
Frasers Commercial Trust

1QFY19 Financial Results

18 January 2019



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 Frasers Commercial Trust (“**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 Units in FCOT 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 FCOT and the Manager is not necessarily indicative of the future performance of FCOT 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.

This advertisement has not been reviewed by the Monetary Authority of Singapore.

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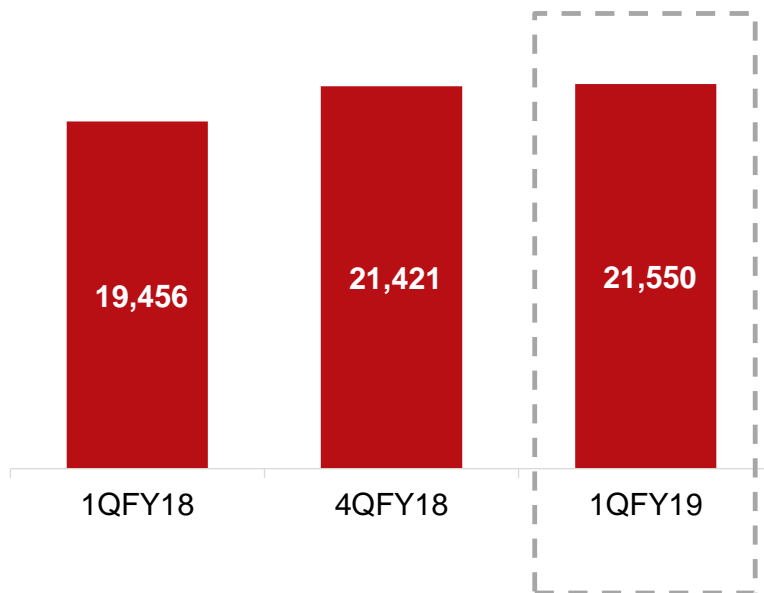
Results

Results *1QFY19 distribution and DPU*

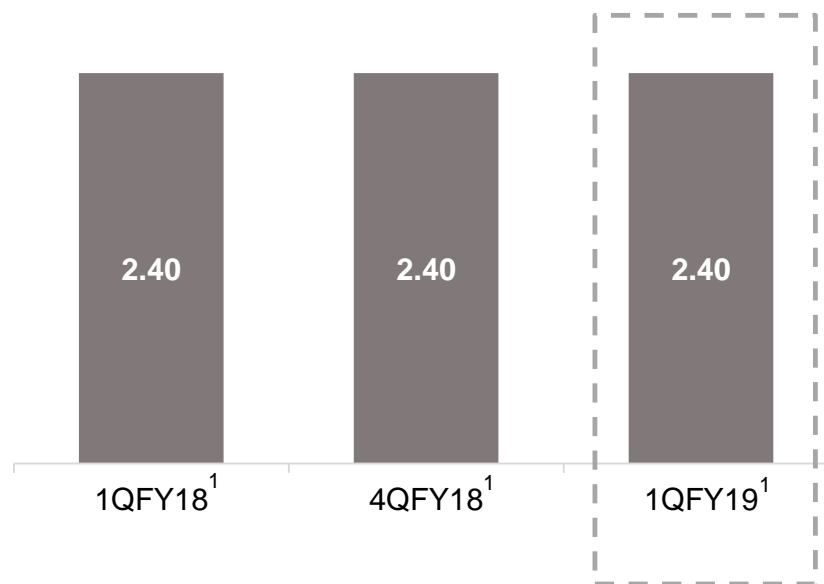
For the quarter ended 31 Dec 2018 (“1QFY19”):

- ◆ DPU of 2.40 cents was unchanged vs 4QFY18 and 1QFY18¹
- ◆ distribution income increased 1% Q-o-Q and 11% Y-o-Y to S\$21.6 million²

Distributable Income (S\$'000)



DPU (Cents)



1. 100% management fees were paid in Units in 1QFY19 and all four quarters of FY18.

2. For 1QFY19, distribution from capital returns includes S\$3.8 million (4QFY18: S\$2.4 million, 1QFY18: S\$1.9 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 1QFY19 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.

Results Key highlights and Q-o-Q variance (1QFY19 vs 4QFY18)

1QFY19 distributable income up 1% Q-o-Q¹




	1QFY19 (S\$ '000)	Change vs 4QFY18 (%)	Contributing factors
Gross Revenue	31,546	3%	Lower occupancy at Alexandra Technopark, divestment of 55 Market Street on 31 August 2018 and effects of average weaker Australia Dollar, partially offset by higher occupancy at China Square Central ² .
Net Property Income	21,122	2%	As above, partially offset by lower expenses for Caroline Chisholm Centre ³ .
Distributable income to Unitholders	21,550	1%	Includes higher contribution from Farnborough Business Park ⁴ , distribution from capital returns ⁵ and payment of management fee in Units in lieu of cash ⁶ .
DPU ⁷	2.40¢	-	Stable vs 4QFY18

See 1QFY19 Financial Statements announcement for details.

1. Compared with 4QFY18.
2. Excluding the retail podium at 18 Cross Street which had been closed since 2QFY18 to facilitate asset enhancement works.
3. Final progress payment amounting to S\$0.1 million in 4QFY18 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 1QFY19, distribution from capital returns includes S\$3.8 million (4QFY18: S\$2.4 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 1QFY19 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 1QFY19 and 4QFY18, 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 897,928,873. See accompanying 1QFY19 Financial Statements announcement for more details.

Results Key highlights and Y-o-Y variance (1QFY19 vs 1QFY18)

1QFY19 distributable income up 11% Y-o-Y¹

	1QFY19 (S\$ '000)	Change vs 1QFY18 (%)	Contributing factors
Gross Revenue	31,546	 11%	Lower occupancies at China Square Central ² and Alexandra Technopark, divestment of 55 Market Street on 31 August 2018 and effects of average weaker Australia Dollar, partially offset by a one-off lease termination payment received from a tenant at 357 Collins Street.
Net Property Income	21,122	 15%	As above, together with higher property tax for Alexandra Technopark and higher amortisation of lease incentives for Central Park and 357 Collins Street, partially offset by lower maintenance expenses for the Singapore properties.
Distributable income to Unitholders	21,550	 11%	Includes contribution from Farnborough Business Park ³ , distribution from capital returns ⁴ and payment of management fee in Units in lieu of cash ⁵ .
DPU ⁶	2.40¢	-	Stable vs 1QFY18

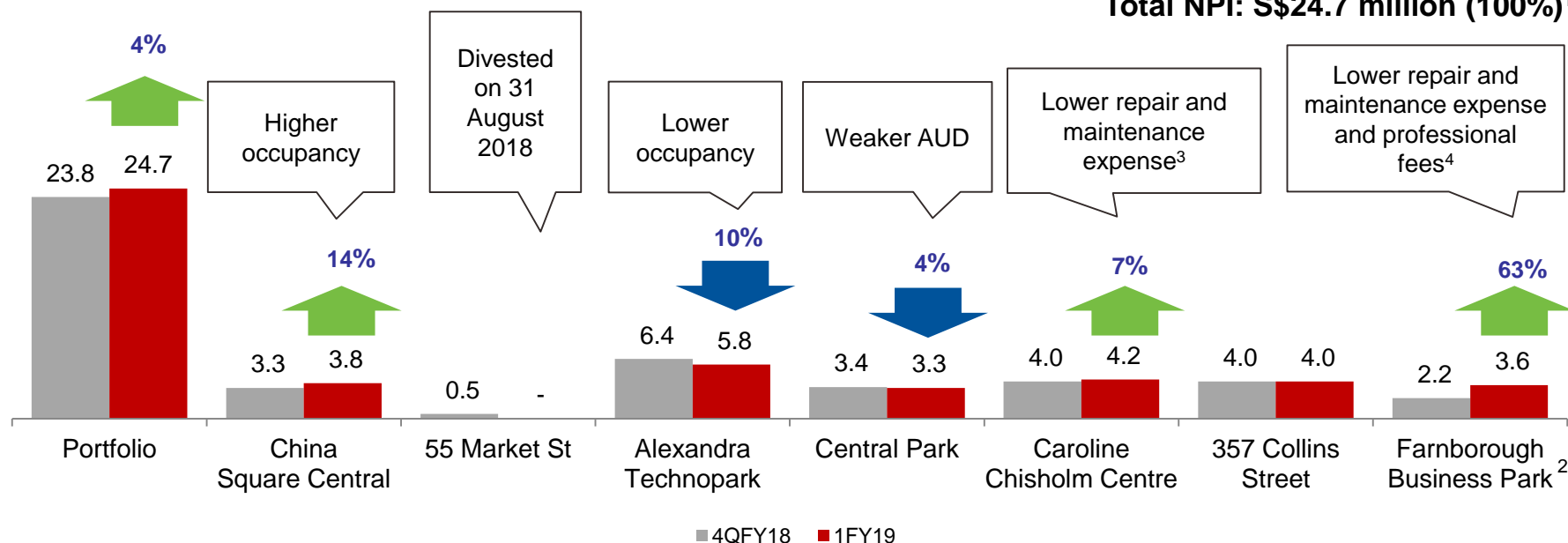
See 1QFY19 Financial Statements announcement for details.

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Results *1QFY19 NPI and Q-o-Q variance (1QFY19 vs 4QFY18)*

- Higher occupancy at China Square Central and lower expenses for Caroline Chisholm Centre and Farnborough Business Park, partially offset by lower occupancy at Alexandra Technopark, divestment of 55 Market Street and weaker AUD

Net Property Income (S\$m)¹



- Portfolio net property income for 1QFY19 and 4QFY18 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).
- Final progress payment amounting to S\$0.1 million in 4QFY18 for re-flooring works. The re-flooring works were completed in 4QFY18.
- Certain expenses, which are seasonal, were incurred in 4QFY18.

Results 1QFY19 NPI and Y-o-Y variance (1QFY19 vs 1QFY18)

- Lower occupancies at Singapore properties, divestment of 55 Market Street, higher property tax for Alexandra Technopark, higher amortisation of lease incentives for Central Park and 357 Collins Street and weaker AUD

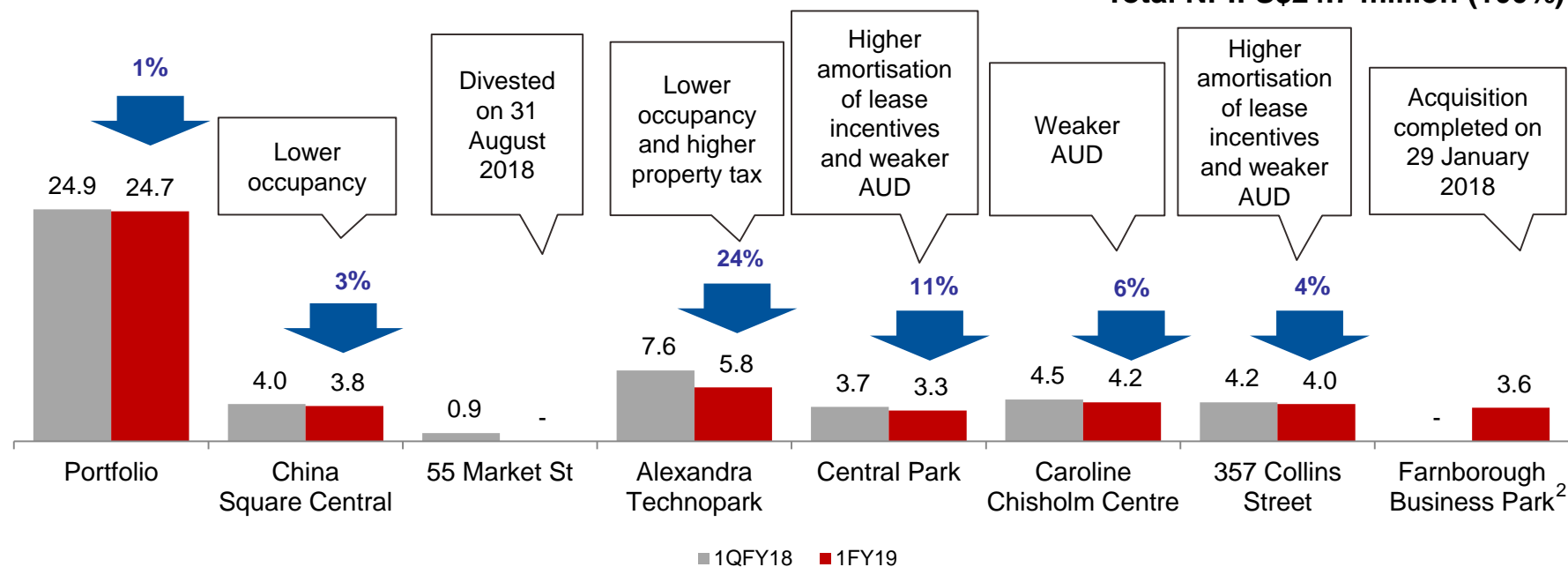
Singapore: S\$9.6 million (39%)

Australia: S\$11.5 million (47%)

United Kingdom: S\$3.6 million (14%)²

Total NPI: S\$24.7 million (100%)¹

Net Property Income (S\$m)¹



1. Portfolio net property income for 1QFY19 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).

Distribution payment

- ◆ **DRP will be applied for the distribution for 1QFY19**

Distribution Period	1 October 2018 to 31 December 2018
Ordinary Unit Distribution Rate¹	Distribution of 2.4000 cents per Unit comprising: a) taxable income distribution of 1.3344 cents; b) tax-exempt income distribution of 0.5505 cents; and c) capital distribution of 0.5151 cents.
Last day of trading on “cum” basis	Thursday, 24 January 2019
Ex-distribution trading commence	Friday, 25 January 2019
Distribution Books Closure Date	Monday, 28 January 2019 at 5.00 pm
Cash distribution payment date	Friday, 1 March 2019
Credit of Units to Unitholders’ securities accounts/ listing of Units issued under the DRP on SGX-ST	Friday, 1 March 2019

See accompanying 1QFY19 Financial Statements announcement for more details.

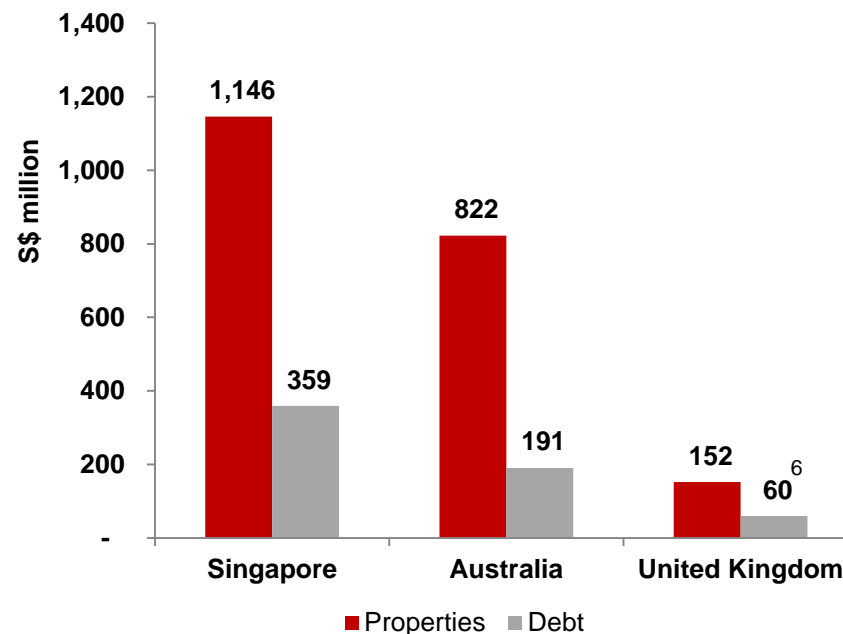
Capital management

Capital structure and debt statistics

- ◆ Prudent gearing of 28.4% affords high financial flexibility
- ◆ Healthy interest coverage ratio of 4.90 times
- ◆ Borrowings in local currencies provide natural hedge

Statistics	As at 31 Dec 2018
Total Assets (S\$'000)	2,151,927
Gross Borrowings (S\$'000)	610,248
Units on Issue and Issuable entitled to distribution	897,928,873
NAV per Unit (ex-DPU) (S\$) ¹	1.56
Gearing ²	28.4%
Interest coverage ratio (times) ³	4.90
Average borrowing rate ⁴	2.97% p.a.
FCOT Issuer rating by Moody's ⁵	Baa2

Borrowings and assets by currency



1. Based on issued Units for the financial quarter ended 31 December 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 31 December 2018.

4. For quarter ended 31 December 2018.

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

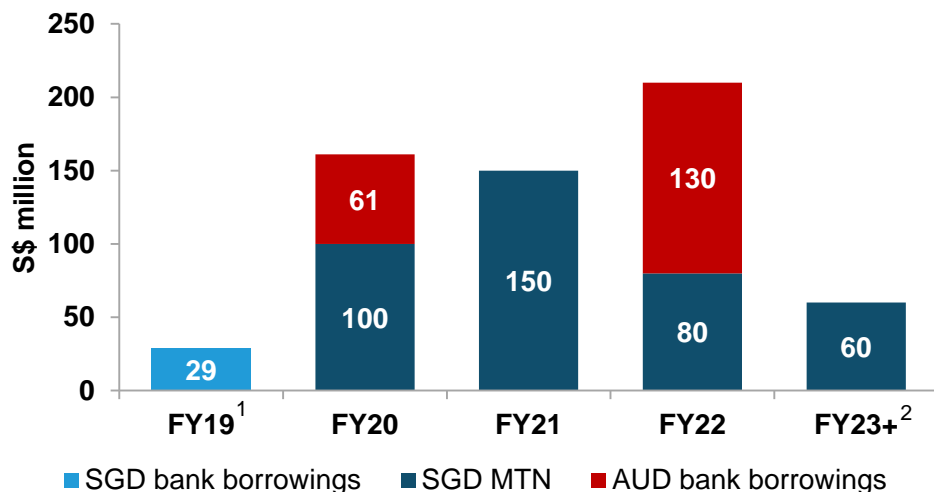
6. S\$60.0 million five-year senior unsecured notes issued in February 2018 was swapped into Sterling Pound.

Prudent capital management

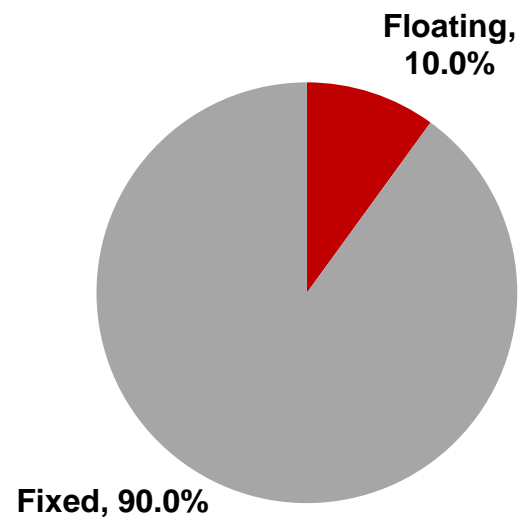
- ◆ Well-spread debt maturity profile
- ◆ No major refinancing need until FY20
- ◆ All debts are unsecured
- ◆ 90.0% of gross borrowings on fixed rates

Debt maturity

Total borrowings: S\$610 million
Weighted average term to maturity: 2.6 years



Debt composition – floating vs. fixed interest rates

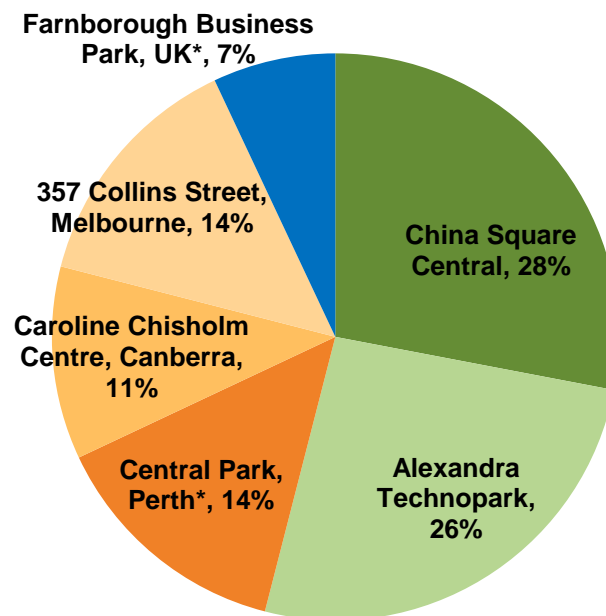


1. SGD revolving facilities drawn down as interim funding for asset enhancement works.
2. S\$60.0 million senior unsecured notes issued in February 2018 and swapped into Sterling Pound.
3. Data (including exchange rates) as at 31 December 2018.

Portfolio review

Portfolio Review *Asset values*

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



Asset values as at 31 December 2018

Singapore	\$	1,146.5 mil	54%
Australia	\$	821.9 mil	39%
United Kingdom	\$	152.4 mil	7%
Portfolio asset value	\$	2,120.8 mil	100%

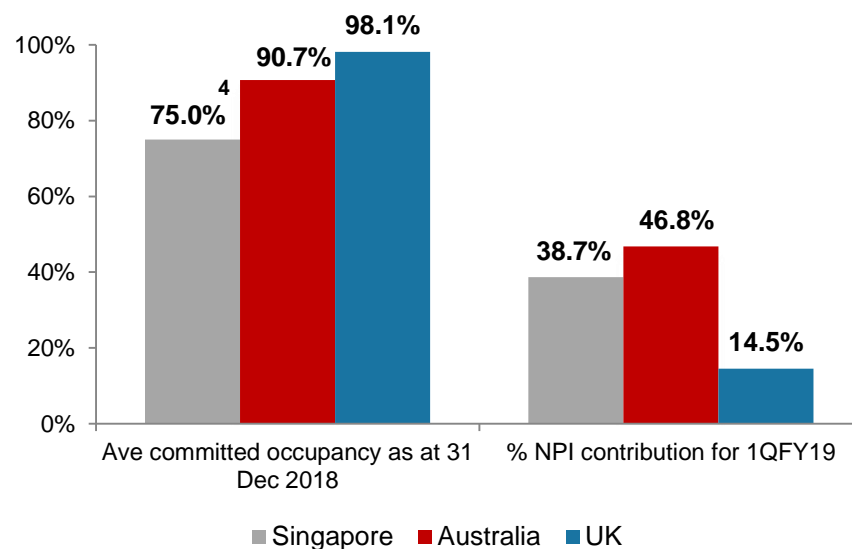
* In relation to FCOT's 50% interests. In addition, Farnborough Business Park is held as a joint venture and equity-accounted in the financial statements.

Portfolio Review *Occupancy & WALE*

- ◆ Average committed occupancy rate of 83.8%¹
- ◆ Committed WALE of 4.6 years^{1,2}

Key portfolio statistics as at 31 Dec 2018	Actual occupancy	Committed occupancy ¹
Ave Occupancy	80.7%	83.8%
Portfolio WALE by gross rental income ²	4.3 years	4.6 years
Portfolio WALB by gross rental income ^{2,3}	4.0 years	4.3 years

Geographical occupancy¹ and NPI² contribution

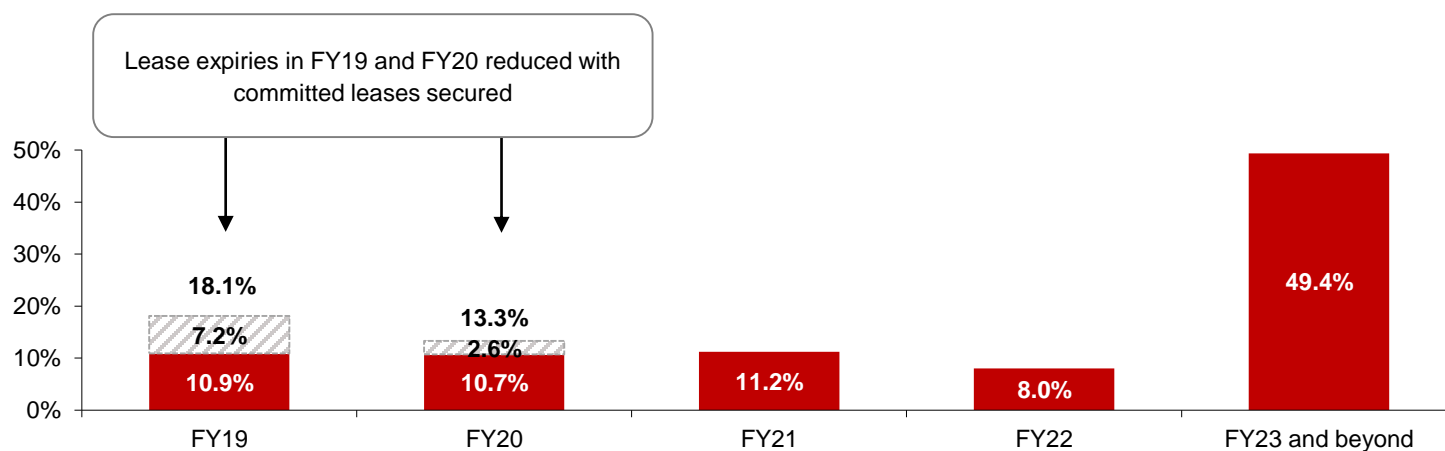


1. The total NLA of the portfolio used in the computation of occupancy rate has excluded 18 Cross Street retail podium (NLA c. 64,000 sf) which is currently closed for asset enhancement works.
2. Excludes lease incentives and retail turnover rents, if any. For Farnborough Business Park, reimbursements 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 income¹

Number of leases expiring	57	40	42	21	86
NLA (sq ft) expiring	376,017	272,352	227,154	180,415	1,161,541
Expiries as % total NLA	13.7%	9.9%	8.3%	6.6%	42.3%
Expiries as % total Gross Rental Income	18.1%	13.3%	11.2%	8.0%	49.4%

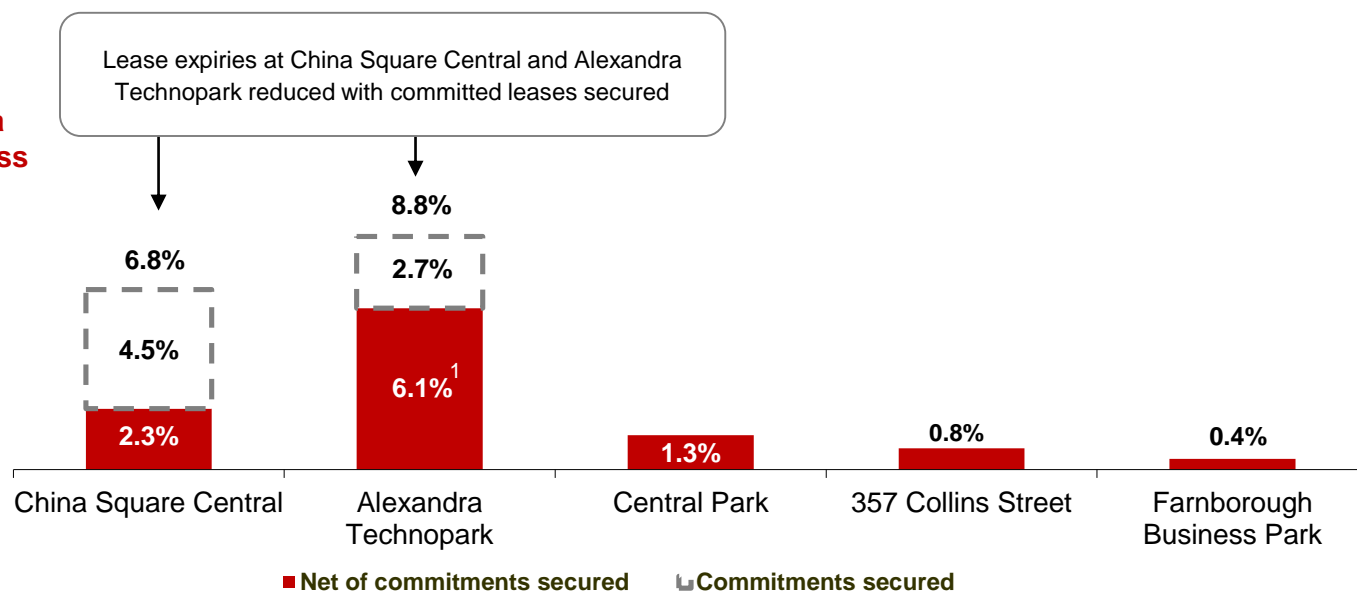
Data as at 31 December 2018. Exclude lease incentives and retail turnover rents, if any. For Farnborough Business Park, reimbursements of rent free incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement 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 works.

Portfolio Review *Lease expiry profile for FY19*

- ◆ Proactive management of leases with forward commitments

Lease Expiries in FY19 as a Proportion of Portfolio Gross Rental Income



As at 31 December 2018

Number of leases expiring ²	12 (office) 6 (retail)	10	1 (office) 3 (retail)	4 (office)	8
Average passing rents for expiring leases (excluding those with forward commitments secured) ³	S\$6.46 (office) S\$5.89 (retail)	S\$4.16	A\$917 (office) ⁴ A\$991 (retail)	A\$616 (office)	£24.6

1. Inclusive of 3.8% under a lease to Hewlett-Packard Singapore Pte Ltd which expired on 31 December 2018 and which was not renewed.
2. Adjusted for forward commitments secured.
3. 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.
4. 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 1QFY19:

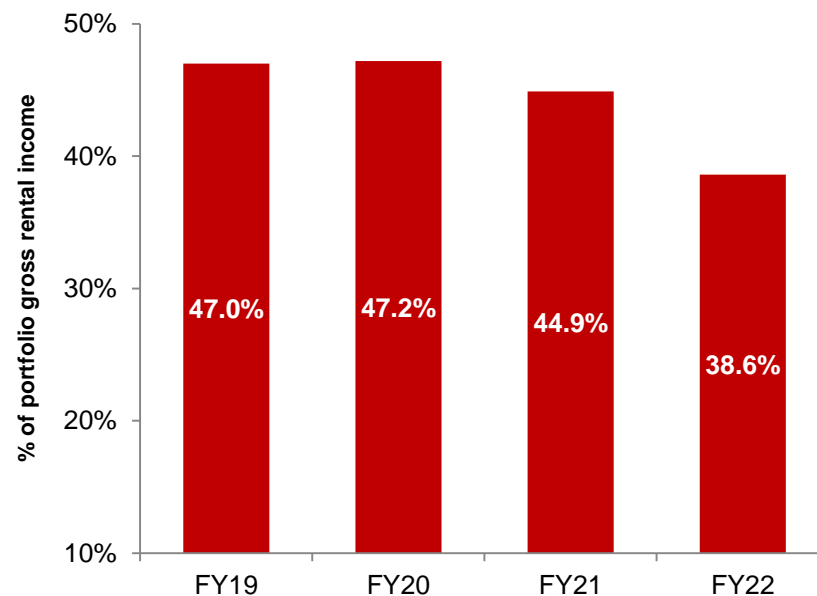
Tenant	Industry	Property
Aspire Global Network Pte Ltd	Consultancy/ business services	China Square Central
Nicoll Curtin Technology Pte Ltd	Consultancy/ business services	China Square Central
What's Pide (Singapore) Pte Ltd	Food & beverage	China Square Central
Xero (Singapore) Pte Ltd	Consultancy/ business services	China Square Central
Carousell Pte Ltd	Consumer goods/ trading	Alexandra Technopark
Huggs Coffee Pte Ltd	Food & beverage	Alexandra Technopark
JT International Tobacco Services (Singapore) Pte Ltd	Consumer goods/ trading	Alexandra Technopark
The Solution Camp Pte Ltd	Food & beverage	Alexandra Technopark
Nestia Pte Ltd	IT products & services	Alexandra Technopark
BT Singapore Pte Ltd	IT, multimedia & telecommunications	Alexandra Technopark
Lendlease Management Services Limited	Real Estate/ property services	Central Park
Metlife Insurance Limited	Insurance	357 Collins Street
Eureka International Trading Pty Ltd	Consultancy/ business services	357 Collins Street
Mentholatum Company	Medical/ pharmaceutical	Farnborough Business Park
Winsopia Limited	IT products & services	Farnborough Business Park

Portfolio Review *Step-up rents*

47% of FY19 leases by gross rental income have built-in step-up rents

Property	Leases	Average step-up	GROSS RENTAL INCOME ¹	
			% 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 Rental Income with Step-Up Rents from Existing Leases



	FY19	FY20	FY21	FY22
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*

- ◆ Diversified tenant base
- ◆ Contributed 53% of portfolio gross rental income with a WALE of 5.8¹ years as at 31 December 2018

Top 10 tenants by gross rental income (as at 31 Dec 2018)

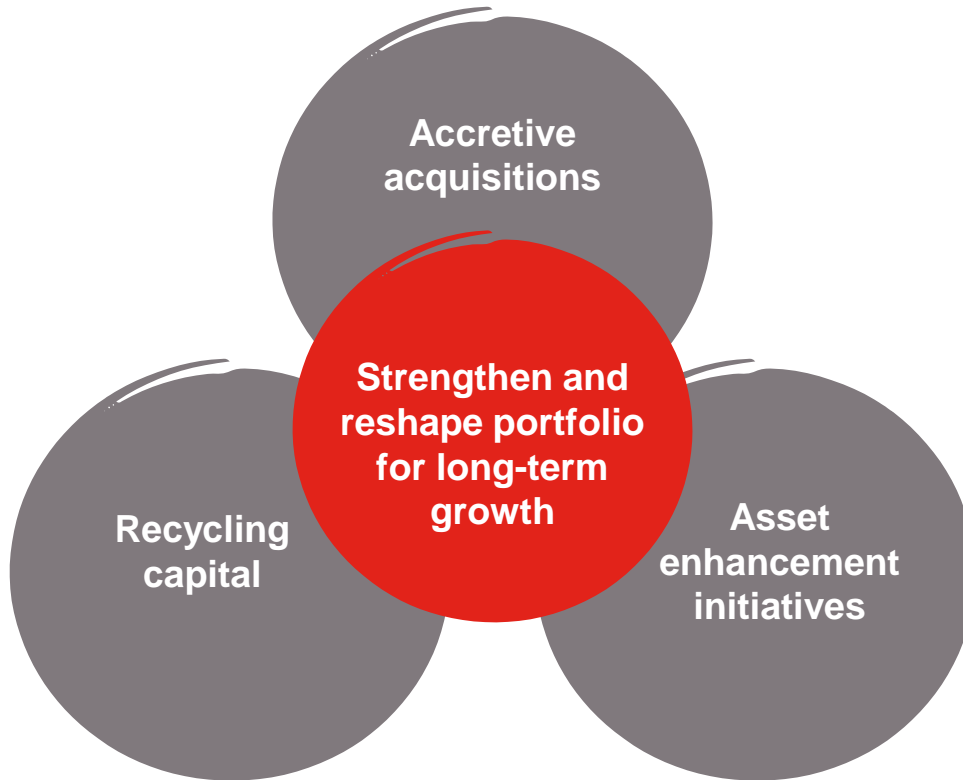
Tenant	Property	Sector	Lease Expiry	% Gross Rental Income ²
Commonwealth of Australia	Caroline Chisholm Centre	Government	Jul-25	16.3%
Rio Tinto Shared Services Pty Ltd	Central Park	Mining & resources	Jun-30	8.7%
Commonwealth Bank of Australia	357 Collins Street	Banking, insurance & financial services	Dec-22	6.6%
Hewlett-Packard Singapore Pte Ltd ³	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%
Total				52.7%



1. The WALB (after accounting for rights to break) is 5.4 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.
3. Lease expired on 31 December 2018 and was not renewed.

Strengthening and reshaping the portfolio

Strengthening and reshaping the portfolio for long-term growth



Accretive Acquisitions

- ◆ Expanded investment mandate to Europe (including UK) in January 2018 for portfolio diversification and long-term growth
- ◆ Enhanced alignment with Sponsor's top 3 geographical markets (Singapore, Australia and Europe)
- ◆ Completed income-accretive acquisition of 50.0% interest in Farnborough Business Park on 29 Jan 2018

Capital Recycling through Strategic Divestments

- ◆ To improve portfolio quality and long-term performance
- ◆ To recycle capital for other growth opportunities
- ◆ Divested 55 Market Street on 31 Aug 2018 and realised a net gain of approximately S\$75.7 million¹

Asset Enhancement Initiatives

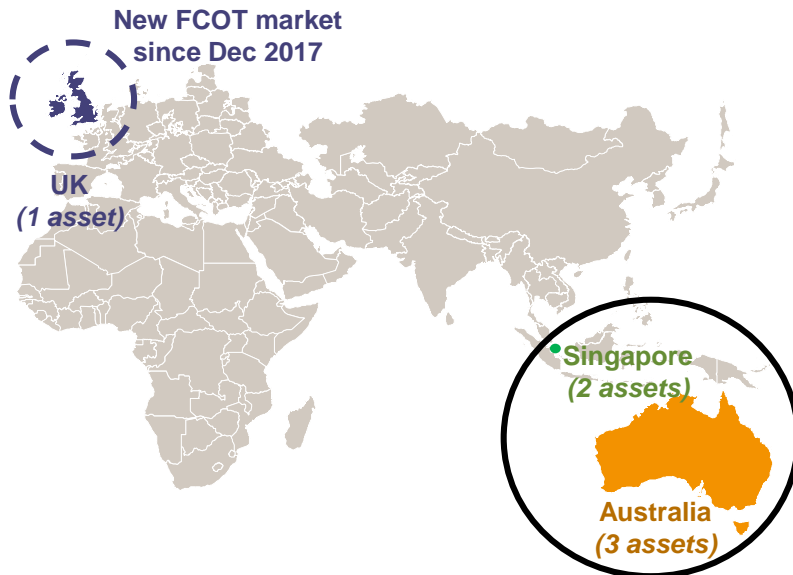
- ◆ Enhance long-term performance and competitiveness of properties and elevate tenants' and visitors' experiences
- ◆ Alexandra Technopark repositioned as a contemporary, vibrant and engaging business campus following a S\$45 million AEI which is nearing full completion
- ◆ AEI for the retail podium of 18 Cross Street, China Square Central is currently underway and expected to complete in the second half of 2019

1. Net of transaction expenses and fees.

Expansion of Investment Mandate

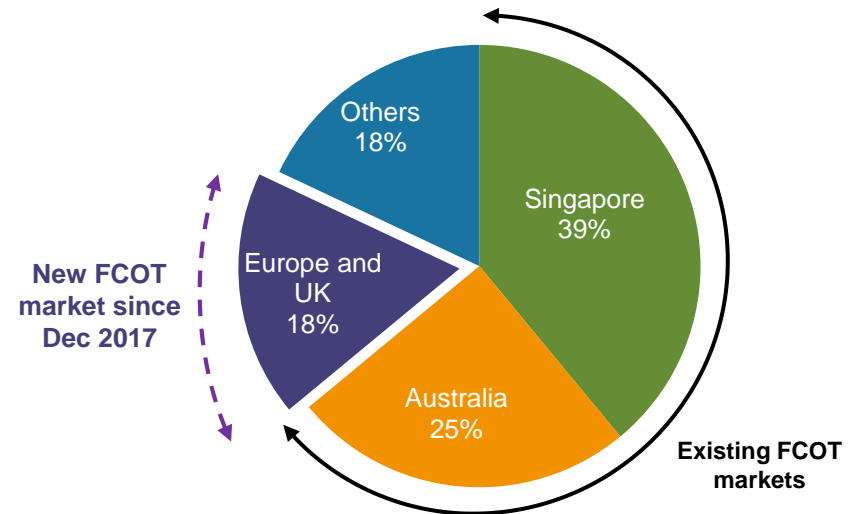
Synergistic alignment to Sponsor's top 3 markets for **GROWTH** and **DIVERSIFICATION**

- ◆ Announced expansion of investment mandate to Europe/UK in Dec 2017
- ◆ Granted right of first refusal for Frasers Property's relevant office/business space/business park assets in Europe (including UK)
- ◆ Enhanced potential for future growth and diversification



Alignment with Frasers Property's top 3 geographical markets

Frasers Property's assets by geography¹

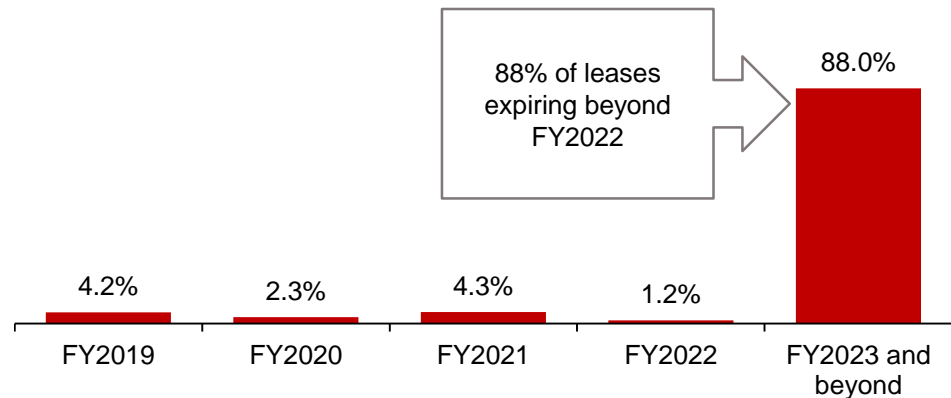


1. As at 30 Sept 2018.

Acquisition of 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 million¹ on 29 January 2018
- ◆ FBP is an award-winning business park with solid fundamentals in a well-connected location in Thames Valley



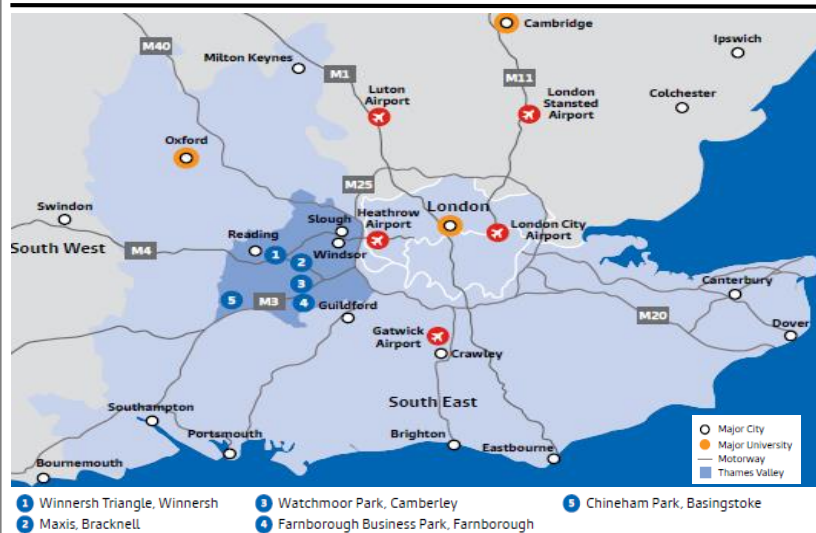
All data are as at 31 December 2018.

1. In respect of 50.0% interest in FBP. Refer to the announcement dated 14 December 2017.
2. By gross rental income and included reimbursements of lease incentives, rent guarantees for certain unlet units and other commercial arrangements performed 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.

Acquisition of Farnborough Business Park, UK (cont'd)

- 1**
- ◆ FBP is part of Frasers Property's 3.3m sf NLA portfolio in Thames Valley
 - ◆ Synergistic network effect and portfolio scale

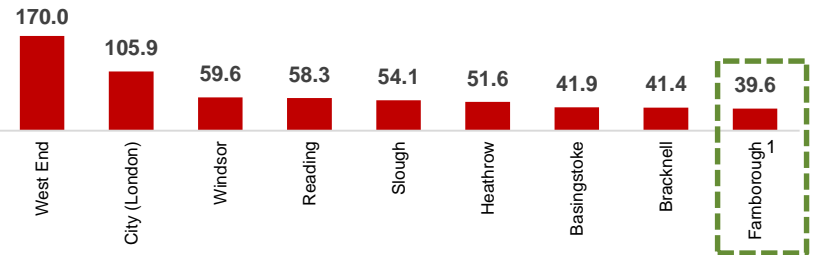
Frasers Property Group's Thames Valley Business Parks



- 2**
- Resilient UK business park market supported by cost-efficient positioning

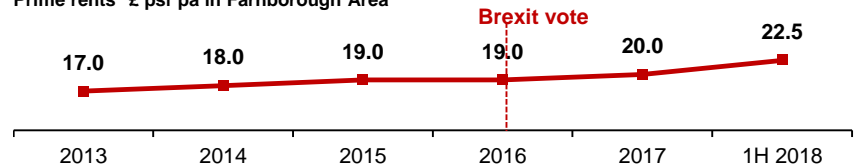
Cost-efficient alternative to CBD and London locations

Total occupier cost (£ psf pa)



Rents continued growing post-Brexit referendum

Prime rents² £ psf pa in Farnborough Area¹



- 3**
- Thames Valley is the principal high-tech region in the UK

- ◆ Regarded as the principal high-tech region in the UK
- ◆ Home to over 200 of UK's top 300 companies
- ◆ Well-established key business clusters including in manufacturing, financial & business services, hi-tech, TMT and aerospace
- ◆ Access to quality workforce and talent pool from well-known universities
- ◆ Convenient transport linkages to London and Heathrow airport



Source: Market Overview Thames Valley and Farnborough Area, UK dated 30 November 2018, JLL Research, FCOT 2018 Annual Report.

1. Includes both Farnborough and Camberley.
2. Prime rents is defined as the top open-market rent that could be expected for a notional office unit of the highest quality and specification in the best location in a market. It represents JLL's market view and is based on an analysis/review of actual transactions for prime office space, excluding any unrepresentative deals in a given time period.

Update on asset enhancement initiatives

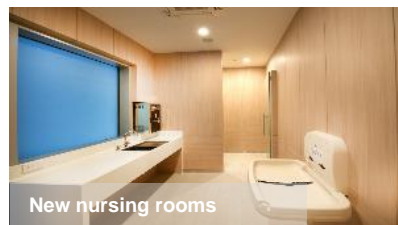
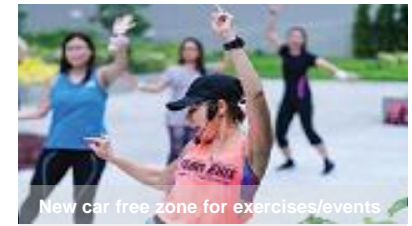
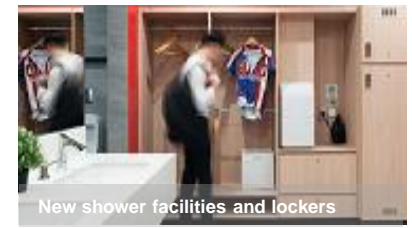
Alexandra Technopark *Creating a new business campus*

- ◆ \$45 million AEI nearing full completion
- ◆ Contemporary business campus with a more vibrant, stimulating and engaging environment
- ◆ Generous offering of wellness, lifestyle, social and other amenities
- ◆ Well received by tenants and other stakeholders



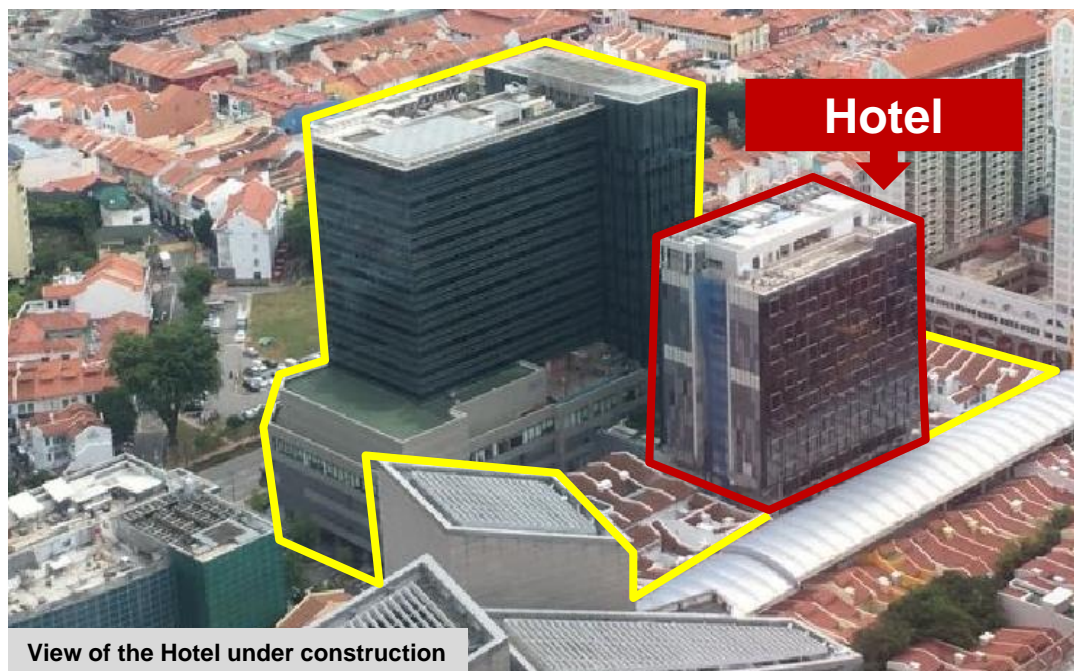
New ATP *A contemporary Business Campus*

- ◆ Wide range of wellness, lifestyle, social and other amenities





China Square Central *New hotel to enhance vibrancy*

- ◆ Construction works for the new 16-storey Hotel¹ at China Square Central (“CSC”) expected to complete in Mar 2019²
- ◆ The 304-room Capri by Fraser, China Place hotel will bring increased activity and vibrancy to CSC and benefit retail tenants



View of the Hotel under construction

 China Square Central

 Proposed Hotel

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

China Square Central *Revamping 18 Cross Street retail podium*

- ◆ S\$38 million AEI expected to complete in 2H2019¹
- ◆ Retail podium NLA to potentially increase to c.78,000 sf¹ 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 the entire 2nd level of the retail podium and certain adjoining spaces, and translates to c. 40% pre-commitment for the retail podium



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



Alexandra Technopark – rejuvenation and repositioning nearing full completion



Occupancy	97.2% ^{1,2} (office tower: 96.3% ¹)	68.6% ¹
WALE	1.8 years	1.9 years
WALB	1.8 years	1.5 years
Recent new leases and renewals (selected)	Aspire Global Network Pte Ltd, Nicoll Curtin Technology Pte Ltd, What's Pide (Singapore) Pte Ltd, Xero (Singapore) Pte Ltd	Carousell Pte Ltd, Huggs Coffee Pte Ltd, JT International Tobacco Services (Singapore) Pte Ltd, The Solution Camp Pte Ltd, Nestia Pte Ltd, BT Singapore Pte Ltd

Tenants



Data as at 31 December 2018.

1. Committed occupancy as at 31 December 2018 which included 93,302 sf of space under a lease to Hewlett-Packard Singapore Pte Ltd (expired on 31 December 2018 and was not renewed).
2. Excluding 18 Cross Street retail podium (NLA c 64,000 sq ft) which is currently closed for asset enhancement works.

Portfolio Update *Australia assets*

**Central Park –
long WALE of 8.0 years¹**



**Caroline Chisholm Centre –
fully occupied with long WALE
of 6.5 years**



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



Occupancy	71.5%	100.0%	98.9% ²
WALE	8.0 years	6.5 years	3.0 years
WALB	7.9 years	6.5 years	3.0 years
Recent new leases and renewals (selected)	Lendlease Management Services Limited	Property occupied until July 2025 by a single tenant, the Commonwealth of Australia (AAA rated ²)	Metlife Insurance Limited, Eureka International Trading Pty Ltd

Tenants



Data as at 31 December 2018.

1. Committed occupancy as at 31 December 2018.
2. Based on Standard and Poor's rating in September 2018.

Portfolio Update *United Kingdom asset*

Farnborough Business Park – long WALE and healthy occupancy



Occupancy	98.1% ¹
WALE	7.3 years ²
WALB	5.2 years ²
Recent new leases and renewals (selected)	Mentholatum Company, Winsopia Limited

Tenants



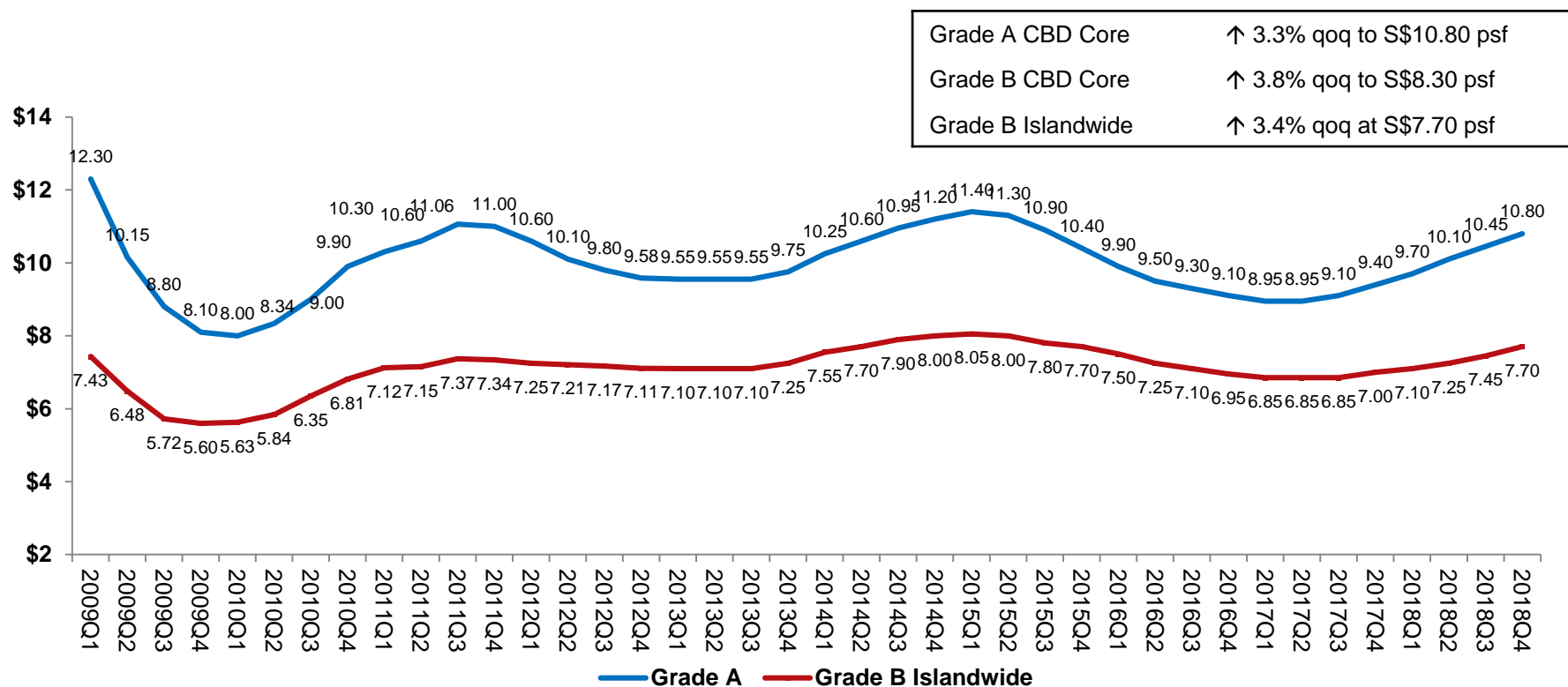
Data as at 31 December 2018.

1. After adjusting for leases for which the tenants have exercised their rights to break.
2. 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).

Singapore office rents

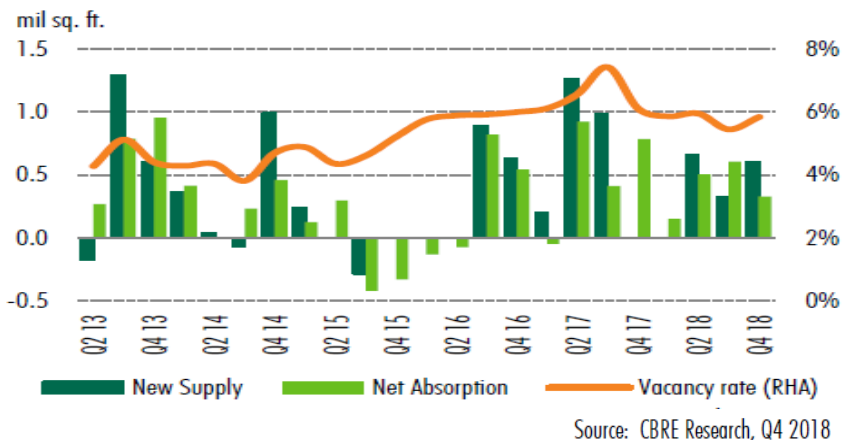
- ◆ General outlook for the office market is positive

Singapore Grade A and Grade B office rents¹



Demand, supply and outlook for Singapore CBD office market

Office supply-demand dynamics¹



Office vacancy rates¹

	Q4 18	Q-o-q	Y-o-y
Grade A CBD Core	\$10.80	3.3%	14.9%
Grade B CBD Core	\$8.30	3.8%	11.4%
Grade B Islandwide	\$7.70	3.4%	10.0%

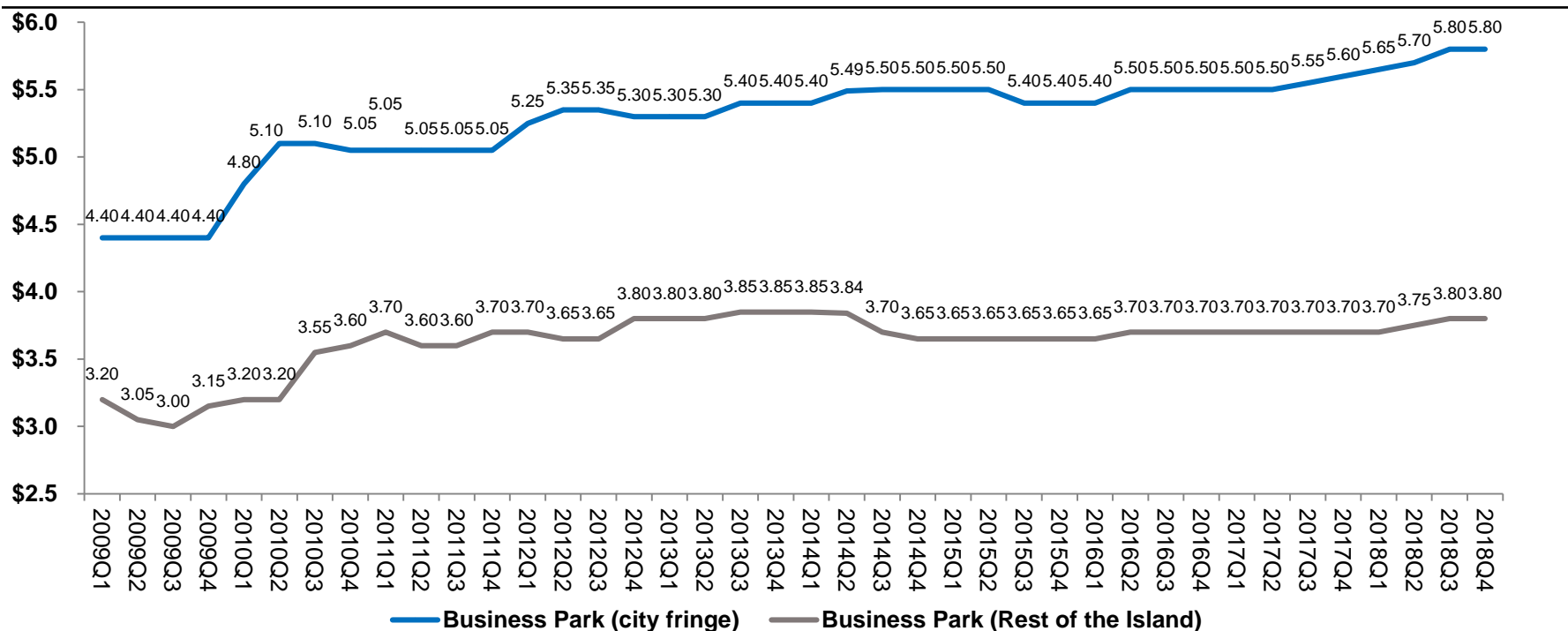
Source: CBRE Research, Q4 2018

- ◆ CBRE of the view that overall market in 2018 outperformed expectations
- ◆ Island-wide office vacancy rate reduced to 5.8% as at December 2018 compared to 6.1% a year ago, supported mainly by healthy economic growth and strong number of companies being established
- ◆ According to CBRE, the outlook for the office market appears positive for the next few years as demand is expected to remain stable while the supply pipeline is reduced
- ◆ CBRE projects office rents to maintain upward trajectory albeit at a more measured pace

Singapore business park rents¹

- ◆ City fringe and rest of the island business park average rents remain stable²

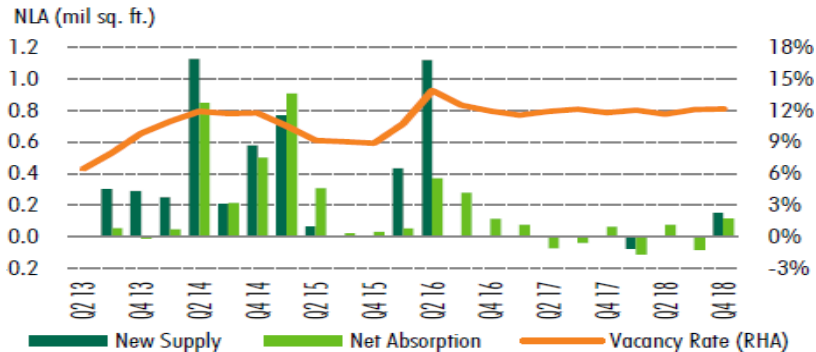
Singapore Business Park (city fringe) rents²



1. Alexandra Technopark is a high-specification B1 industrial development located at the city-fringe, with certain physical attributes similar to business parks. Due to limited availability of market research information directly relating to the asset class of Alexandra Technopark, market research information for business parks is provided for indicative reference.
 2. CBRE, Singapore Market View, Q4 2018

Demand, supply and outlook for Singapore business park market¹

Business park supply-demand dynamics²



Source: CBRE Research, Q4 2018

- ◆ There remains demand for quality business parks in the city fringe, despite limited availability and higher rents in the city fringe
- ◆ Demand for business parks in rest of the island remains subdued, which led island-wide vacancy to increase marginally to 12.2% as at December 2018 from 12.1% in the previous quarter
- ◆ Technology firms seeking expansion were the primary demand driver of business park space

Business park future pipeline²

Year	Est. NLA (mil sq. ft.)	Est. Pre-commitment
2019	0.20	100%
2020	0.35	86%
2021	0.54	0%
Total	1.09	46%

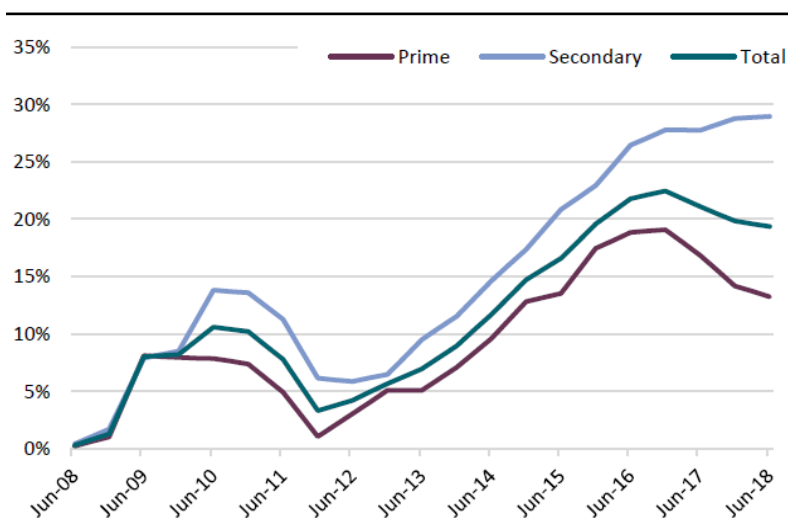
Source: CBRE Research, Q4 2018

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Perth CBD office supply and rents

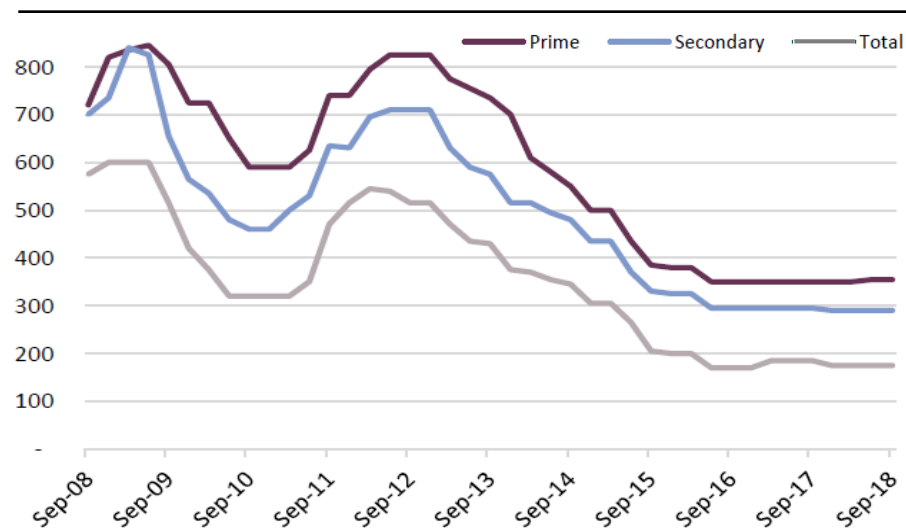
- ◆ Strengthening economic performance and business confidence in Western Australia has benefitted especially the Premium Grade and A Grade CBD office segments
- ◆ The State Government of Western Australia has projected business investment to return to growth in 2019
- ◆ Premium Grade average net face rent was A\$600 to A\$725 per sqm per annum as at September 2018, with average lease incentives between 45% and 48%
- ◆ Premium Grade office vacancy was 4.1% as at June 2018
- ◆ Tenant demand expected to drive further growth in effective rents

Perth CBD office vacancy (%)



Source: Savills Research/PCA

Perth CBD office net effective rents by Grade (A\$ psm pa)

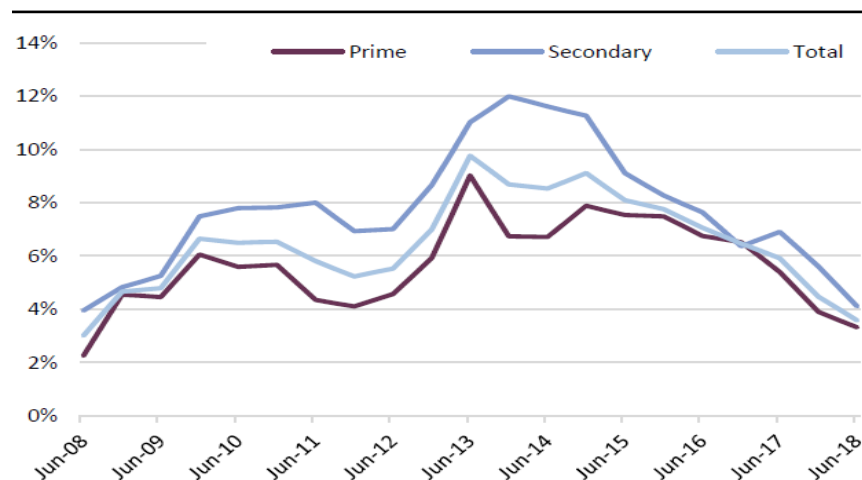


Source: Savills Research

Melbourne CBD office supply and rents

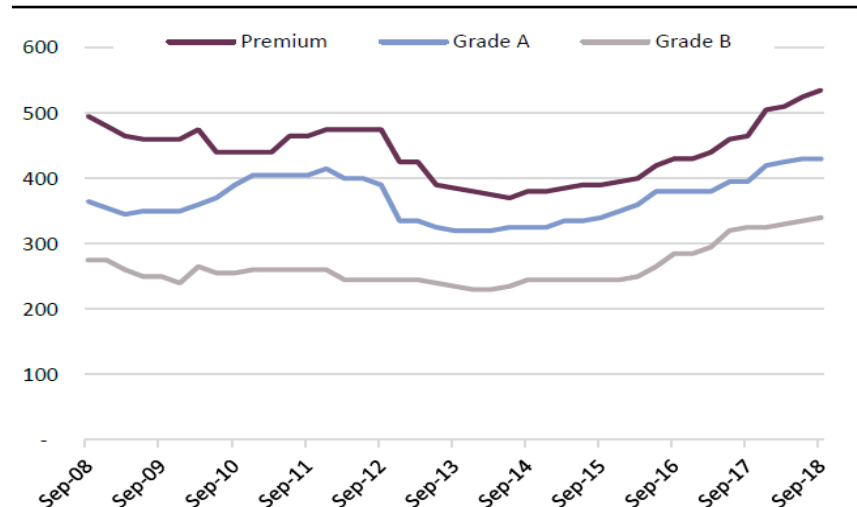
- ◆ CBD office market continued to be strong, on the back of strong economic performance in the state of Victoria
- ◆ A Grade office average net face rent was A\$520 to A\$640 per sqm per annum as at September 2018, with lease incentives between 25% to 28%
- ◆ Total vacancy reduced from 4.5% in December 2017 to 3.6% in June 2018, the lowest level recorded in ten years
- ◆ Savills expects strong rental growth and reduction in incentives to continue until the next delivery of new supply in 2020

Melbourne CBD office vacancy rate (%)



Source: PCA/ Savills Research

Melbourne CBD office net effective rents by Grade (A\$ psm pa)

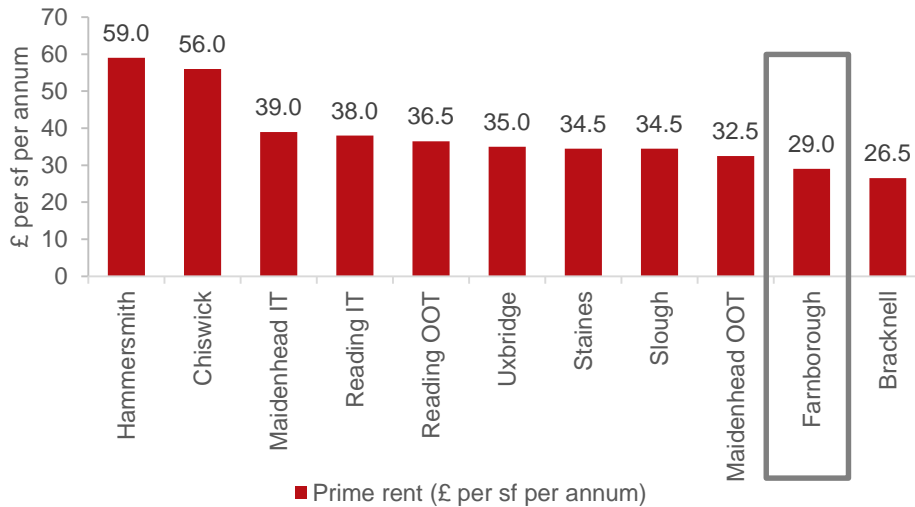


Source: Savills Research

Thames Valley office supply and rents

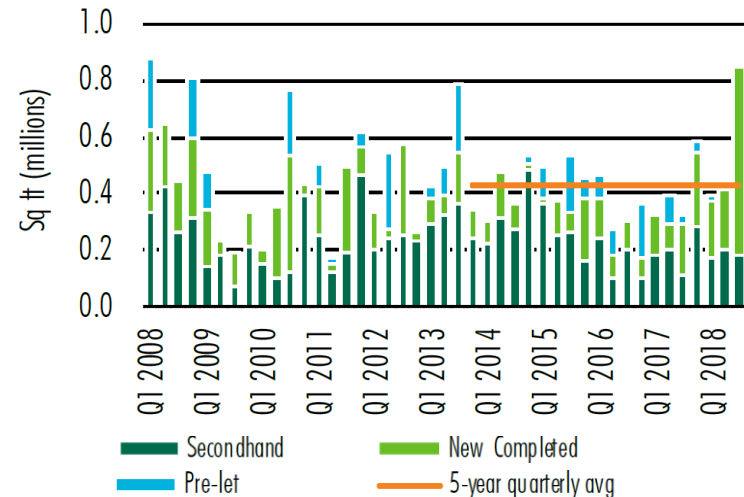
- ◆ Prime rents generally remained stable in 3Q 2018
- ◆ For the Farnborough area, the indicative prime office headline rent was £29.0 psf per annum as at September 2018, while lease incentives were generally around 17.5% (for typical 10-year lease terms)
- ◆ Total available space in Thames Valley as at September 2018 was 6.7 million sf, 18% below the 5-year quarterly average
- ◆ Rent levels are expected to remain stable with limited new supply in Thames Valley

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



Source: CBRE Research, Q3 2018

Thames Valley take up, Q3 2018



Source: CBRE Research, Q3 2018

**Experience
matters.**



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