





Frasers Commercial Trust
8th Annual General Meeting

23 January 2017

CELEBRATING A DECADE OF ACHIEVEMENTS

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Important notice

Certain statements in this Presentation constitute "forward-looking statements", including forward-looking financial information. Such forward-looking statement and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of FCOT or the Manager, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the Manager's present and future business strategies and the environment in which FCOT or the Manager will operate in the future. Because these statements and financial information reflect the Manager's current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information.

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The value of Frasers Commercial Trust units ("Units") and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of REIT and the Manager is not necessarily indicative of the future performance of Frasers Commercial Trust and the Manager.

This Presentation contains certain information with respect to the trade sectors of the Trust's tenants. The Manager has determined the trade sectors in which the Trust's tenants are primarily involved based on the Manager's general understanding of the business activities conducted by such tenants. The Manager's knowledge of the business activities of the Trust's tenants is necessarily limited and such tenants may conduct business activities that are in addition to, or different from, those shown herein.

This Presentation includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While the Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Manager has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

- Year in review
- Solid fundamentals
- Looking ahead

Year in review



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FY2016 results highlights



		Year-on-Year
Net Property Income	S$115.6 million	↑ 13.4%
Net Property Income (cash basis)[1]	S$113.8 million	↑ 12.8%
Distributable Income to Unitholders	S$77.6 million	↑ 14.5%
Distribution Per Unit	9.82 cents	↑ 1.1%
Value of Property Portfolio	S$2.0 billion	↑ 1.8%
Weighted average rental reversions in FY16[2]	+ 6.6%	

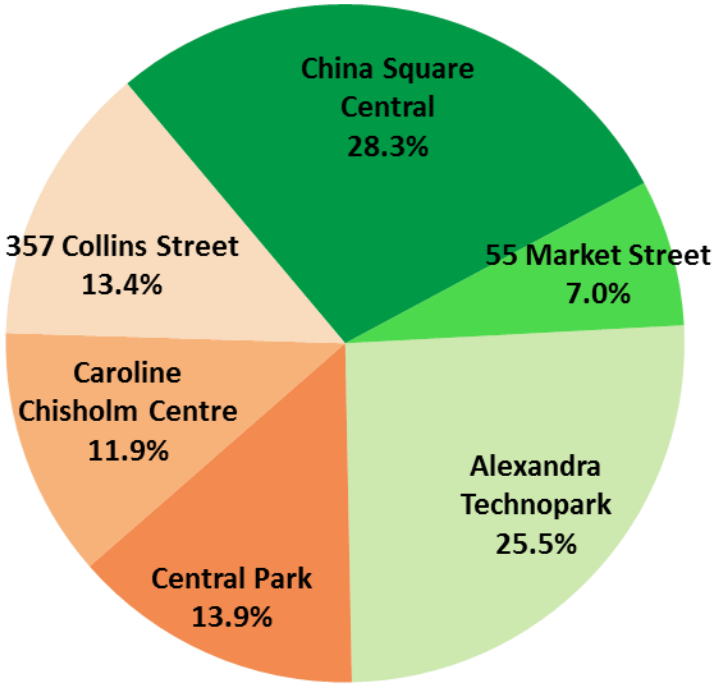
As at 30 September 2016.

1 Net property income excluding the effects of recognising accounting income on a straight line basis over the lease term.

2 The weighted average rental reversions based on signing rents for the area for new and renewed leases which commenced in FY16. For China Square Central, the weighted average rental reversions are for 18 Cross Street office tower only, and excludes the retail podium at 18 Cross Street, and 20 and 22 Cross Street which are partially affected by the construction works for the 16-storey hotel and additions and alterations. Refer Circular to Unitholders dated 3 June 2015 for details.

Year in review - Asset values

- **Balanced and diversified portfolio of Singapore and Australian properties**
- **No one property accounts for more than 29% of portfolio value**
- **Good quality and strategically located properties**
- **Portfolio value increased 1.8% to S$2.0 billion**



Asset values as at 30 Sept 2016

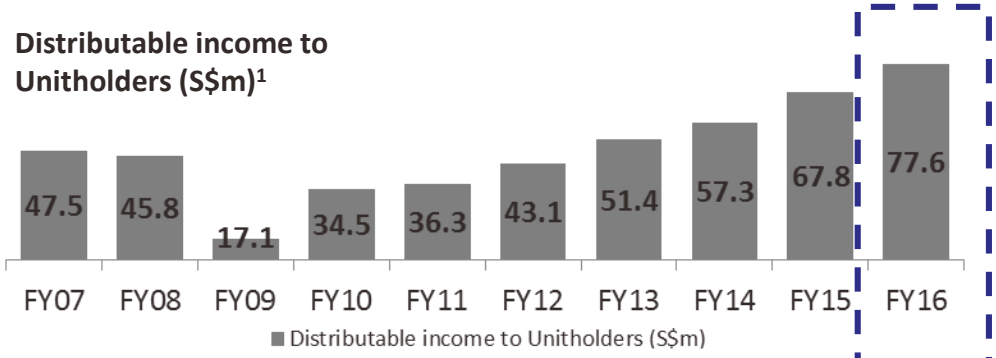
Singapore	$	1,209.5 mil	60.8%
Australia	$	779.8 mil	39.2%
Total	$	1,989.3 mil	**100%**

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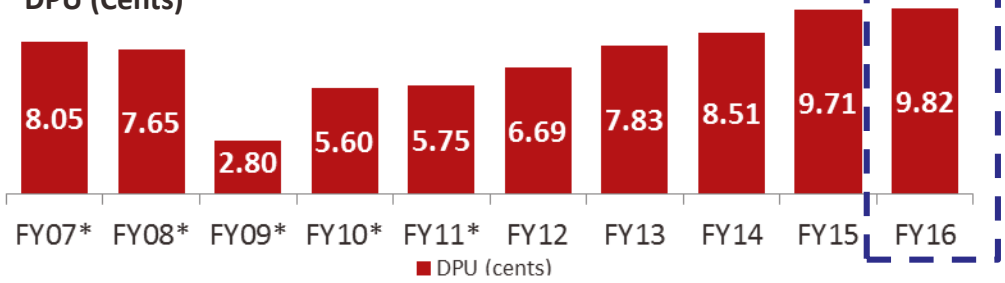
2016 marked the 10th anniversary of FCOT's listing on SGX-ST on 30 March 2006

- Highest since IPO
- 7th consecutive year of growth

Distributable income to Unitholders (S$m)[1]



DPU (Cents)[1]



S$1,989.3 million portfolio value

Increased from S$683.9 million upon listing on 30 March 2006[2]

9.8% DPU CAGR

Long term growth backed by strong fundamentals and resilience[3]

173.8%

Total unitholders' return[4]

* Adjusted for unit consolidation.

1 On 26 August 2009, Frasers Commercial Trust changed its financial year end from 31 December to 30 September. Hence, from the financial year ended 30 September 2009 onwards, the financial year end was 30 September. Prior to that, the financial year end was 31 December. For FY09, the DPU is for the period from 1 January 2009 to 30 September 2009.

2 As set out in the prospectus dated 23 March 2006.

3 Since the completion of the recapitalisation exercise in 2009.

4 Since the completion of the recapitalisation exercise in 2009 and up to 30 September 2016. Assumes dividends reinvested. Source: Bloomberg

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Our journey in the past decade – key highlights

30 March 2006
Listed on the SGX-ST

S$683.9 million portfolio value, 2 properties and an investment in a property fund on listing[1]

August 2008
The REIT and Manager became part of FCL group

FY09
Recapitalisation exercise

Injected Alexandra Technopark, strengthened balance sheet and provided platform for future growth

FY11-FY12
Portftolio reshaping strategy

Divested KeyPoint at 26.3% premium to book value and other matured and non-core assets

FY13-FY16
Growing and unlocking value

S$1,989.3 million portfolio value, 6 properties as at 30 Sept 2016


China Square Central, Singapore


Alexandra Technopark, Singapore



55 Market Street, Singapore


Central Park, Perth, Australia


357 Collins Street, Melbourne, Australia


Caroline Chisholm Centre, Canberra, Australia

1 As set out in the prospectus dated 23 March 2006.

FCOT's inaugural Sustainability Report received recognition at the Asia Sustainability Reporting Awards 2016



- FCOT's 2015 Sustainability Report was a finalist for Asia's Best First Time Sustainability Report at the Asia Sustainability Reporting Awards 2016
- The Sustainability Report was prepared in accordance with GRI G4 Sustainability Reporting Guidelines



Proactive asset management



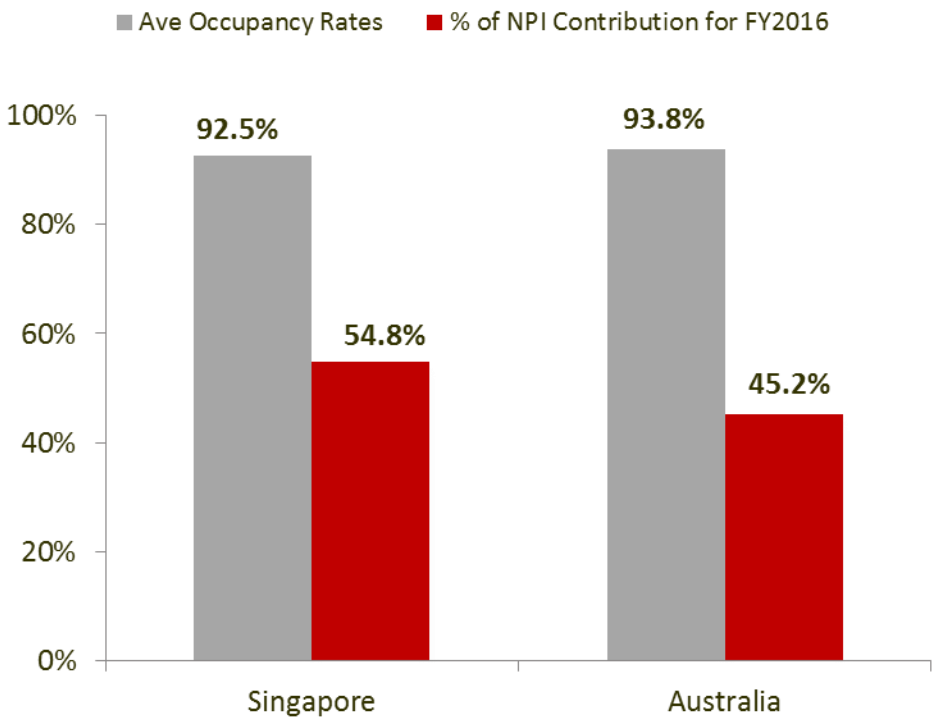
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Year in review – Healthy occupancy rates & WALE

- **Healthy average occupancy rate of 93.0%**
- **Healthy WALE of 3.8 years[1]**

Key portfolio statistics	As at 30 September 2016
Ave Occupancy	93.0%
Portfolio WALE by gross rental income[1]	3.8 years

Geographical occupancy and % of NPI contribution



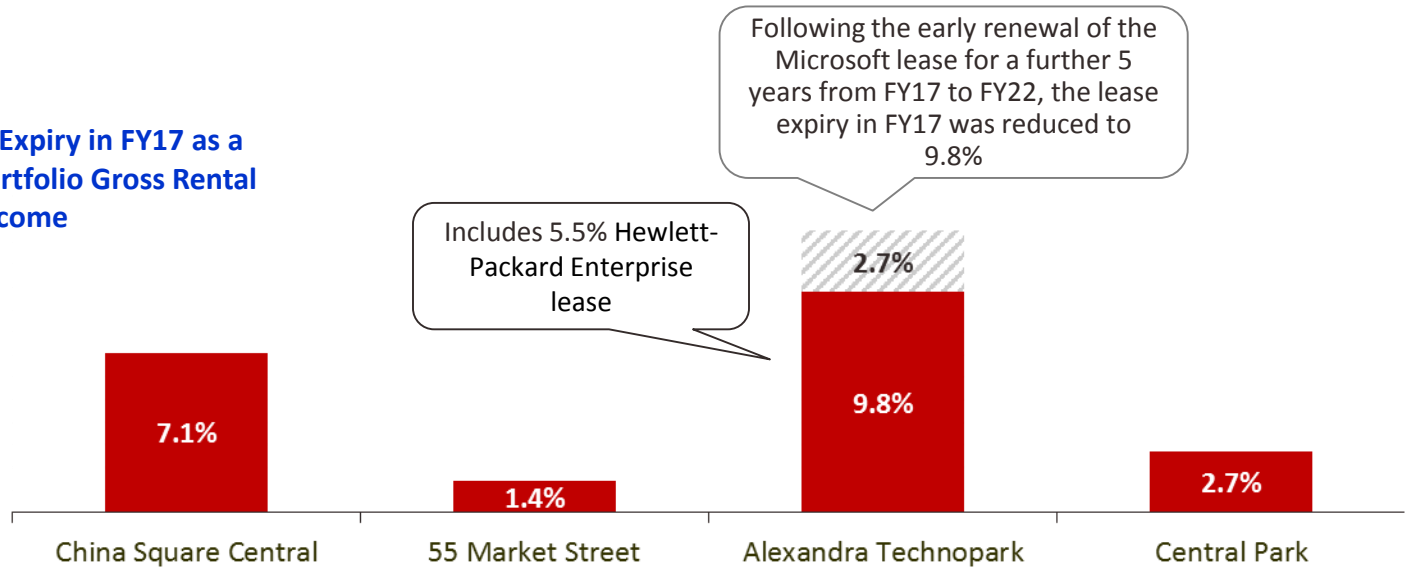
As at 30 September 2016. Excludes retail turnover rent

1 Inclusive of (1) the early renewal of the lease with Microsoft Operations Pte Ltd at Alexandra Technopark for a further five years; and (2) the Heads of Agreement executed with an entity of Rio Tinto Limited for a new 12-year lease from FY2018 to FY2030 at Central Park. New lease is assumed based on the existing space occupied by Hamersley Iron Pty Limited, a wholly-owned subsidiary of Rio Tinto Limited as the exact space requirement will only be determined later. Excluding early renewal and new lease, the WALE is 3.0 years.

Portfolio review – Lease expiry profile

- **Continuous proactive management of leases**
- **No leases expiring for Caroline Chisholm Centre and 357 Collins Street in FY17**

Property Lease Expiry in FY17 as a proportion of Portfolio Gross Rental Income



Number of leases expiring	20 (office) 31 (retail)	8	23	3 (office) 1 (retail)
Average passing rent for expiring leases *	$6.90 (office) $6.40 (retail)	$7.20	$4.20	A$851 (office) A$4,623 (retail)

As at 30 September 2016. Excludes retail turnover rent

* Rounded up to 2 decimal points.

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Portfolio review – Rental reversions

- **The portfolio achieved positive rental reversions for new and renewed leases that commenced in FY16[1] despite the challenging leasing market**
- **All Singapore properties achieved positive rental reversions**

	Weighted average rental reversions[1]
Property	**FY16**
China Square Central	+5.4%[2]
55 Market Street	+6.3%
Alexandra Technopark	+7.3%
Central Park	-4.2%[3]
357 Collins Street	+2.5%
Portfolio	**+6.6%**

As at September 2016. Excludes retail turnover rent

1 Weighted average rental reversions based on signing rents for the area for new and renewed leases that commenced in FY16.

2 Weighted average rental reversions for 18 Cross Street office tower only. Excludes the retail podium at 18 Cross Street, and 20 and 22 Cross Street which are partially affected by the construction works for the Hotel and Commercial Project. Refer to the Circular to Unitholders dated 3 June 2015 for details of the Hotel and Commercial Project.

3 Office space representing 1.4% of NLA at Central Park.

On-going rejuvenation of China Square Central to boost long-term value with the addition of the Hotel[1]



- Construction work for the development of a 16 storey hotel at the former open plaza area and Commercial Project[1] are on track[2]
- New retail and commercial spaces with better frontage and visibility will also be created[2]
- The Hotel and Commercial Project will generate greater activity and rejuvenate China Square Central

Data as at 30 September 2016.

1 Refers to the additions and alterations at China Square Central. Refer to the Circular to Unitholders dated 3 June 2015 for details.

2 Construction is undertaken by an entity of Frasers Centrepoint Limited.

3 New spaces to be created from relocated spaces from part of the existing basement at 18 Cross Street and a section of 22 Cross Street. This is undertaken by an entity of Frasers Centrepoint Limited as part of the additions and alterations at China Square Central.

Portfolio review – Revamped retail arcade at Central Park (Perth)

- **Retail arcade at Central Park has been revamped**
- **New identity created for the retail shops with a refreshed and contemporary look**

Before





After





- ☑ Modern outdoor sitting area
- ☑ Full height glass shopfront and improved shop presentation
- ☑ Brigher and more spacious feel with higher ceiling

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Proactive capital management



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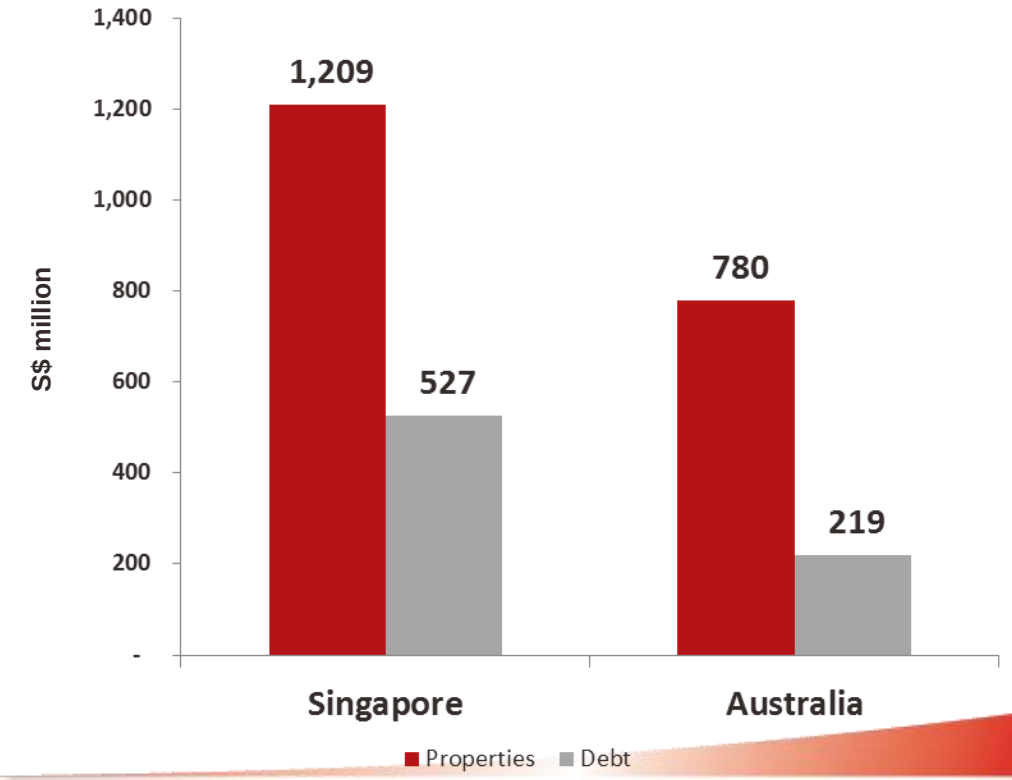
Capital Management – Debt statistics

- **Healthy gearing of 36%**
- **Healthy interest coverage ratio of 4.6 times**
- **Low average interest rate of 3.0%**
- **Borrowings in AUD provide natural hedge for the Australian properties**

Statistics

	As at 30 September 2016
Total Assets (S$ mil)	2,069.4
Gross Borrowings (S$ mil)	745.4
NAV per Unit (ex-DPU) (S$)	1.52
Gearing[1]	36.0%
Interest coverage ratio (times) [2]	4.6
Average borrowing rate[3]	3.0%
FCOT Issuer rating by Moody's	Baa2

Borrowings and assets by currency



1 Calculated as gross borrowing as a percentage of total assets

2 Calculated as net income before changes in fair values of investment properties, interest, other investment and derivative financial instruments, income tax and distribution and adding back certain non-recurring items/ cash finance costs for the quarter ended 30 September 2016.

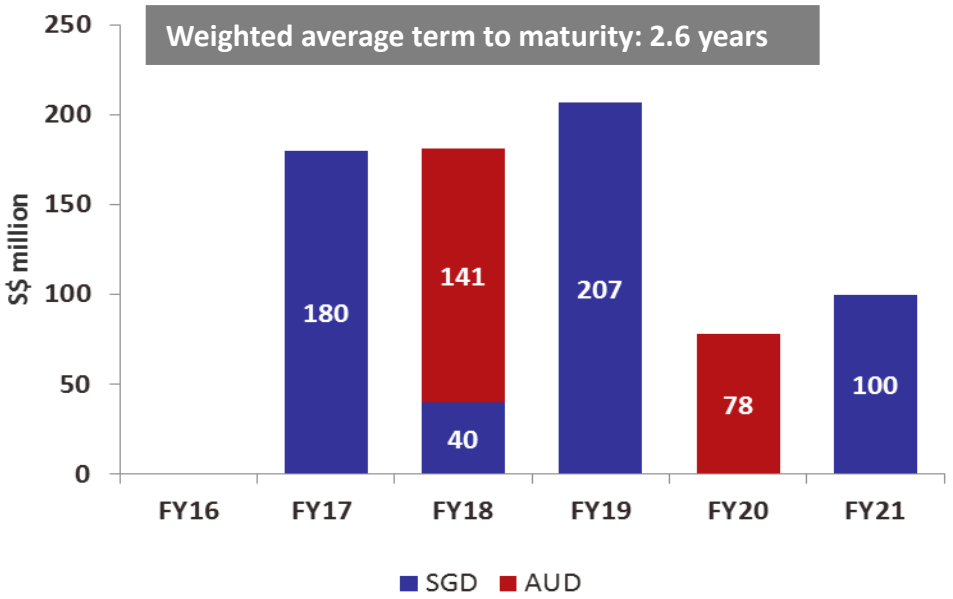
3 For FY16

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Capital Management and debt statistics

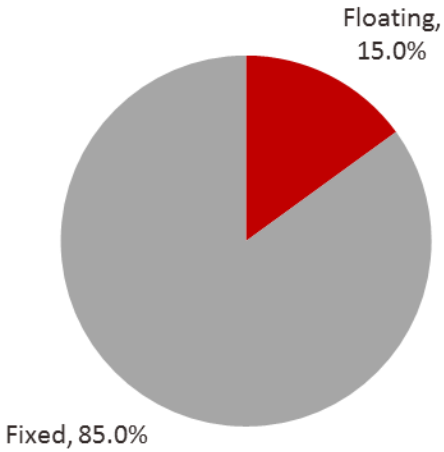
- **Well spread debt maturity profile**
- **No refinancing required until September 2017 and all debts are unsecured**
- **85% of gross borrowings on fixed rate**
- **Maiden issuance in August 2016 of S$100.0 million five-year senior unsecured notes at fixed rate of 2.835%**
  - **Net proceeds used to partially refinance FY19 borrowings**
  - **Spread and extend existing debt maturity profile**

Debt maturity



Total facilities **S$746 million**

Debt composition – floating vs. fixed interest rates



Fixed debt

As a % of:	As at 30 September 2016
Total Gross Borrowings	85%

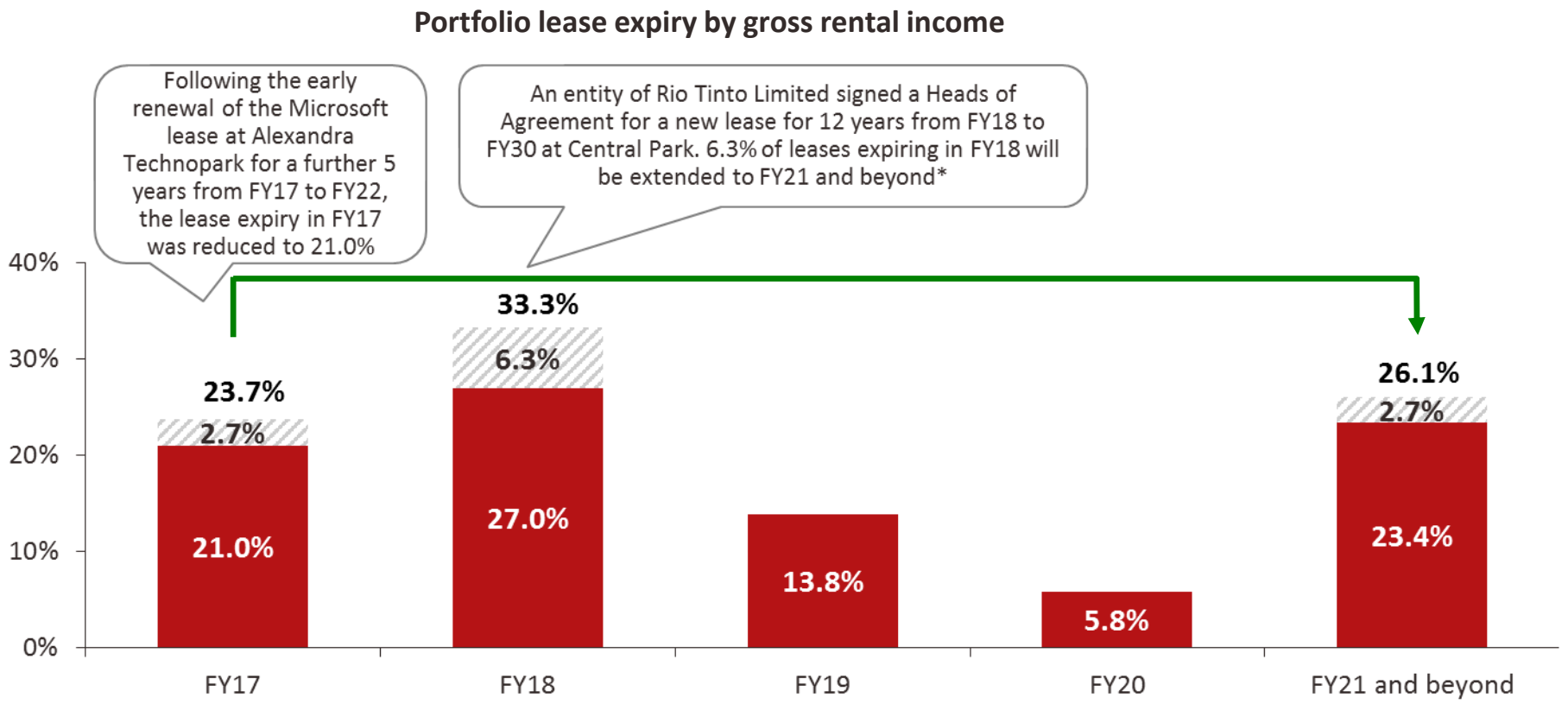
As at 30 September 2016.

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Creating sustainable growth

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- **Well spread lease expiry provides income stability**



As at 30 September 2016. Excludes retail turnover rent

* New lease is assumed based on the existing space currently occupied by Hamersley Iron Pty Limited, a wholly-owned subsidiary of Rio Tinto Limited at Central Park as the exact space requirement will only be determined later.

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Portfolio review – Stability of income

Top 10 tenants:

- **Established and well diversified across various sectors**
- **MNCs, government department or public listed companies**
- **Contribute 57% of portfolio gross rental income and have a long WALE of 5.2 years**

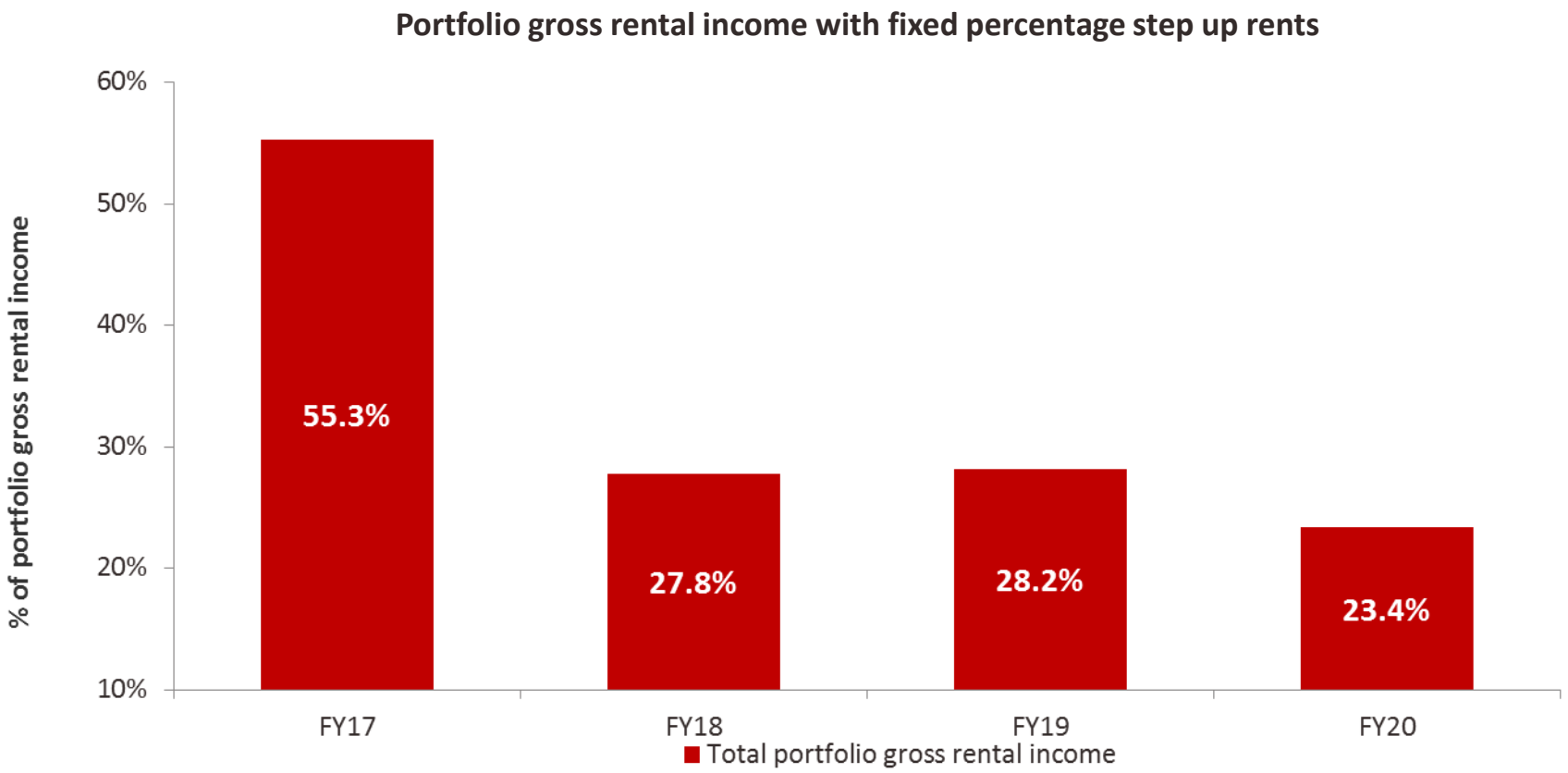
Top 10 tenants by gross rental income

Tenant	Property	Sector	Lease Expiry	% (Gross Rental Income)
Commonwealth of Australia	Caroline Chisholm Centre	Government	Jul-25	14.0%
Hewlett-Packard Singapore Pte Ltd	Alexandra Technopark	IT Products & Services	Nov-17	10.5%
Hewlett-Packard Enterprise Singapore Pte Ltd	Alexandra Technopark	IT Products & Services	Sept-17/ Nov-17	7.0%
Hamersley Iron Pty Ltd*	Central Park	Mining/ resources	Jun-30	6.3%
Commonwealth Bank of Australia	357 Collins Street	Banking, insurance & financial services	Dec-22	5.4%
GroupM Singapore Pte Ltd	China Square Central	Consultancy/ business services	Mar-19	3.1%
BHP Billiton Iron Ore Pty Ltd	Central Park	Mining/ resources	Between Jul-17 to Oct-17	2.8%
Service Stream Ltd	357 Collins Street	Multimedia & Telecommunications	Dec-19	2.8%
Microsoft Operations Pte Ltd	Alexandra Technopark	IT Products & Services	Jan-22	2.7%
Cerebos Pacific Ltd	China Square Central	Food & beverage	May-17	2.6%
Total				57.2%

As at 30 September 2016. Excludes retail turnover rent

* An entity of Rio Tinto Limited signed a Heads of Agreement for a new lease for 12 years from FY18 to FY30. New lease is assumed based on the existing space currently occupied by Hamersley Iron Pty Limited, a wholly-owned subsidiary of Rio Tinto Limited at Central Park as the exact space requirement will only be determined later.

58% of leases have built-in step-up rents or rent reviews[1]



Excludes retail turnover rent.

1 Note that 55.3% and 2.3% of leases have fixed step up rents and other mid-term rent reviews, respectively.



Sustainability Report



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Sustainability report – Key highlights

- **Sustainability Report prepared in accordance with GRI G4 Core requirements**
- **Majority of the sustainability performance data improved since last financial year**
- **Assessed FCOT's performance against the Sustainable Development Goals to explore opportunities for further improvements**

Key Highlights	
Recognition	**Governance**
▪ Finalist for Asia's Best First Time Sustainability Report at the Asia Sustainability Reporting Awards 2016 ▪ Constituent of the SGX Sustainability and Sustainability Enhanced Indices[1]	Zero known incidents of non-compliance with relevant codes, laws and regulations and voluntary codes

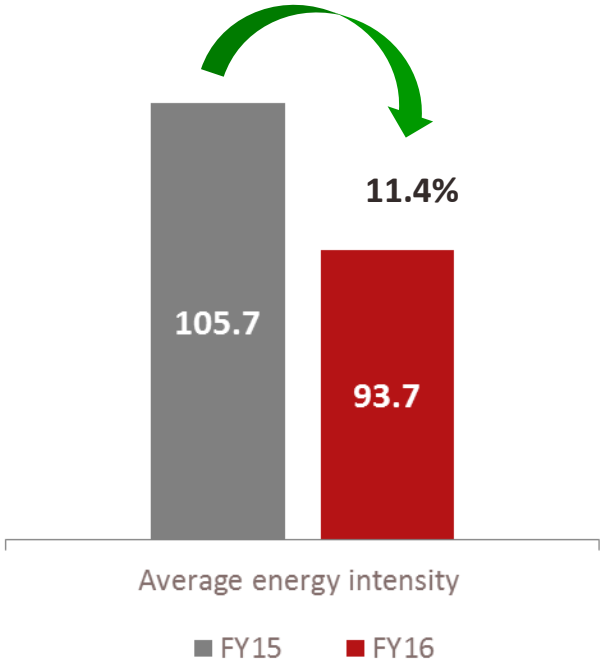
1 Source: SGX Sustainability Indices as at November 2016.

2 Recertification for Alexandra Technopark is currently on-going.

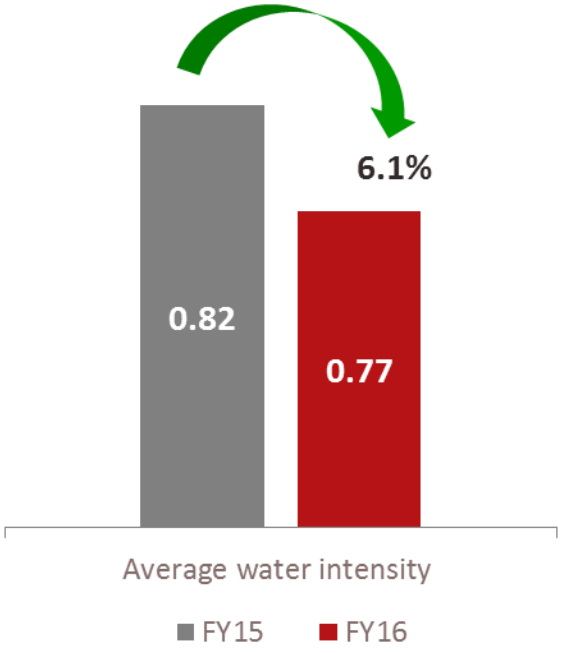
Sustainability report - Key highlights

- **11.4% and 6.1% improvements in average building energy and water intensities in FY16 respectively**
- **100% BCA Green Mark Gold and NABERS certifications for the office properties in Singapore and Australia respectively[1]**

Average energy intensity (kWh/m²)



Average water intensity (m³/m²)



Green Mark Gold/ NABERS certifications

100% for office properties[1]

1 Recertification for Alexandra Technopark is currently on-going.

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Sustainability report - Key highlights

OHSAS and ISO certifications

- 100% OHSAS 18001 and SS506 Part 1: 2009 certifications for the management of all Singapore Properties
- Commenced the accreditation process for ISO 14001:2015 and ISO 50001:2011 for the Singapore Properties

Health and safety

- Zero loss time injuries and workplace fatalities
- Zero incidents of safety-related non-compliance

People

- Average training of 63.5 hours per employee, exceeding the target set in FY15

Looking ahead



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Strategies to deliver stable growth

Proactive asset management

Prudent capital and risk management

Yield accretive acquisitions/ capital recycling

Achieve long-term and sustainable growth in distribution income to Unitholders

Thank you

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