitution) to 30 September 2007.

During the current year, the Trust classified the loan arrangement fee in the balance sheet to trade and other receivables. Comparative figures have been reclassified to conform with the current year's presentation, which resulted in \$1,052,000 being reclassified from non-current interest borrowings to trade and other receivables.

# STATISTICS OF UNITHOLDERS

As at 28 November 2008

## ISSUED AND FULLY PAID-UP UNITS

As at 28 November 2008

There were 621,374,188 Units (voting rights: one vote per Unit) outstanding as at 28 November 2008. There is only one class of Units.

Market Capitalisation \$372,824,513 (based on closing unit price of \$0.60 on 28 November 2008).

## TOP TWENTY UNITHOLDERS

As at 28 November 2008

As shown in the Register of Unitholders

Ranking	Unitholders	Number of units	% of Total
1	FCL Trust Holdings Pte. Ltd.	313,500,000	50.45%
2	Citibank Nominees Singapore Pte Ltd	135,564,151	21.82%
3	DBSN Services Pte Ltd	33,988,800	5.47%
4	DBS Nominees Pte Ltd	28,470,020	4.58%
5	HSBC (Singapore) Nominees Pte Ltd	17,122,308	2.76%
6	Raffles Nominees Pte Ltd	16,392,930	2.64%
7	United Overseas Bank Nominees Pte Ltd	10,750,900	1.73%
8	Frasers Centrepont Asset Management Ltd.	6,744,188	1.09%
9	OCBC Securities Private Ltd	3,975,000	0.64%
10	DB Nominees (S) Pte Ltd	1,668,000	0.27%
11	UOB Kay Hian Pte Ltd	1,655,000	0.27%
12	Royal Bank Of Canada (Asia) Ltd	1,500,000	0.24%
13	Ng Say Ban	1,100,000	0.18%
14	Fam Yue Onn Michael	1,000,000	0.16%
15	G Pannir Selvam	1,000,000	0.16%
16	Superbowl Holdings Limited	1,000,000	0.16%
17	DBS Vickers Securities (S) Pte Ltd	999,000	0.16%
18	OverseasChinese Bank Nominees Pte Ltd	850,000	0.14%
19	Land Transport Authority Of Singapore	835,000	0.13%
20	Yap Chong Hin Gabriel	820,000	0.13%
	Total	578,935,297	93.18%

## SUBSTANTIAL UNITHOLDERS<sup>1</sup>

As at 28 November 2008

Ranking	Unitholders	Direct Interest		Deemed Interest	
		Number of units	%	Number of units	%
1	Frasers Centrepoint Limited <sup>2</sup>	-	-	320,244,188	51.54
2	PGGM Pension Fund, Netherlands	40,144,000	6.46	-	-
3	AIG Entities	37,241,000	5.99	-	-
4	Standard Life Group	37,022,000	5.96	-	-

<sup>1</sup> Based on the Register of Substantial Unitholders maintained by the Manager.

<sup>2</sup> Frasers Centrepoint Limited is deemed to be interested in the 320,244,188 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 28 November 2008

As shown in the Register of Unitholders

Size of Holdings	Number of Unitholders	%	Number of Units	%
1 – 999	11	0.35	3,521	0.00
1,000 – 10,000	2,393	77.05	10,344,290	1.67
10,001 – 1,000,000	689	22.18	38,595,080	6.21
1,000,000 and above	13	0.42	572,431,297	92.12
Total	3,106	100.00	621,374,188	100.00

## MANAGER'S DIRECTORS' UNITHOLDINGS

As at 23 October 2008

Ranking	Unitholders	Number of units	
		Direct Interest	Deemed Interest
1	Mr Christopher Tang Kok Kai	400,000	-
2	Mr Lim Ee Seng	200,000	-
3	Mr Bobby Chin Yoke Choong	-	100,000
4	Mr Soh Kim Soon	100,000	-
5	Mr 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
<b>Fraser's Centrepont Limited and its subsidiaries</b>	
- Asset management fees	6,067
- Property management fees	3,187
- Reimbursement of expenses	4,460
- Project management and consultancy fees for asset enhancement works	301
<b>HSBC Institutional Trust Services (Singapore) Limited</b>	
- Trustee's fees	210

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 20 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 2008, an aggregate of 621,374,188 Units were in issue. On 30 October 2008, the Trust issued 1,169,994 Units to the Manager as asset management fees for the period from 1 July 2008 to 30 September 2008.

### NON-DEAL ROADSHOW EXPENSES

Non-deal roadshow expenses of \$25,142 (2007: \$30,710) were incurred during the year ended 30 September 2008.



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# CORPORATE INFORMATION

## Frasers Centrepoint Trust

### Registered address

HSBC Institutional Trust Services (Singapore) Ltd  
21 Collyer Quay #14-01  
HSBC Building  
Singapore 049320

Phone: (65) 6534 1900 | Fax: (65) 6533 1077

### Website address

[www.fraserscentrepointtrust.com](http://www.fraserscentrepointtrust.com)

### Trustee

HSBC Institutional Trust Services (Singapore) Ltd  
21 Collyer Quay #14-01  
HSBC Building  
Singapore 049320

Phone: (65) 6534 1900 | Fax: (65) 6533 1077

### Auditor

Ernst & Young  
One Raffles Quay  
Level 18 North Tower  
Singapore 048583

Phone: (65) 6535 7777 | Fax: (65) 6532 7662

### Bankers

DBS Bank Ltd  
Oversea-Chinese Banking Corporation Ltd  
Standard Chartered Bank

### Unit registrar

Boardroom Corporate & Advisory Services Pte Ltd  
3 Church Street  
#08-01 Samsung Hub  
Singapore 049483

Phone: (65) 6536 5355 | Fax: (65) 6536 1360

## The Manager

### Registered address

Frasers Centrepoint Asset Management Ltd  
438 Alexandra Road  
#21-00 Alexandra Point  
Singapore 119958

Phone: (65) 6276 4882 | Fax: (65) 6272 8776

### Directors of the Manager

Mr Lim Ee Seng  
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



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