

---

# Frasers Commercial Trust

## 4QFY18 and FY18 Financial Results

19 October 2018



# 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.

The Manager expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement or financial information contained in this Presentation to reflect any change in the Manager’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

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.

# Contents

---

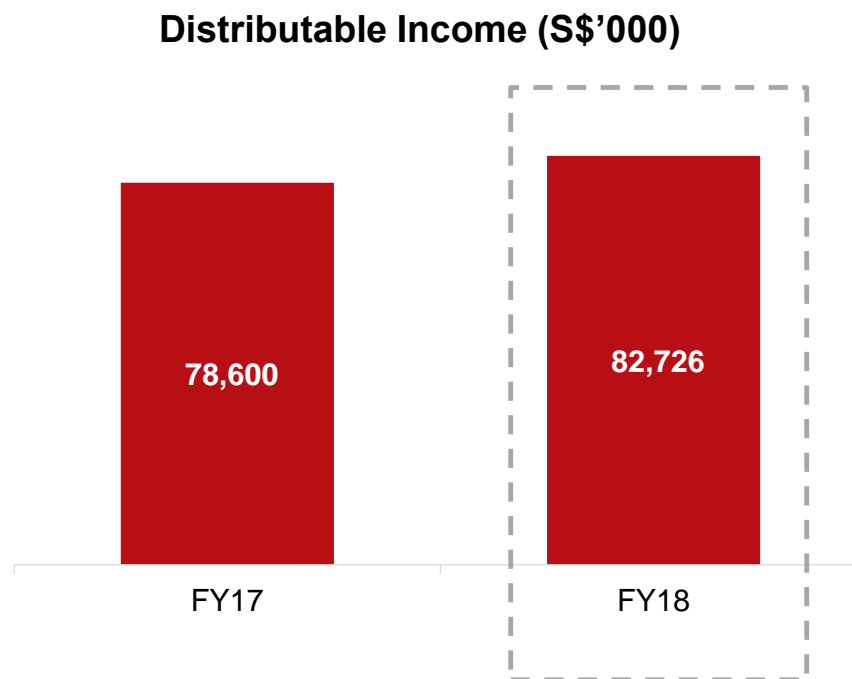
- ◆ Results
- ◆ Capital management
- ◆ Portfolio review
- ◆ Reshaping and strengthening the portfolio for long-term growth
- ◆ Growth from asset enhancement initiatives
- ◆ Appendix: Asset details and market overview

---

# Results

# Results FY18 key highlights



- ◆ 4QFY18 DPU of 2.40 cents stable vs 3QFY18
- ◆ FY18 full-year distribution income of S\$82.7 million<sup>1</sup> increased 5% Y-o-Y
- ◆ FY18 full-year DPU of 9.60 cents 2% lower Y-o-Y due to higher Unit base<sup>2</sup>



1. For FY18, distribution from capital returns includes S\$12.8 million (FY17: S\$3.6 million) which relates to a portion of net consideration received from the disposal of the Hotel development rights at China Square Central in August 2015, which is classified as capital distribution from tax perspective. See accompanying 4QFY18 Financial Statements announcement for more details, and refer to the Circular to Unitholders dated 3 June 2015 for details on the disposal of the Hotel development rights at China Square Central in August 2015.
2. Inclusive of 67,567,000 new Units issued pursuant to the private placement which was completed on 1 February 2018 to part finance the acquisition of 50.0% interest in Farnborough Business Park. Refer to the announcement dated 1 February 2018 for details.

# Results 4QFY18 Q-o-Q key highlights

## 4QFY18 distributable income up 1% Q-o-Q<sup>1</sup>

1 Jul 2018 – 30 Sept 2018	4QFY18 (S\$ '000)	Q-o-Q Change (%)	Contributing factors
Gross Revenue	32,477	-	Higher occupancy rates for China Square Central <sup>2</sup> , Alexandra Technopark and Central Park, off-set by lower occupancy rate for 55 Market Street, divestment of 55 Market Street on 31 August 2018 and effects of average weaker Australian dollar.
Net Property Income	21,611	 6%	As above, together with higher repair and maintenance expense for China Square Central off-set by lower utilities expense for Alexandra Technopark and lower repair and maintenance expense at Caroline Chisholm Centre <sup>3</sup> .
Distributable income to Unitholders	21,421	 1%	Includes contribution from Farnborough Business Park <sup>4</sup> , distribution from capital returns <sup>5</sup> and payment of management fee in Units in lieu of cash <sup>6</sup> .
DPU <sup>7</sup>	2.40¢	-	Stable vs 3QFY18

See 4QFY18 Financial Statements announcement for details.

1. Compared with 3QFY18.
2. Excluding the retail podium at 18 Cross Street which had been closed since 2QFY18 to facilitate asset enhancement works.
3. Progress payment amounting to S\$0.1 million (3QFY18: S\$1.7 million) for re-flooring works. The re-flooring works were completed in 4QFY18.
4. Share of result of joint venture for FCOT's 50% interest in Farnborough Business Park. The acquisition of Farnborough Business Park was completed on 29 January 2018.
5. For 4QFY18, distribution from capital returns includes S\$2.4 million (3QFY18: S\$5.5 million) which relates to a portion of net consideration received from the disposal of the Hotel development rights at China Square Central in August 2015, which is classified as capital distribution from tax perspective. See accompanying 4QFY18 Financial Statements announcement for more details, and refer to the Circular to Unitholders dated 3 June 2015 for details on the disposal of the Hotel development rights at China Square Central in August 2015.
6. In 4QFY18 and 3QFY18, 100% of the Manager's management fees were paid in Units.
7. The number of Units used to calculate the amount available for DPU was 892,583,888. See accompanying 4QFY18 Financial Statements announcement for more details.

# Results 4QFY18 Y-o-Y key highlights

4QFY18 distributable income up 10% Y-o-Y<sup>1</sup>

1 Jul 2018 – 30 Sept 2018	4QFY18 (S\$ '000)	Y-o-Y Change (%)	Contributing factors
Gross Revenue	32,477	15%	Lower occupancy rates for Alexandra Technopark, China Square Central <sup>2</sup> , 55 Market Street and Central Park, divestment of 55 Market Street on 31 August 2018 and the effects of average weaker Australian dollar.
Net Property Income	21,611	19%	As above, together with lower repair and maintenance expense for Caroline Chisholm Centre <sup>3</sup> and lower utilities expense for Alexandra Technopark, off-set by higher amortisation of lease incentives for Central Park.
Distributable income to Unitholders	21,421	10%	Includes contribution from Farnborough Business Park <sup>4</sup> , higher distribution from capital returns <sup>5</sup> and payment of management fee in Units in lieu of cash <sup>6</sup> .
DPU <sup>7</sup>	2.40¢	-	Stable vs 4QFY17

See 4QFY18 Financial Statements announcement for details.

1. Compared with 4QFY17.
2. Impacted by planned vacancies to facilitate asset enhancement works at the retail podium at 18 Cross Street.
3. Progress payment amounting to S\$0.1 million (4QFY17: S\$0.9 million) for re-flooring works. Re-flooring works were completed in 4QFY18.
4. Share of result of joint venture for FCOT's 50% interest in Farnborough Business Park. The acquisition of Farnborough Business Park was completed on 29 January 2018.
5. For 4QFY18, distribution from capital returns includes S\$2.4 million (4QFY17: S\$0.9 million) which relates to a portion of net consideration received from the disposal of the Hotel development rights at China Square Central in August 2015, which is classified as capital distribution from tax perspective. See accompanying 4QFY18 Financial Statements announcement for more details, and refer to the Circular to Unitholders dated 3 June 2015 for details on the disposal of the Hotel development rights at China Square Central in August 2015.
6. In 4QFY18, 100% (4QFY17: 18%) of the Manager's management fee was paid in Units.
7. The number of Units used to calculate the amount available for DPU was 892,583,888. See accompanying 4QFY18 Financial Statements announcement for more details.

# Results FY18 Y-o-Y key highlights

FY18 distributable income up 5% Y-o-Y<sup>1</sup>

1 Oct 2017 – 30 Sept 2018	FY18 (S\$ '000)	Y-o-Y Change (%)	Contributing factors
Gross Revenue	133,306	15%	Lower occupancy rates for Alexandra Technopark, China Square Central <sup>2</sup> , 55 Market Street, Central Park and 357 Collins Street, divestment of 55 Market Street on 31 August 2018, absence of one-off payment in relation to a lease termination in Central Park and the effects of average weaker Australian dollar.
Net Property Income	89,272	22%	As above and higher repair and maintenance expense at Caroline Chisholm Centre <sup>3</sup> .
Distributable income to Unitholders	82,726	5%	Includes contribution from Farnborough Business Park <sup>4</sup> , distribution from capital returns <sup>5</sup> and payment of management fee in Units in lieu of cash <sup>6</sup> .
DPU <sup>7</sup>	9.60¢	2%	Due to higher Unit base in FY18.

See 4QFY18 Financial Statements announcement for details.

1. Compared with FY17.
2. Impacted by planned vacancies to facilitate asset enhancement works at the retail podium at 18 Cross Street.
3. Progress payment amounting to S\$1.9 million (FY17: S\$0.9 million) for re-flooring works. The re-flooring works were completed in 4QFY18.
4. Share of result of joint venture for FCOT's 50% interest in Farnborough Business Park. The acquisition of Farnborough Business Park was completed on 29 January 2018.
5. For FY18, distribution from capital returns includes S\$12.8 million (FY17: S\$3.6 million) which relates to a portion of net consideration received from the disposal of the Hotel development rights at China Square Central in August 2015, which is classified as capital distribution from tax perspective. See accompanying 4QFY18 Financial Statements announcement for more details, and refer to the Circular to Unitholders dated 3 June 2015 for details on the disposal of the Hotel development rights at China Square Central in August 2015.
6. In FY18, 100% (FY17: 7.5%) of the Manager's management fee was paid in Units.
7. The number of Units used to calculate the amount available for DPU was 892,583,888. See accompanying 4QFY18 Financial Statements announcement for more details.



# Results 4QFY18 Q-o-Q portfolio NPI

- Higher occupancy rates for Alexandra Technopark and Central Park, lower utilities expense for Alexandra Technopark and lower repair and maintenance expense for Caroline Chisholm Centre

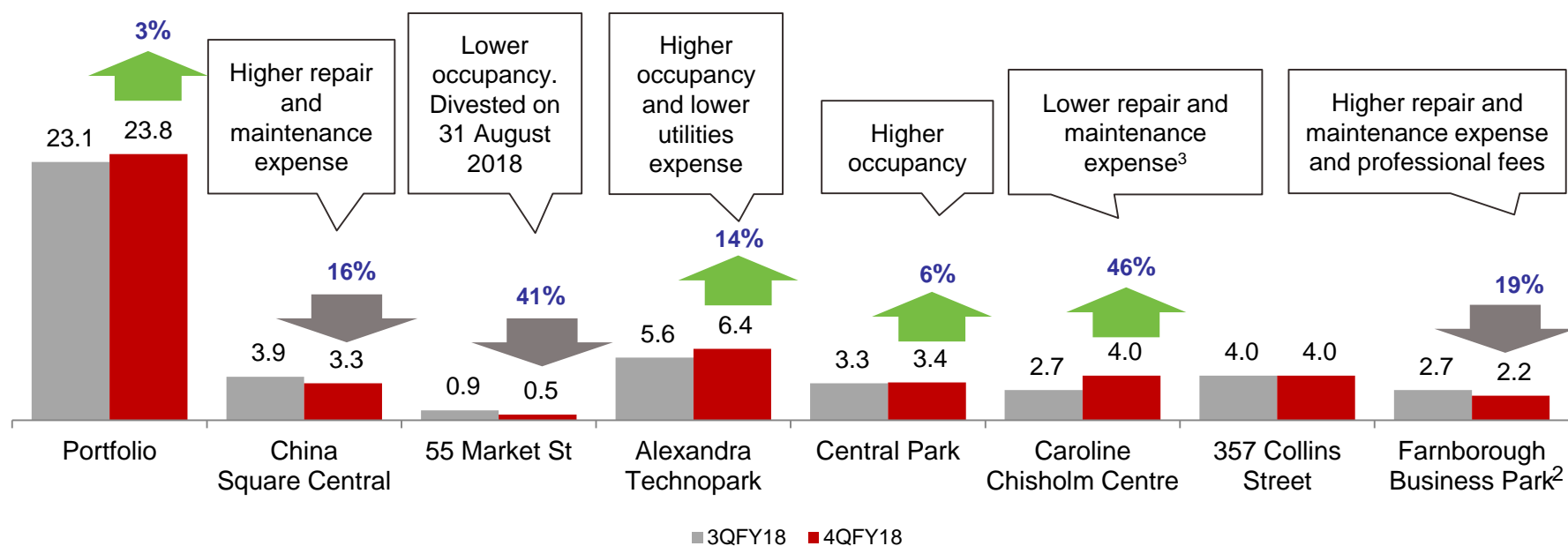
Singapore: S\$10.2 million (43%)

Australia: S\$11.4 million (48%)

United Kingdom: S\$2.2 million (9%)<sup>2</sup>

**Total NPI: S\$23.8 million (100%)<sup>1</sup>**

## Net Property Income (S\$m)<sup>1</sup>



1. Portfolio net property income for 4QFY18 and 3QFY18 including 50% share of net property income of Farnborough Business Park (held as a joint venture and equity-accounted in the financial statements).

2. The acquisition of 50% interest in Farnborough Business Park was completed on 29 January 2018. Figures include reimbursements of lease incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details).

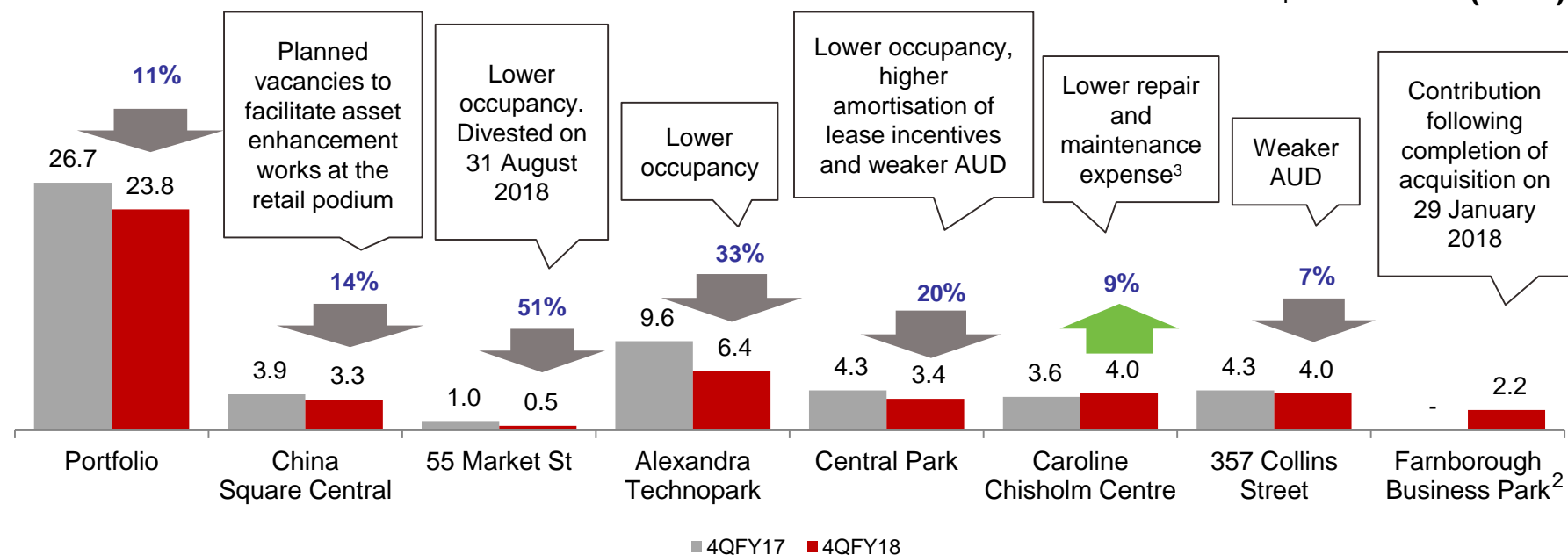
3. Final progress payment amounting to S\$0.1 million (3QFY18: S\$1.7 million) for re-flooring works.

# Results 4QFY18 Y-o-Y portfolio NPI

- ◆ Lower occupancy rates for the Singapore properties and Central Park, divestment of 55 Market Street, higher amortisation of lease incentives for Central Park and effects of average weaker Australian dollar

## Net Property Income (S\$m)<sup>1</sup>

Singapore: S\$10.2 million (43%)  
 Australia: S\$11.4 million (48%)  
 United Kingdom: S\$2.2 million (9%)<sup>2</sup>  
**Total NPI: S\$23.8 million (100%)<sup>1</sup>**



1. Portfolio net property income for 4QFY18 including 50% share of net property income of Farnborough Business Park (held as a joint venture and equity-accounted in the financial statements).
2. The acquisition of 50% interest in Farnborough Business Park was completed on 29 January 2018. Figures include reimbursements of lease incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details).
3. Final progress payment amounting to S\$0.1 million (4QFY17: S\$0.9 million) for re-flooring works.

# Results FY18 Y-o-Y portfolio NPI

- Lower occupancy rates for the Singapore properties, Central Park and 357 Collins Street, divestment of 55 Market Street, absence of one-off payment in relation to a lease termination in Central Park, effects of average weaker Australian dollar and higher repair and maintenance expense for Caroline Chisholm Centre

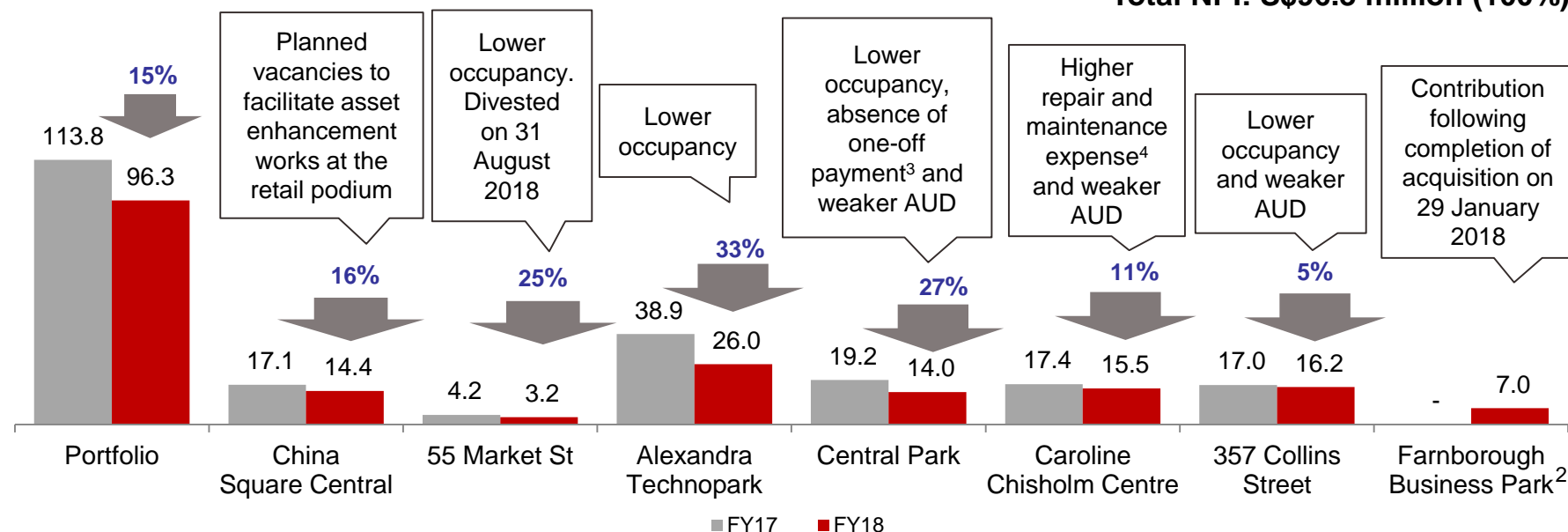
Singapore: S\$43.6 million (45%)

Australia: S\$45.7 million (48%)

United Kingdom: S\$7.0 million (7%)<sup>2</sup>

**Total NPI: S\$96.3 million (100%)<sup>1</sup>**

## Net Property Income (S\$m)<sup>1</sup>

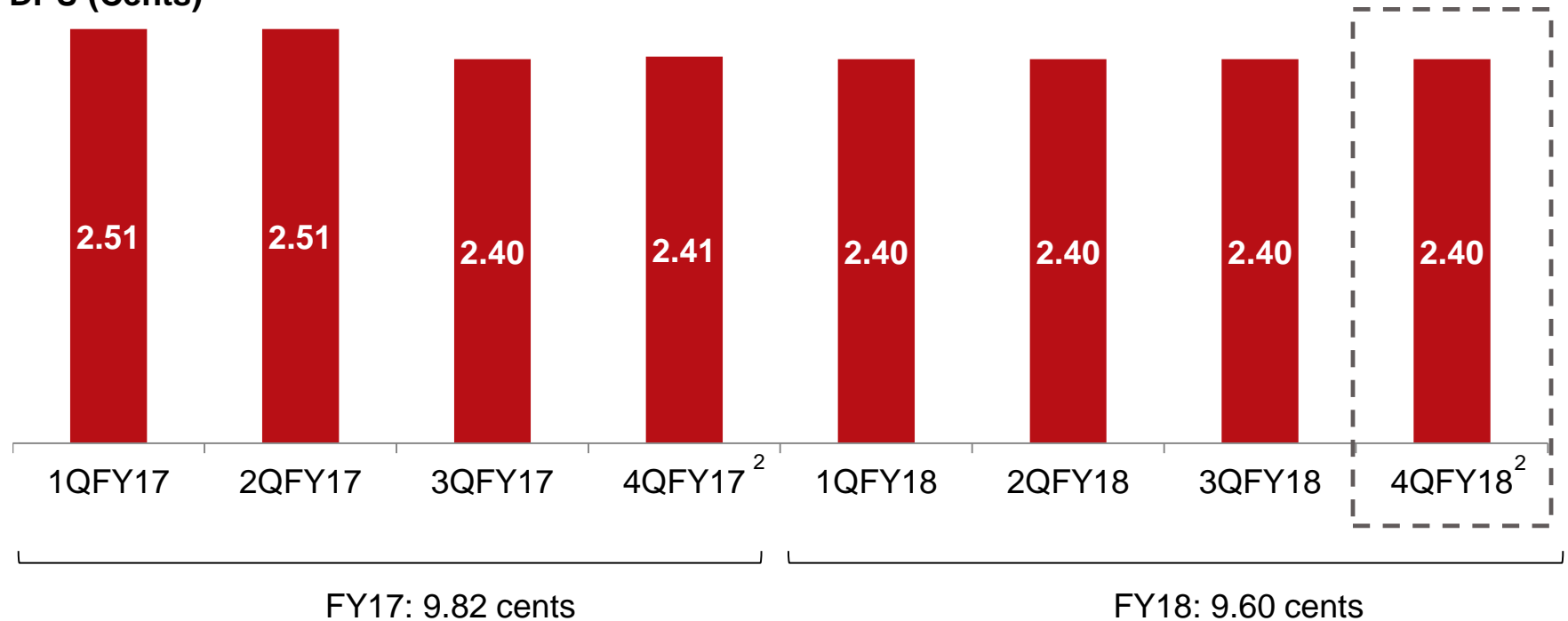


- Portfolio net property income for FY18 including 50% share of net property income of Farnborough Business Park (held as a joint venture and equity-accounted in the financial statements).
- The acquisition of 50% interest in Farnborough Business Park was completed on 29 January 2018. Figures include reimbursements of lease incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details).
- One-off payment in relation to a lease termination received in FY17.
- Progress payments amounting to S\$1.9 million (FY17: S\$0.9 million) for re-flooring works which were completed in 4QFY18.

# DPU profile

- ◆ 4QFY18 DPU was stable both Q-o-Q and Y-o-Y
- ◆ FY18 full-year DPU 2% lower Y-o-Y due to higher Unit base<sup>1</sup>
- ◆ 100% management fees were taken in Units in FY18 vs 7.5% in FY17

## DPU (Cents)



1. Inclusive of 67,567,000 new Units issued pursuant to the private placement which was completed on 1 February 2018 to part finance the acquisition of 50.0% interest in Farnborough Business Park. Refer to the announcement dated 1 February 2018 for details.  
2. The number of Units used to calculate the amount available for DPU were 892,583,888 and 805,815,367 for 4QFY18 and 4QFY17, respectively. See accompanying 4QFY18 Financial Statements announcement for more details.

# Distribution payment

- ◆ **DRP will be applied for the distribution for 4QFY18**

<b>Distribution Period</b>	1 July 2018 to 30 September 2018
<b>Ordinary Unit Distribution Rate<sup>1</sup></b>	Distribution of 2.4000 cents per Unit comprising: a) taxable income distribution of 1.2585 cents; b) tax-exempt income distribution of 0.5685 cents; and c) capital distribution of 0.5730 cents.
<b>Last day of trading on “cum” basis</b>	Thursday, 25 October 2018
<b>Ex-distribution trading commence</b>	Friday, 26 October 2018
<b>Distribution Books Closure Date</b>	Tuesday, 30 October 2018 at 5.00 pm
<b>Cash distribution payment date</b>	Thursday, 29 November 2018
<b>Credit of Units to Unitholders’ securities accounts/ listing of Units issued under the DRP on SGX-ST</b>	Thursday, 29 November 2018

See accompanying 4QFY18 Financial Statements announcement for more details.

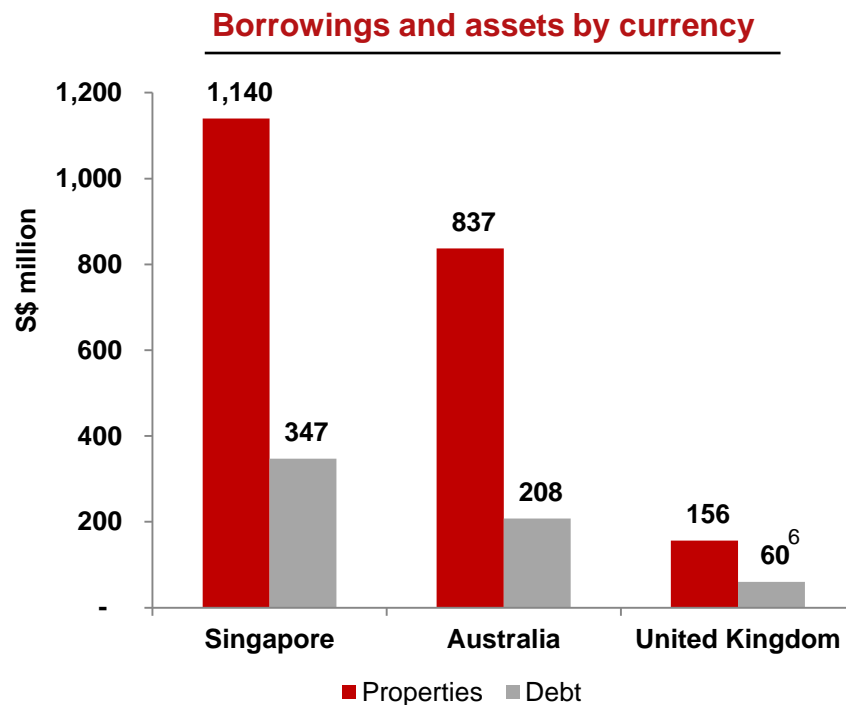
---

# Capital management

# Debt statistics

- ◆ Gearing brought down to 28.3% from 35.4% as of 30 June 2018
- ◆ Healthy interest coverage ratio of 4.2 times
- ◆ Borrowings in local currencies provide natural hedge

Statistics	As at 30 Sept 2018
Total Assets (S\$'000)	2,173,080
Gross Borrowings (S\$'000)	614,984
Units on Issue and Issuable entitled to distribution	892,583,888
NAV per Unit (ex-DPU) (S\$) <sup>1</sup>	1.59
Gearing <sup>2</sup>	28.3%
Interest coverage ratio (times) <sup>3</sup>	4.2
Average borrowing rate <sup>4</sup>	3.02% p.a.
FCOT Issuer rating by Moody's <sup>5</sup>	Baa2



1. Based on issued Units for the financial quarter ended 30 September 2018.

2. Gross borrowing as a percentage of total assets.

3. Net income before changes in fair values of investment properties, interest, other investments and derivative instruments, income tax and distribution, and adding back certain non-recurring items/cash finance costs for the quarter ended 30 September 2018. Excluding the gain on divestment of 55 Market Street of S\$75.7 million. Including the gain on divestment, the interest coverage ratio would be 17.7 times. See accompanying 4QFY18 Financial Statements announcement for details.

4. For quarter ended 30 September 2018.

5. Moody's affirmed FCOT's Baa2 ratings (with a negative outlook) in its credit opinion report dated 6 September 2018.

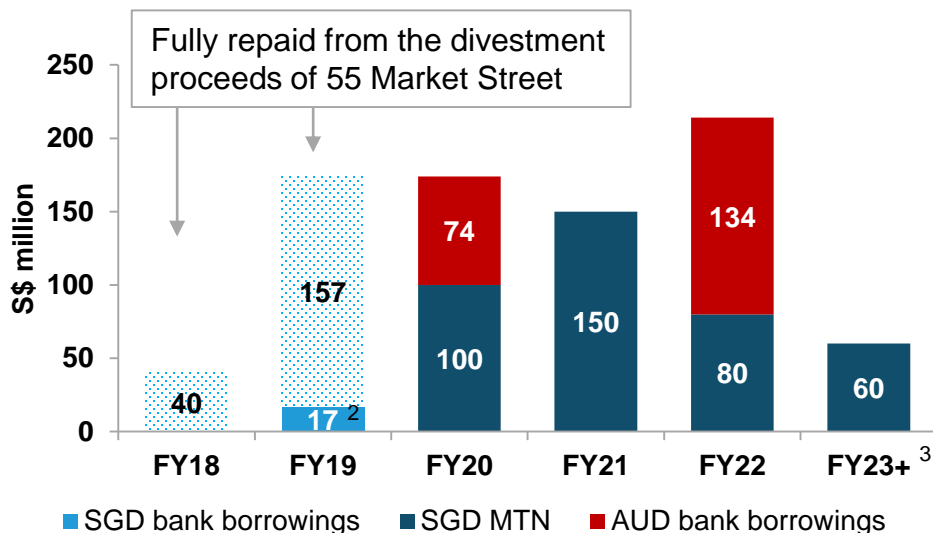
6. S\$60.0 million five-year senior unsecured notes issued in February 2018 was swapped into Sterling Pound.

# Well-spread debt expiry profile

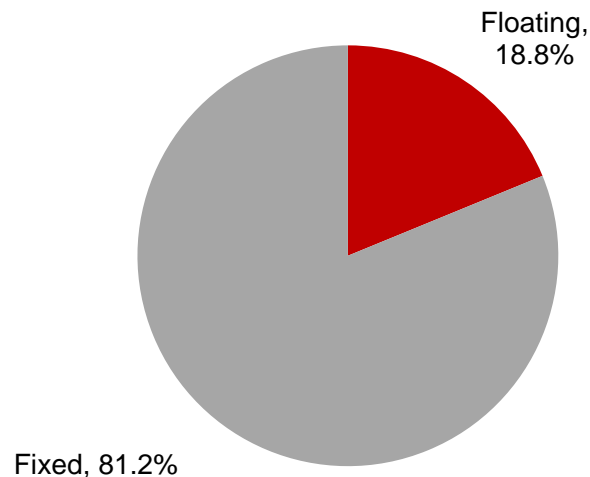
- ◆ Fully repaid S\$40 million debt which matured in September 2018<sup>1</sup> and prepaid S\$157 million debt maturing in FY19 with divestment proceeds of 55 Market Street
- ◆ Well-spread debt maturity profile
- ◆ All debts are unsecured
- ◆ 81.2% of gross borrowings on fixed rate

## Debt maturity

Total borrowings: S\$615 million  
Weighted average term to maturity: 2.8 years



## Debt composition – floating vs. fixed interest rates



1. The debt which originally matured in August 2018 was extended to September 2018.
2. SGD revolving facilities drawn down as interim funding for asset enhancement works.
3. S\$60.0 million senior unsecured notes issued in February 2018 and swapped into Sterling Pound.
4. Data (including exchange rates) as at 30 September 2018.



---

# Portfolio review

# Portfolio valuations as at 30 Sept 2018

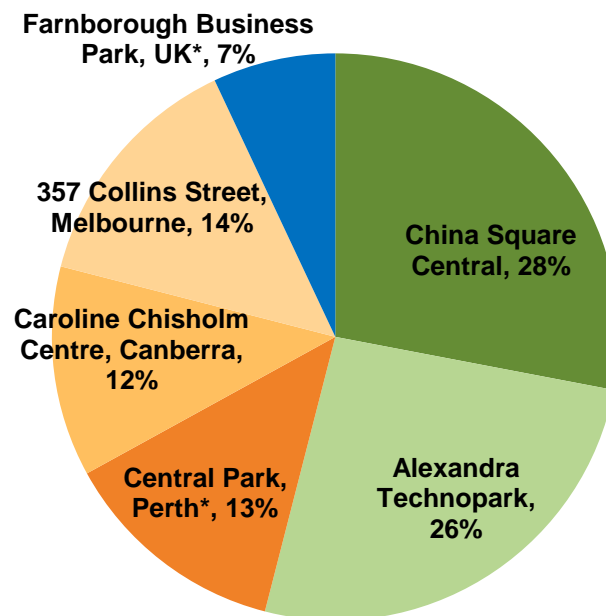
- ◆ Total portfolio value up 3%<sup>1</sup> vs end-FY17
- ◆ Higher local currency valuations for all properties in Singapore and Australia

Asset	Date of valuation	Local currency value (million)	Translation as at 30-Sep-18 (S\$ million) <sup>2,3</sup>	Variance from 30 September 2017 (local currency value) (million)	Variance from 30 September 2017 (local currency value) (%)	Variance from 30 September 2017 (translated value) (S\$ million)	Variance from 30 September 2017 (translated value) (%)
China Square Central	30-Sep-18	S\$582.4	582.4	S\$17.4	3.1	17.4	3.1
Alexandra Technopark	30-Sep-18	S\$558.0	558.0	S\$50.0	9.8	50.0	9.8
<b>Singapore properties</b>		<b>S\$1,140.4</b>	<b>1,140.4</b>	<b>S\$67.4</b>	<b>6.3</b>	<b>67.4</b>	<b>6.3</b>
Central Park (50% interest)	30-Sep-18	A\$291.0 <sup>4</sup>	288.2	A\$18.5	6.8	(1.6)	(0.6)
Caroline Chisholm Centre	30-Sep-18	A\$252.0	249.6	A\$2.0	0.8	(16.3)	(6.1)
357 Collins Street	30-Sep-18	A\$302.0	299.1	A\$17.0	6.0	(4.0)	(1.3)
<b>Australian properties</b>		<b>A\$845.0</b>	<b>836.9</b>	<b>A\$37.5</b>	<b>4.6</b>	<b>(21.9)</b>	<b>(2.5)</b>
<b>Total Singapore and Australia</b>			<b>1,977.3</b>				
Farnborough Business Park, UK (50% interest)	30-Sep-18	£87.7 <sup>4</sup>	156.2	NA <sup>5</sup>	NA <sup>5</sup>	NA <sup>5</sup>	NA <sup>5</sup>
<b>Total portfolio</b>			<b>2,133.5</b>				

- Portfolio changes during FY18: acquired 50% interest in Farnborough Business Park on 29 Jan 2018 and divested 55 Market Street on 31 Aug 2018.
- Translated at A\$1.00 = S\$0.9904 or £1.00 = S\$1.7809, being the prevailing spot rates as at end of the financial quarter.
- Figures may not add up due to mathematical rounding.
- Represents FCOT's 50.0% indirect interests in Central Park and Farnborough Business Park (held as a joint venture and equity-accounted in the financial statements).
- Not applicable. Acquisition was completed on 29 January 2018.

# Portfolio Review Asset values

- ◆ Diversified portfolio with no single property accounting for more than 28% of portfolio value



## Asset values as at 30 September 2018

Singapore	\$	1,140.4 mil	54%
Australia	\$	836.9 mil	39%
United Kingdom	\$	156.2 mil	7%
<b>Portfolio asset value</b>	\$	<b>2,133.5 mil</b>	<b>100%</b>

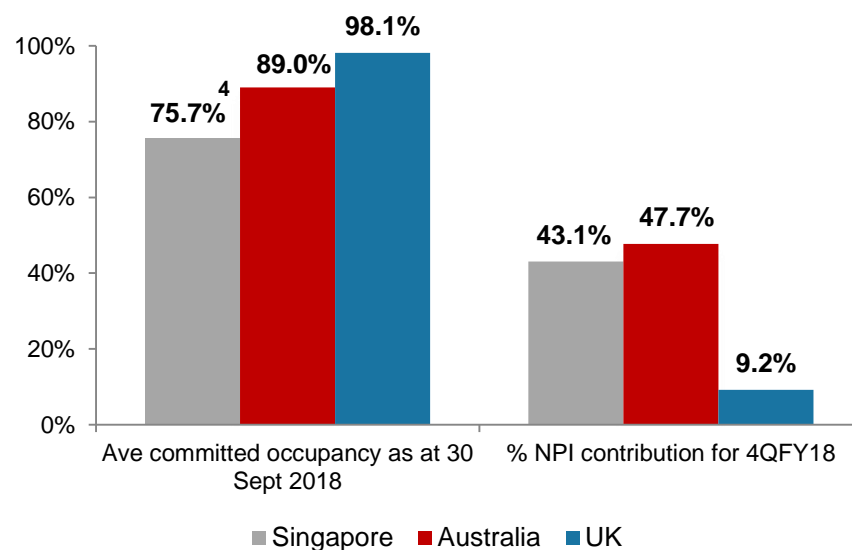
\* In relation to FCOT's 50% interests. In addition, Farnborough Business Park is held as a joint venture and equity-accounted in the financial statements.

# Portfolio Review Occupancy & WALE

- ◆ Average committed occupancy rate of 83.4%<sup>1</sup>
- ◆ Committed WALE of 4.7 years<sup>1,2</sup>

Key portfolio statistics as at 30 Sept 2018	Actual occupancy	Committed occupancy <sup>1</sup>
Ave Occupancy	79.5%	83.4%
Portfolio WALE by gross rental income <sup>2</sup>	4.5 years	4.7 years
Portfolio WALB by gross rental income <sup>2,3</sup>	4.2 years	4.3 years

## Geographical occupancy<sup>1</sup> and NPI<sup>2</sup> contribution

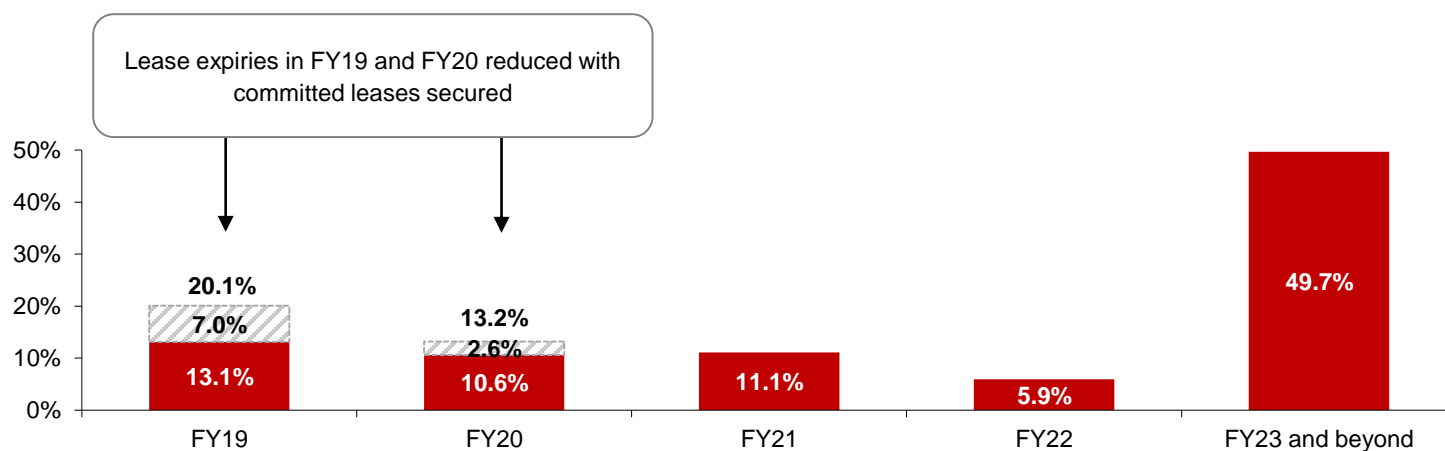


1. The total NLA of the portfolio used in the computation of occupancy rate has excluded 18 Cross Street retail podium (NLA c. 64,000 sf) which is currently closed for asset enhancement.
2. Excludes lease incentives and retail turnover rents, if any. For Farnborough Business Park, reimbursements of rent free incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details) are included.
3. WALB - weighted average lease to break, reflecting contractual rights for tenants to pre-terminate leases in certain cases.
4. Mainly affected by lease expiration for Hewlett-Packard Enterprise Singapore Pte Ltd and phased reduction in lease area by Hewlett-Packard Singapore Pte Ltd at Alexandra Technopark (refer to the announcements dated 22 September 2017 and 3 November 2017 for further details).

# Portfolio Review Lease expiry profile

- ◆ Well-spread lease expiry profile provides income stability and defensiveness

## Portfolio lease expiry by gross rental income



## Portfolio lease expiry by gross rental income<sup>1</sup>

Number of leases expiring	67	40	38	15	81
NLA (sq ft) expiring	422,933	267,606	221,978	132,179	1,141,312
Expiries as % total NLA	15.4%	9.8%	8.1%	4.8%	41.6%
Expiries as % total Gross Rental Income	20.1%	13.2%	11.1%	5.9%	49.7%

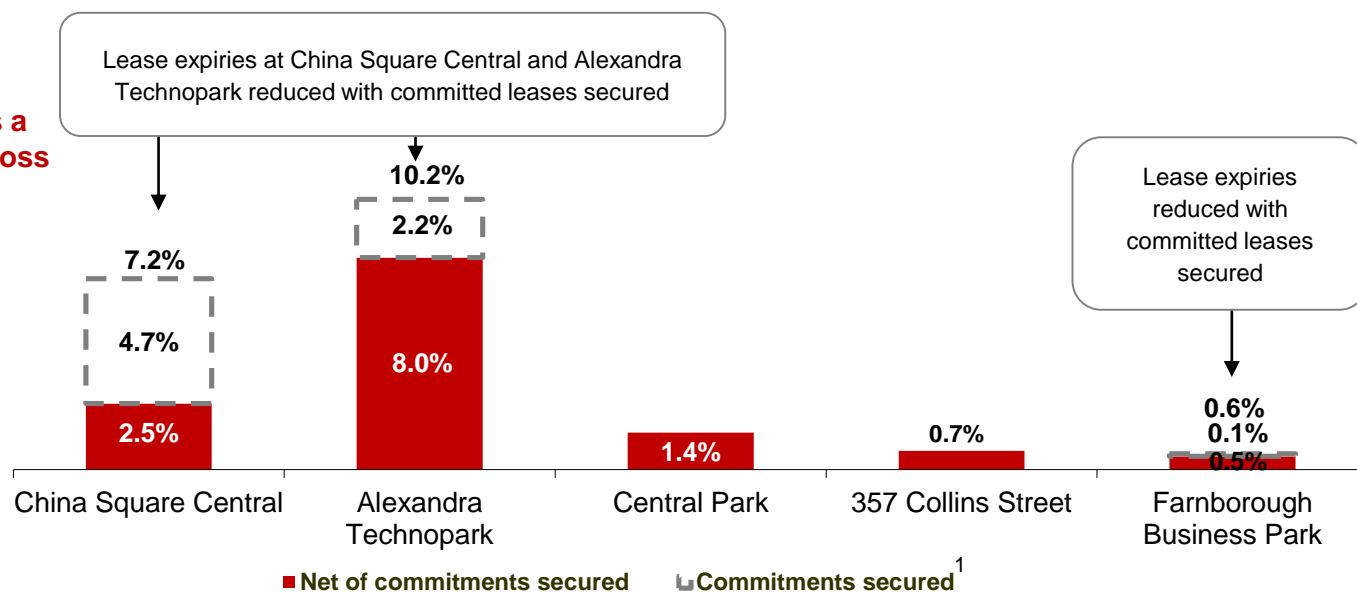
Data as at 30 September 2018. Exclude lease incentives and retail turnover rents, if any. For Farnborough Business Park, reimbursements of rent free incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details) are included.

1. The total NLA of the portfolio used in the computation has excluded 18 Cross Street retail podium (NLA c. 64,000 sf) which is currently closed for asset enhancement.

# Portfolio Review Lease expiry profile for FY19

## ◆ Proactive management of leases

**Lease Expiries in FY19 as a proportion of Portfolio Gross Rental Income**



As at 30 September 2018

	China Square Central	Alexandra Technopark	Central Park	357 Collins Street	Farnborough Business Park
Number of leases expiring <sup>1</sup>	12 (office) 6 (retail)	14	1 (office) 3 (retail)	3 (office)	10
Average passing rents for expiring leases (net of those with commitments secured) <sup>2</sup>	S\$6.61 (office) S\$5.89 (retail)	S\$4.08	A\$917 (office) <sup>3</sup> A\$991 (retail)	A\$585 (office)	£23.8

1. Adjusted for committed leases secured.

2. Excludes lease incentives and retail turnover rents, if any. Figures for Singapore properties are on a gross rent per square foot per month basis, figures for Australian properties are based on net face rent per square metre per annum basis while figures for Farnborough Business Park is based on net rent per square foot per annum basis.

3. For a single lease which may not be reflective of other leases in the building.

# Portfolio Review Leasing activities

- ◆ Selected new/renewed leases committed in 4QFY18:

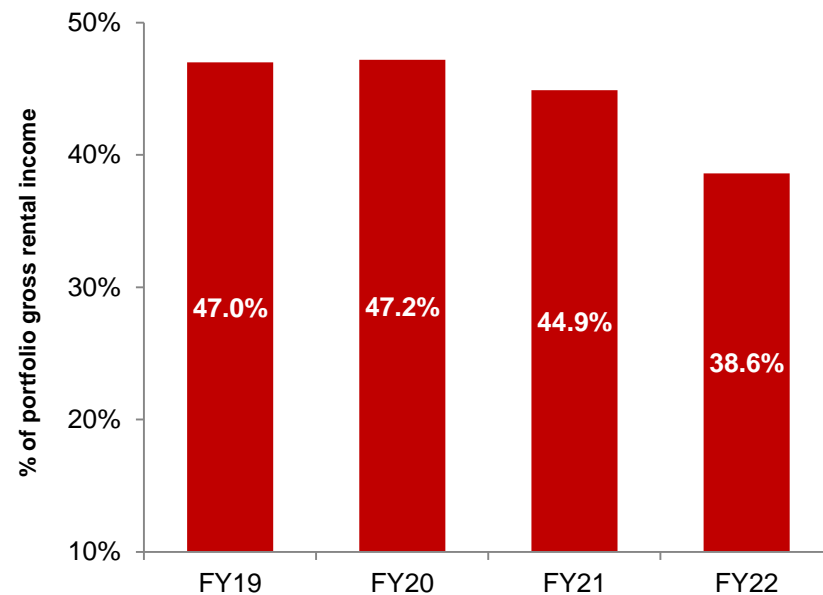
Tenant	Industry	Property
SAGE Publications Asia-Pacific Pte Ltd	Multimedia & telecommunications	China Square Central
SourceCode Asia Pacific Pte Ltd	IT products & services	China Square Central
Ministry of Design Pte Ltd	Consultancy/ business services	China Square Central
PR Communications Pte Ltd	Consultancy/ business services	China Square Central
ABeam Consulting (Singapore) Pte Ltd	Consultancy/ business services	China Square Central
Townhall Clinic	Medical	Alexandra Technopark
Sandoitchi Private Ltd	Food & beverage	Alexandra Technopark
Cold Storage Singapore (1983) Pte Ltd (7-Eleven)	Convenience store	Alexandra Technopark
Nokia Solutions and Networks (S) Pte Ltd	Multimedia & telecommunications	Alexandra Technopark
Milliken Asia Pte Ltd	Chemical	Alexandra Technopark
Rio Tinto Shared Services Pty Ltd	Mining/ resources	Central Park
Infor Global Solutions Pty Ltd	IT products & services	357 Collins Street
I-Neda Ltd	IT products & services	Farnborough Business Park
Moffatt & Nichol, London	Engineering	Farnborough Business Park

# Portfolio Review Step-up rents

47% of FY19 leases have built-in step-up rents

Property	Leases	Average step-up	GROSS RENTAL INCOME <sup>1</sup>	
			% of Property	% of Portfolio
China Square Central	7	2.6%	31.4%	5.5%
Alexandra Technopark	1	5.0%	0.1%	Negligible
Caroline Chisholm Centre	1	3.0%	100.0%	16.4%
Central Park	30	3.1%	86.5%	14.0%
357 Collins Street	27	3.9%	93.1%	11.0%
Farnborough Business Park	1	14.4%	1.0%	0.1%

FY19 – FY22 Portfolio Gross Revenue with Step-Up Rents for Existing Leases



Weighted average fixed step-ups	2.6%	2.7%	2.5%	2.4%
---------------------------------	------	------	------	------

1. Excludes lease incentives and turnover rent, if any.



# Portfolio Review Top-10 tenants

- ◆ Established names and well diversified across various sectors
- ◆ Contributed 53% of portfolio gross rental income with a WALE of 5.7<sup>1</sup> years as at 30 September 2018

## Top 10 tenants by gross rental income

Tenant	Property	Sector	Lease Expiry	% Gross Rental Income <sup>2</sup>
Commonwealth of Australia	Caroline Chisholm Centre	Government	Jul-25	16.4%
Rio Tinto Limited	Central Park	Mining & resources	Jun-30	9.0%
Commonwealth Bank of Australia	357 Collins Street	Banking, insurance & financial services	Dec-22	6.8%
Hewlett-Packard Singapore Pte Ltd	Alexandra Technopark	IT products & services	Dec-18	3.8%
GroupM Singapore Pte Ltd	China Square Central	Consultancy & business services	Jul-23	3.5%
Service Stream Ltd	357 Collins Street	Multimedia & telecommunications	Dec-24	3.5%
Microsoft Operations Pte Ltd	Alexandra Technopark	IT products & services	Jan-22	3.0%
Fluor Limited	Farnborough Business Park	Engineering	May-19 to Jun-25	2.9%
Suntory Beverage & Food Asia Pte Ltd	China Square Central	Food & beverage	May-20	2.3%
Nokia Solutions and Networks (S) Pte Ltd	Alexandra Technopark	Multimedia & telecommunications	Feb-21/ Jun-21	2.1%
<b>Total</b>				<b>53.3%</b>



Data as at 30 September 2018.

1. The WALB (after accounting for rights to break) is 5.3 years.

2. Excludes lease incentives and retail turnover rents, if any. For Farnborough Business Park, reimbursements of rent free incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details), are included.

---

# Reshaping and strengthening the portfolio for long-term growth

## Reshaping and strengthening the portfolio for long-term growth



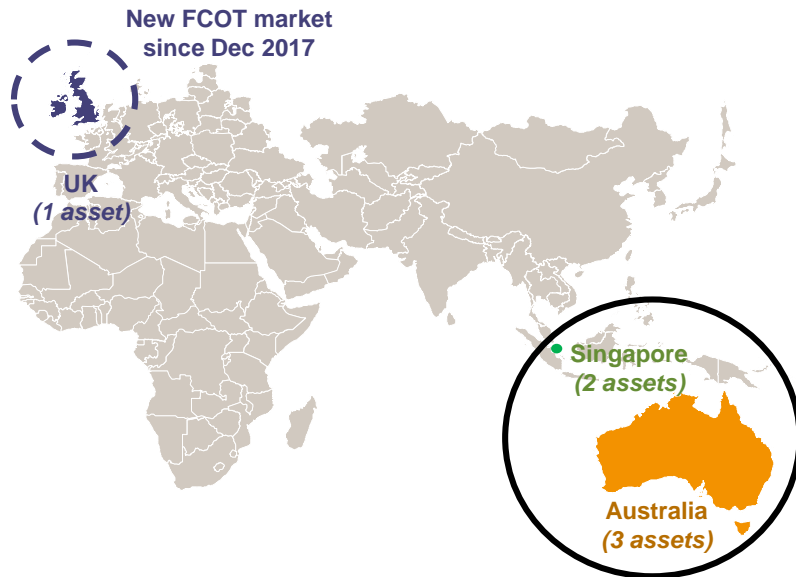
- ◆ Expanded investment mandate to Europe (including UK) in January 2018 with a view to create greater balance and diversification
- ◆ Well-aligned with Sponsor's top 3 geographical markets
- ◆ Over S\$4 billion right of first refusal pipeline from Sponsor

- ◆ Divested 55 Market Street at substantial gain on 31 August 2018
- ◆ Unlocked value
- ◆ Recycle capital for higher-yielding investments and other growth opportunities

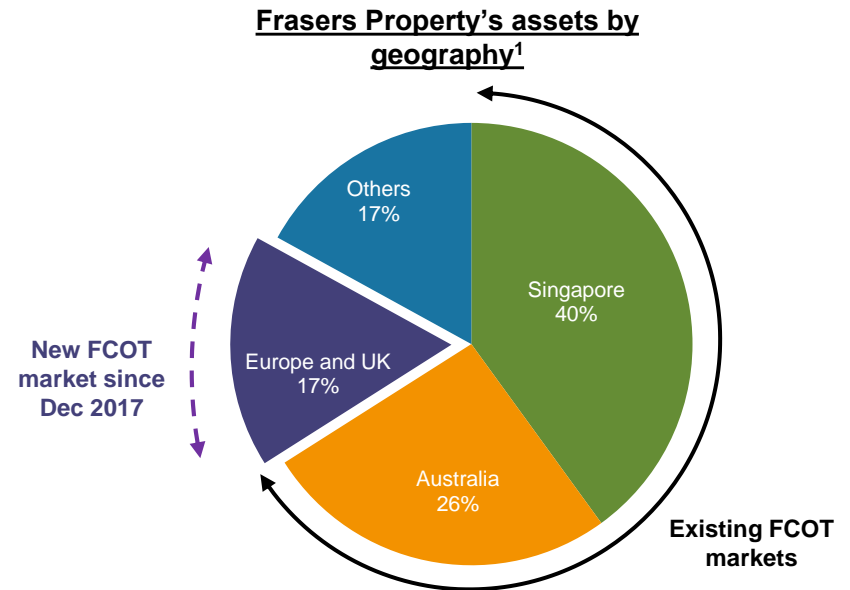
# Reshaping and strengthening the portfolio for long-term growth

Synergistic alignment to Sponsor's top 3 geographical markets for **GROWTH** and **DIVERSIFICATION**

- ◆ Announced expansion of investment mandate to Europe/UK in Dec 2017
- ◆ Enhanced diversification from broadened mandate
- ◆ FCOT granted right of first refusal for Frasers Property's relevant office/business space/business park assets in Europe (including UK)



Alignment with Fraser Property's top 3 geographical markets



# Acquisition: 50% interest in Farnborough Business Park, UK

## Strengthening portfolio for **LONG-TERM GROWTH**

- ◆ Acquisition of 50% interest in Farnborough Business Park (“FBP”) at a property value of £87.5 million<sup>1</sup> completed on 29 January 2018
- ◆ FBP is an award-winning business park with solid fundamentals in a well-connected location in Thames Valley



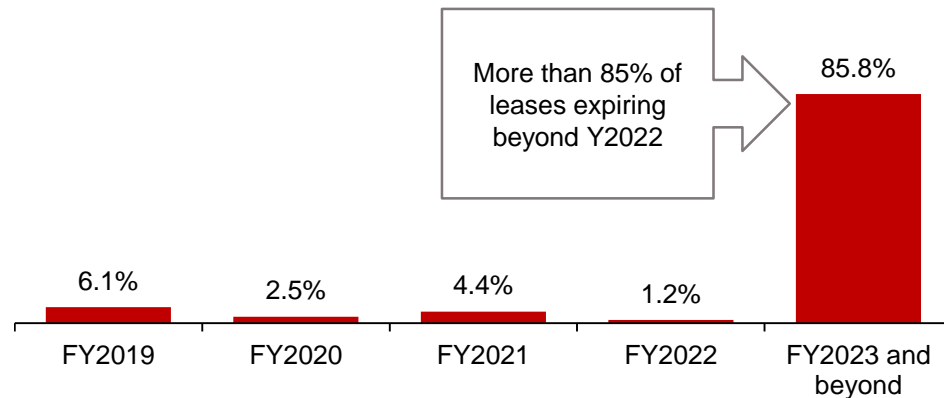
**46.5 h**  
freehold land

**~551k sf**  
NLA

**7.5**  
**years**  
long WALE<sup>2</sup>

**98.1%**  
occupancy  
rate<sup>3</sup>

**35**  
quality  
tenants



Data as at 30 September 2018.

1. Represents FCOT’s 50.0% interest in FBP. Refer to the announcement dated 14 December 2017.
2. By gross rental income and including reimbursements of rent free incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details). The WALB (after accounting for rights to break) is 5.2 years.
3. After adjusting for leases for which the tenants have exercised their rights to break.

# Divestment: 55 Market Street

Monetizing non-core asset and reshaping and strengthening portfolio for **LONG-TERM GROWTH**

- ◆ Completed divestment of 55 Market Street to an unrelated third party for S\$216.8 million on 31 Aug 2018
- ◆ Unlocked significant value with net gain of S\$75.7 million<sup>1</sup> and almost 3X initial purchase price<sup>2</sup>
- ◆ Divestment proceeds used to repay debts, significantly reducing gearing to 28.3% as at 30 September 2018 (30 June 2018: 35.4%)
- ◆ Created substantial debt headroom and financial flexibility to pursue future growth initiatives



1. Net of transaction expenses and fees.

2. Acquired in 2006 for S\$72.5 million.

3. Based on the annualised net property income of 55 Market Street for 3QFY18.

---

# Growth from asset enhancement initiatives

# Asset Update Asset enhancement at Alexandra Technopark

- ◆ \$45 million AEI and re-branding nearing completion
- ◆ New amenity hub completed in June 2018
- ◆ Contemporary business campus with a more vibrant, stimulating and engaging environment
- ◆ Generous offering of wellness, lifestyle, social and other amenities
- ◆ New amenities include futsal courts, end-of-trip facilities, exercise areas and meeting facilities

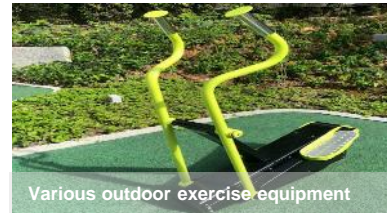
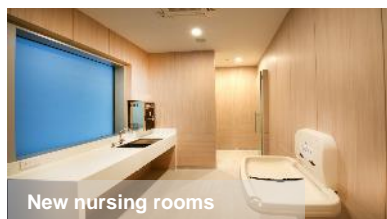
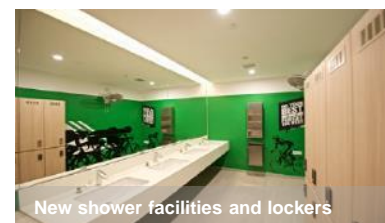


Pictures for illustration only



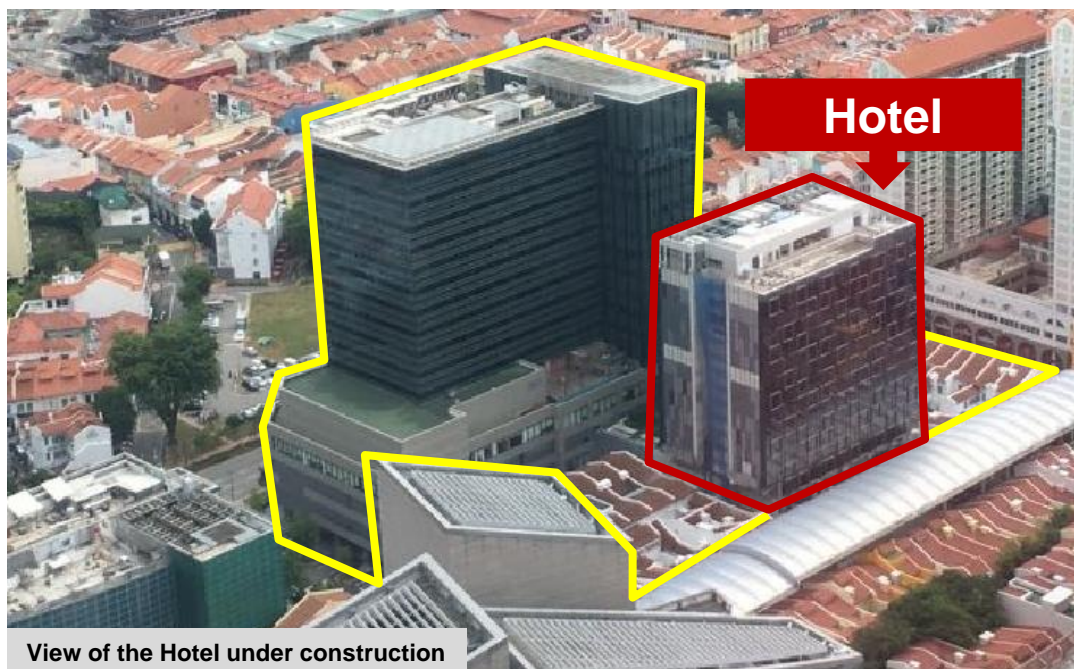
# New ATP – A contemporary Business Campus

- ◆ Wide range of wellness, lifestyle, social and other amenities<sup>1</sup>



# Asset Update Developments at China Square Central (“CSC”)

- ◆ Construction works for the development of the 16-storey Hotel and Commercial Project<sup>1</sup> are on track and expected to complete by mid-2019
- ◆ New retail and commercial spaces with better frontages and visibility will be created<sup>2</sup>
- ◆ The new 304-room Capri by Fraser hotel, expected to complete in Mar 2019<sup>3</sup>, will bring increased activity and vibrancy to rejuvenate CSC



China Square Central

Proposed Hotel

1. Undertaken by an entity of Frasers Property Limited. Refer to the Circular to Unitholders dated 3 June 2015 for details.
2. 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. Refer to the Circular to Unitholders dated 3 June 2015 for details.
3. Refer to Frasers Property Limited's announcement dated 10 April 2018.

# Asset Update Enhancement of CSC 18 Cross Street retail podium

- ◆ S\$38 million AEI project expected to complete by 2H2019<sup>1</sup>
- ◆ Retail podium NLA to potentially increase to c.78,000 sf<sup>1</sup> from c.64,000 sf pre-AEI
- ◆ JustCo becomes the second major collaborative space operator to commit to CSC after WeWork, to add further vibrancy and diversity to CSC
- ◆ JustCo's lease of c. 34,500 sf comprises entire 2<sup>nd</sup> level of the retail podium and certain adjoining spaces, and translates to c. 40% pre-commitment for the retail podium



Artist's impression of the retail podium for illustration only



Artist's impression for illustration only

1. Based on provisional scheme and may be subject to change.

---

# Appendix: Asset Details and Market Overview

# Portfolio Update Singapore assets

## China Square Central – healthy occupancy for office tower



## Alexandra Technopark – rejuvenation and repositioning nearing completion



<b>Occupancy</b>	94.4% <sup>1,2</sup> (office tower: 92.5% <sup>1</sup> )	70.2% <sup>1</sup>
<b>WALE</b>	1.9 years	1.9 years
<b>WALB</b>	1.9 years	1.5 years
<b>New leases, committed and renewals</b>	SAGE Publications Asia-Pacific Pte Ltd, SourceCode Asia Pacific Pte Ltd, Ministry of Design Pte Ltd, PR Communications Pte Ltd, ABeam Consulting (Singapore) Pte Ltd	Townhall Clinic, Sandoitchi Private Ltd, Cold Storage Singapore (1983) Pte Ltd (7-Eleven), Nokia Solutions and Networks (S) Pte Ltd, Milliken Asia Pte Ltd

## Tenants



Data as at 30 September 2018.

1. Committed occupancy as at 30 September 2018.
2. Excluding 18 Cross Street retail podium (NLA c 64,000 sq ft) which is currently closed for asset enhancement.

# Portfolio Update Australia assets

**Central Park – long WALE of 8.3 years<sup>1</sup>**



**Caroline Chisholm Centre – full occupancy with long WALE of 6.8 years**



**357 Collins Street – high occupancy in a strong market**



<b>Occupancy</b>	70.0%	100.0%	95.0%
<b>WALE</b>	8.3 years	6.8 years	3.2 years
<b>WALB</b>	8.2 years	6.8 years	3.2 years
<b>New leases, committed and renewals</b>	Rio Tinto Shared Services Pty Ltd	Property occupied until July 2025 by a single tenant, the Commonwealth of Australia (AAA rated <sup>1</sup> )	Infor Global Solutions Pty Ltd

## Tenants



# Portfolio Update United Kingdom asset

**Farnborough Business Park –  
long WALE and healthy  
occupancy**



---

<b>Occupancy</b>	98.1% <sup>1</sup>
------------------	--------------------

---

<b>WALE</b>	7.5 years <sup>2</sup>
-------------	------------------------

---

<b>WALB</b>	5.2 years <sup>2</sup>
-------------	------------------------

---

<b>New leases, committed and renewals</b>	I-Neda Ltd, Moffatt & Nichol, London
---	--------------------------------------

---

<b>Tenants</b>	
----------------	--



Data as at 30 September 2018.

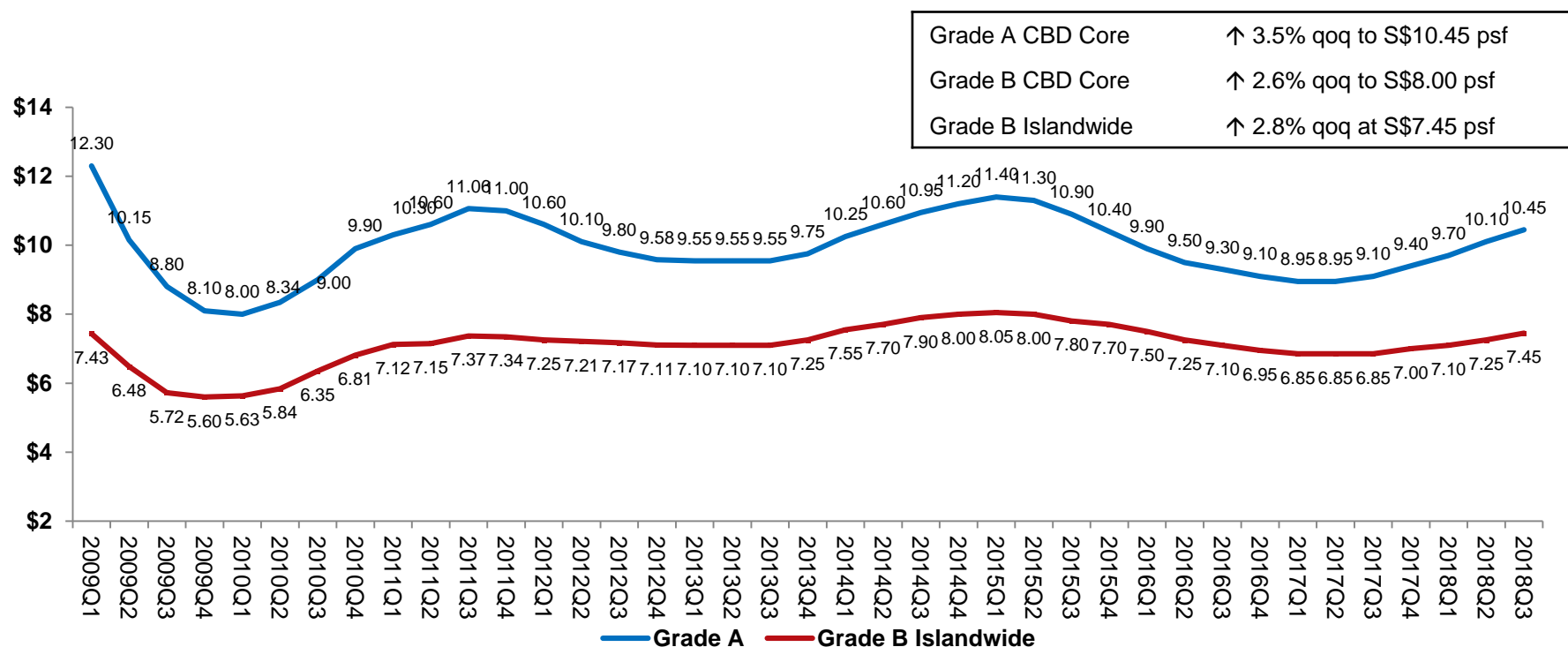
1. After adjusting for leases for which the tenants have exercised their rights to break.
2. Includes reimbursements of lease incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details).

# Singapore office rents

Singapore office:

- ◆ General outlook for the office market is positive
- ◆ Grade B rents relatively more stable

## Singapore Grade A and Grade B office rents<sup>1</sup>



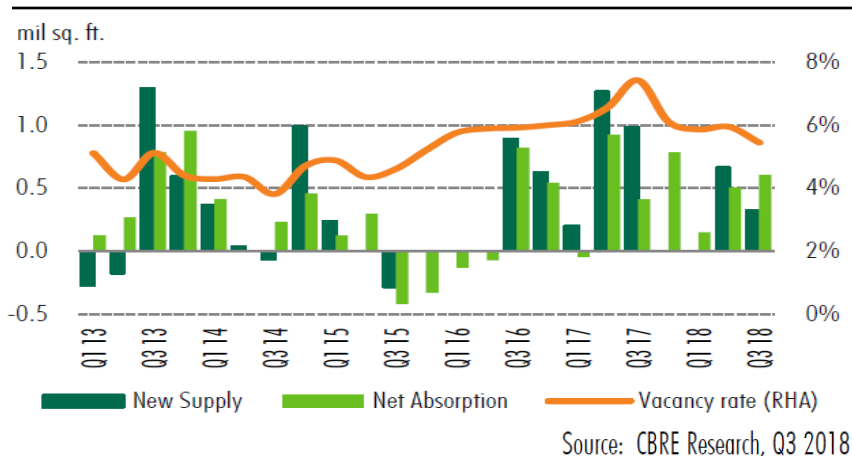
Source: CBRE Research

1. CBRE, Singapore Market View, Q3 2018



# Demand, supply and outlook for Singapore CBD office market

## Office supply-demand dynamics<sup>1</sup>



- ◆ Overall leasing activity was stronger in 3Q 2018, leading to stronger growth in net absorption to 605,077 square feet for the quarter
- ◆ This led to a reduction in island-wide office vacancy rate by 0.5 percentage points from 5.9% in 2Q 2018 to 5.4% in 3Q 2018
- ◆ According to CBRE, there was a steady increase in demand for Grade B offices as the available Grade A space tightened considerably
- ◆ CBRE is of the opinion that the resilient and diverse tenant demand coupled with a limited future supply will lead to further rental growth in the medium term

## Office vacancy rates<sup>1</sup>

	Q3 18	Q-o-q	Y-o-y
Islandwide	5.4%	-50 bps	-198 bps
Core CBD	5.4%	-55 bps	-216 bps
Fringe CBD	6.4%	-51 bps	-200 bps
Decentralised	4.5%	-37 bps	-154 bps
Grade A	5.4%	-46 bps	-299 bps

Source: CBRE Research, Q3 2018

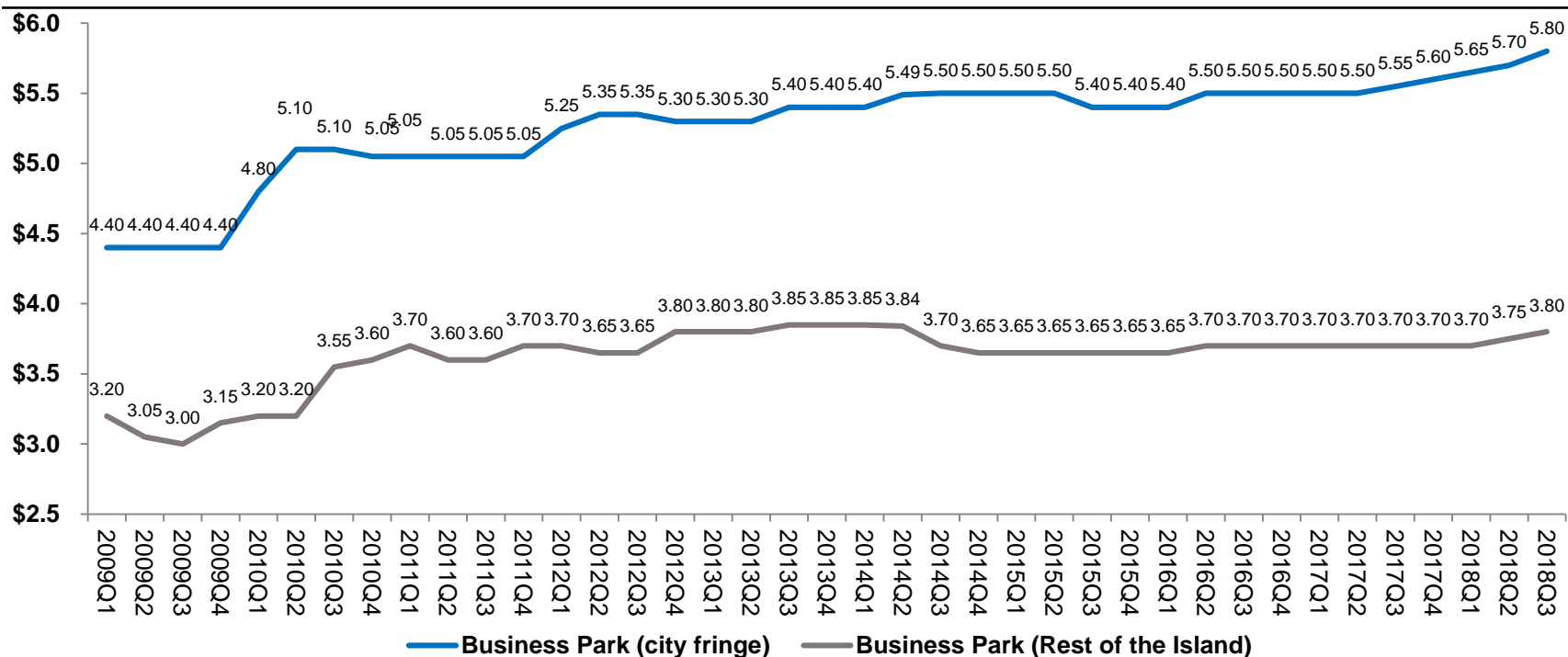
1. CBRE, Singapore Market View, Q3 2018

# Singapore business park rents<sup>1</sup>

Singapore business parks<sup>2</sup>:

- ◆ City fringe business park average rent increased by 1.8% qoq in 3Q 2018
- ◆ Rest of the island average rent increased by 1.3% qoq in 3Q 2018

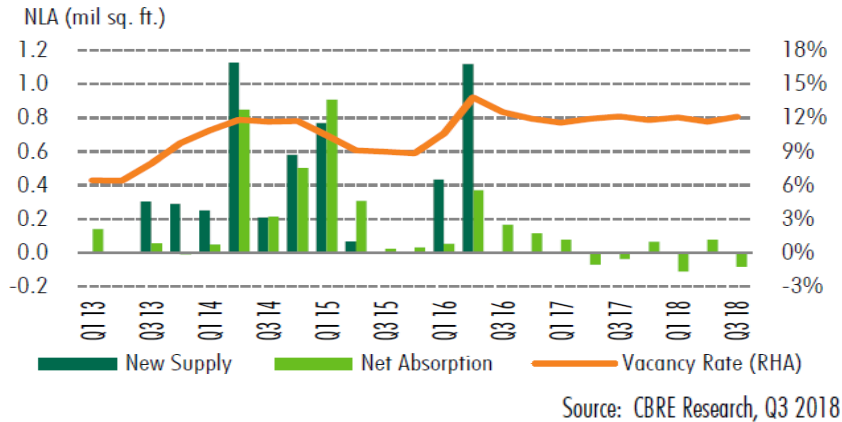
## Singapore Business Park (city fringe) rents<sup>2</sup>



- Alexandra Technopark is a high-specification B1 industrial development located at the city-fringe, with certain physical attributes similar to business parks. In the absence of comprehensive market research information directly relevant to the asset class of Alexandra Technopark, market research information for business parks is provided for indicative reference.
- CBRE, Singapore Market View, Q3 2018

# Demand, supply and outlook for Singapore business park market<sup>1</sup>

## Business park supply-demand dynamics<sup>2</sup>



- ◆ There continued to be demand for city fringe business park space in 3Q 2018, while leasing activity for the rest of the island was weaker
- ◆ Leasing activity in 3Q 2018 was mainly attributed to e-commerce and technology firms with some tenants seeking expansion space, which benefitted mainly better located and newer business park developments
- ◆ CBRE is of the opinion that strong office market recovery had widened the gap between the business park and office rents, which has led to higher rent expectations for business parks

## Business park future pipeline<sup>2</sup>

Year	Est. NLA (mil sq. ft.)	Est. Pre-commitment
2018	0.36	39%
2019	0.54	0%
2020	0.18	100%
<b>Total</b>	<b>1.12</b>	<b>30%</b>

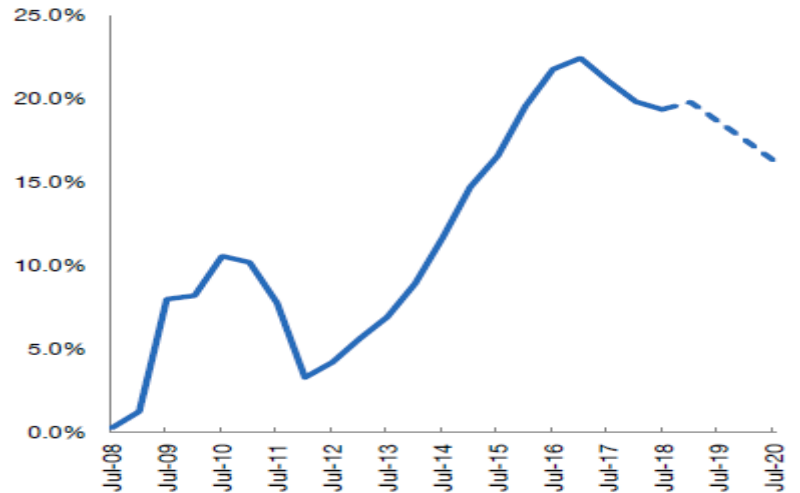
Source: CBRE Research, Q3 2018

- Alexandra Technopark is a high-specification B1 industrial development located at the city-fringe, with certain physical attributes similar to business parks. In the absence of comprehensive market research information directly relevant to the asset class of Alexandra Technopark, market research information for business parks is provided for indicative reference.
- CBRE, Singapore Market View, Q3 2018

# Perth CBD office supply and rents

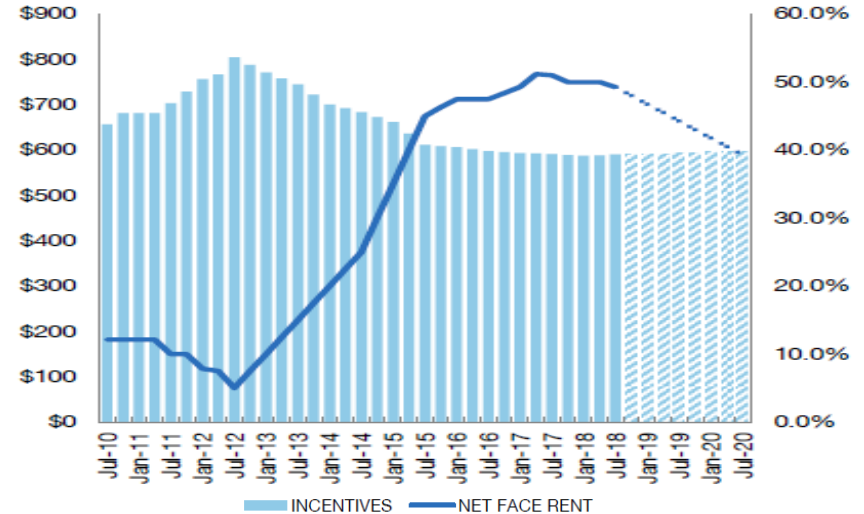
- ◆ Business confidence continued to improve and the Western Australia State Final Demand<sup>1</sup> as at March 2018 turned positive for the first time since 2013
- ◆ Perth CBD recorded the third consecutive half-year period of positive net absorption for the six months to June 2018
- ◆ Prime Grade average net face rent was A\$540 to A\$640 per sqm per annum as at July 2018, with average lease incentives between 45% and 50%
- ◆ Prime Grade vacancy was 13.2% as at July 2018, an improvement from 14.2% as at January 2018
- ◆ Tenant demand will drive further growth in effective rents for the remainder of 2018

## Perth CBD total office vacancy (%)



Source: Knight Frank Research/PCA

## Perth CBD office Prime Grade incentives (%) and average net face rents (\$/sq m)



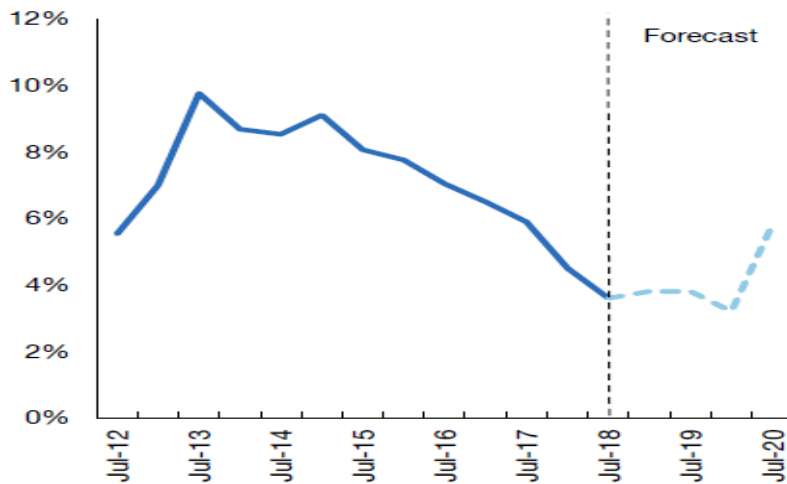
Source: Knight Frank Research

Source: Knight Frank Research, Perth CBD Office, September 2018.  
 1. Measures the total value of goods and services sold, excluding exports.

# Melbourne CBD office supply and rents

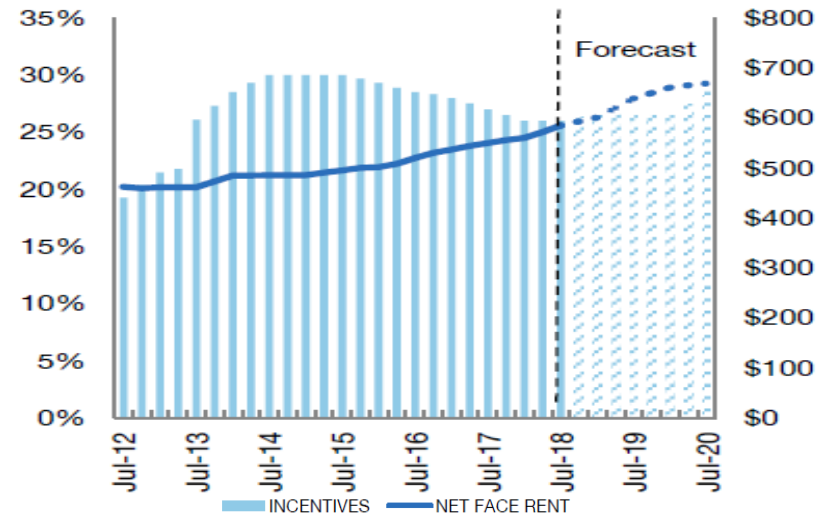
- ◆ CBD office market continued to be strong, supported by sustained economic, population and employment growth in the state of Victoria state
- ◆ Prime Grade average net face rent for Melbourne CBD office space was approximately A\$586 per sqm per annum as at July 2018, with lease incentives around 26%
- ◆ Total CBD office vacancy reduced from 5.9% to 3.6% in the twelve months to July 2018, the lowest level recorded in ten years
- ◆ Knight Frank expects Melbourne CBD Prime Grade average net face rents to grow by about 9% from mid-2018 until end-2019, while vacancy rate is expected to remain low in 2019

Melbourne CBD office vacancy rate (%)



Source: Knight Frank Research

Melbourne CBD office Prime Grade incentives (%) and average net face rents(\$A/sq m)

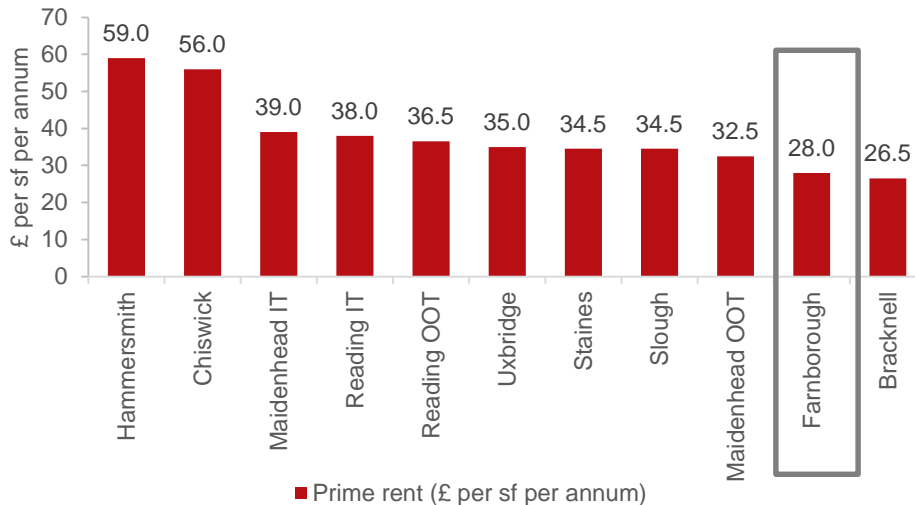


Source: Knight Frank Research

# Thames Valley office supply and rents

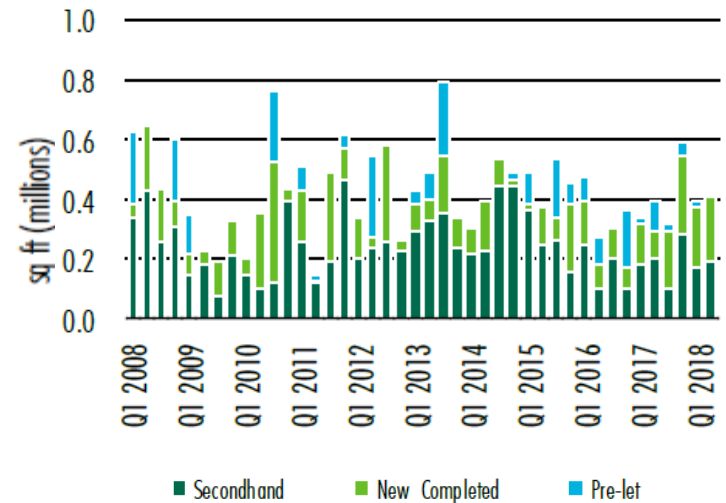
- ◆ Grade A indicative headline prime office rent for Farnborough area was £28.0 per sq ft per annum as at June 2018, while lease incentives were generally around 17.5% (for typical 10-year lease terms)
- ◆ Thames Valley's vacancy rate of 7.8% as at June 2018 was a 0.6-percentage point reduction compared to March 2018
- ◆ Rent levels are expected to remain stable with the lack of new developments in Thames Valley

Key Thames Valley Prime Grade office rents (£ per sf per annum)



Source: CBRE Research, Q2 2018

Thames Valley take up, Q2 2018



Source: CBRE Research, Q2 2018

**Experience  
matters.**

---



Fraser's Commercial Asset Management Limited  
438 Alexandra Road | #21-00| Alexandra Point | Singapore 119958  
Tel: +65 6276 4882| Fax: +65 6276 8942| Email: [fcot@frasersproperty.com](mailto:fcot@frasersproperty.com)  
[www.fraserscommercialtrust.com](http://www.fraserscommercialtrust.com)