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# Frasers Commercial Trust

## Frasers Day Seoul

4 April 2018



# Important notice

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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.

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# FCOT Overview



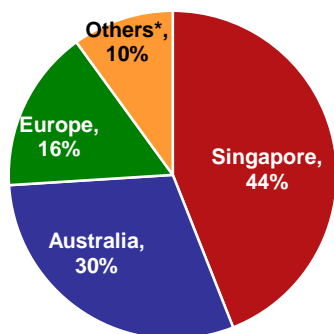
# Frasers Commercial Trust (“FCOT”) Overview

- ◆ Commercial property REIT sponsored by Frasers Property Limited (“Frasers Property”)
- ◆ Portfolio comprises primarily office/business space properties in Singapore and Australia
- ◆ Expanded investment mandate to Europe and acquired 50% interest in Farnborough Business Park, UK, in Jan 2018



Market capitalisation: S\$6.1 billion (listed on SGX-ST)  
 Total assets: S\$28 billion  
 Presence: 26 countries, 80 cities

**Frasers Property 1QFY18 total assets by geography**



1



Listed on SGX-ST: March 2006 (Stock code: Frasers Com Tr)^  
 Market capitalisation: S\$1.3 billion  
 Total assets: S\$2.1 billion  
 Free float: 73% (27% held by Frasers Property and its subsidiaries)  
 Presence: Currently 7 office and business space properties (total 2.9 mil sf) in Singapore, Australia and the United Kingdom#

2



(retail properties)

3



4



As at 31 Dec 2017.

Sources: Bloomberg, Frasers Property 2017 Results Presentation.

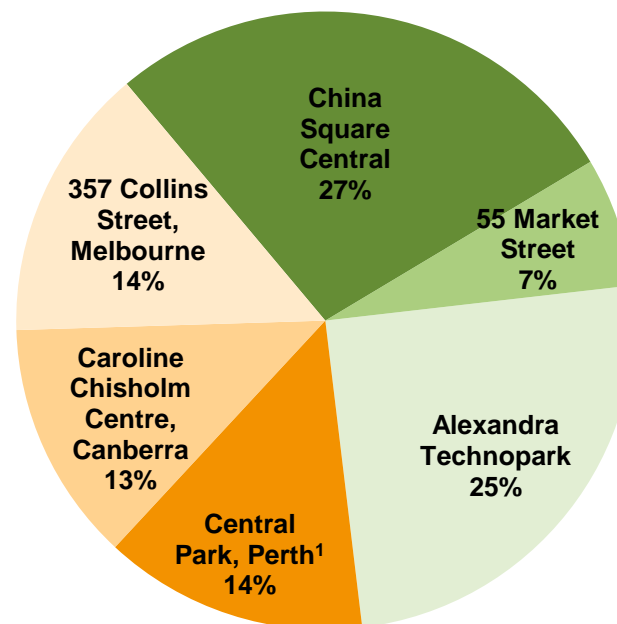
\* Includes Indonesia, Japan, Malaysia, New Zealand, the Philippines, Thailand and Vietnam.

^ Formerly known as Allco REIT, the Trust was renamed to Frasers Commercial Trust after Frasers Property acquired a stake in the Trust in August 2008.

# Completed the acquisition of 50% interest in Farnborough Business Park in the UK on 29 January 2018.

# Portfolio Overview Asset values

- ◆ Diversified portfolio with no single property accounting for more than 27% of portfolio value



## Asset values as at 31 December 2017<sup>2</sup>

Singapore	S\$	1,216.3 mil	59%
Australia	S\$	838.2 mil	41%
<b>Total</b>	<b>S\$</b>	<b>2,054.5 mil</b>	<b>100%</b>

1. Reflects FCOT's 50% interest in Central Park
2. Excludes 50% interest in Farnborough Business Park, UK which was acquired on 29 Jan 2018 for S\$161.3 million.

# FCOT Overview - Accolades

- ◆ FCOT has won various awards for good corporate governance, investor relations practices and sustainability reporting



SIAS  
INVESTORS'  
CHOICE  
AWARDS

Runner-up 2013, 2014 and 2015 in the Singapore Corporate Governance Award (REITs and Business Trusts Category) at the SIAS Investors Choice Award<sup>1</sup>



Asia Sustainability Reporting Awards

asra  
2016 FINALIST

Inaugural Sustainability Report in 2015 was a finalist for Asia's Best First Time Sustainability Report at the Asia Sustainability Reporting Awards 2016



THE 9TH ANNUAL  
GLOBAL CSR  
SUMMIT AND AWARDS 2017™

GLOBAL GOOD GOVERNANCE AWARDS™



- Gold, Best Governed and Most Transparent Company
- Gold, Best Corporate Communications and Investor Relations



SINGAPORE  
CORPORATE  
AWARDS

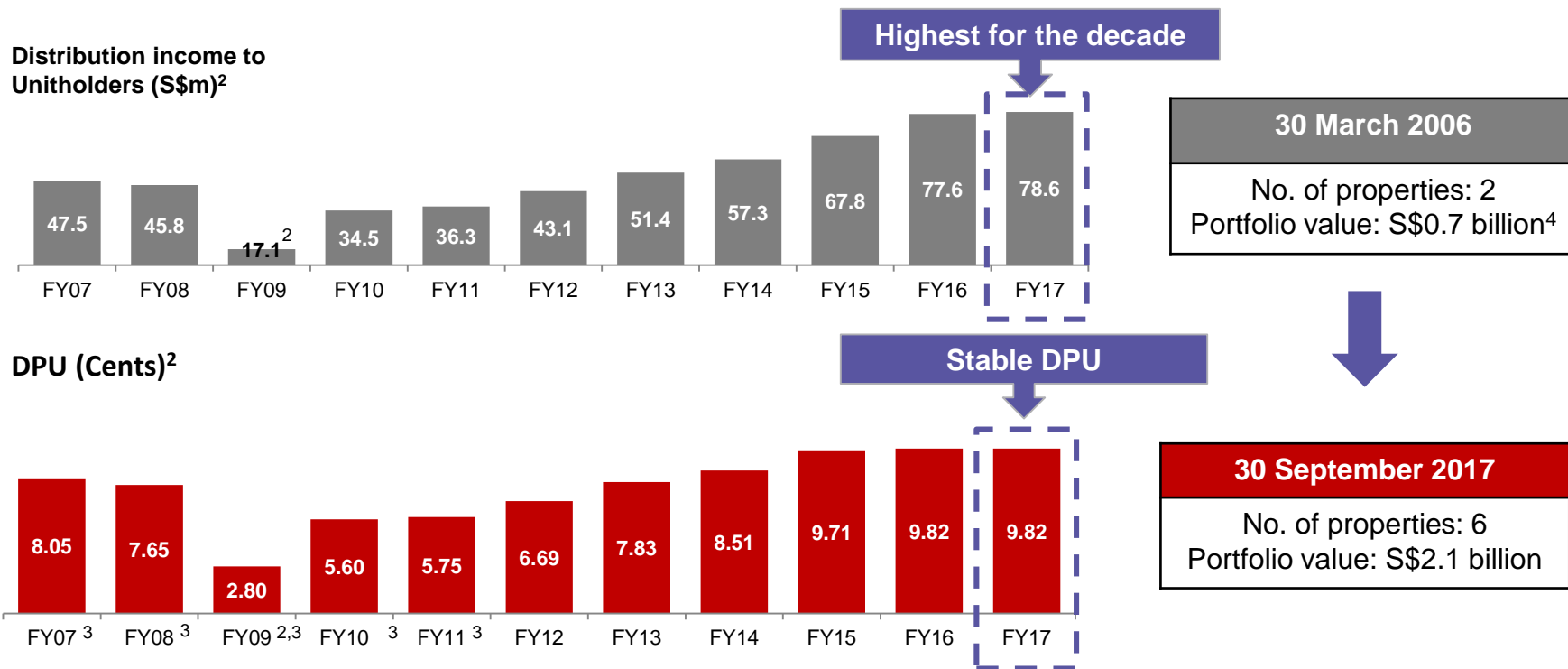
CELEBRATING THE BEST IN  
CORPORATE GOVERNANCE

- Gold, Best Annual Report 2017 in the Singapore Corporate Awards (REITS and Business Trusts Category)

1. There was no such category for REITs and Business Trust in 2016.

# Record Annual Distribution Income in FY17

- ◆ FCOT has been listed for 11 years since 30 March 2006 (initially as Allco Reit)
- ◆ Became part of Frasers Property Group in Aug 2008
- ◆ FY17 distribution income was the highest since listing
- ◆ 5-year total return of 49.0% exceeded the FTSE Straits Times Index's total return of 28.4%<sup>1</sup>



1. 5-year up to September 2017. Assumes dividends are reinvested. Source: Bloomberg.

2. On 26 August 2009, Frasers Commercial Trust changed its financial year end from 31 December to 30 September. As a result, FY09 comprised a 9-month period from 1 January to 30 September 2009.

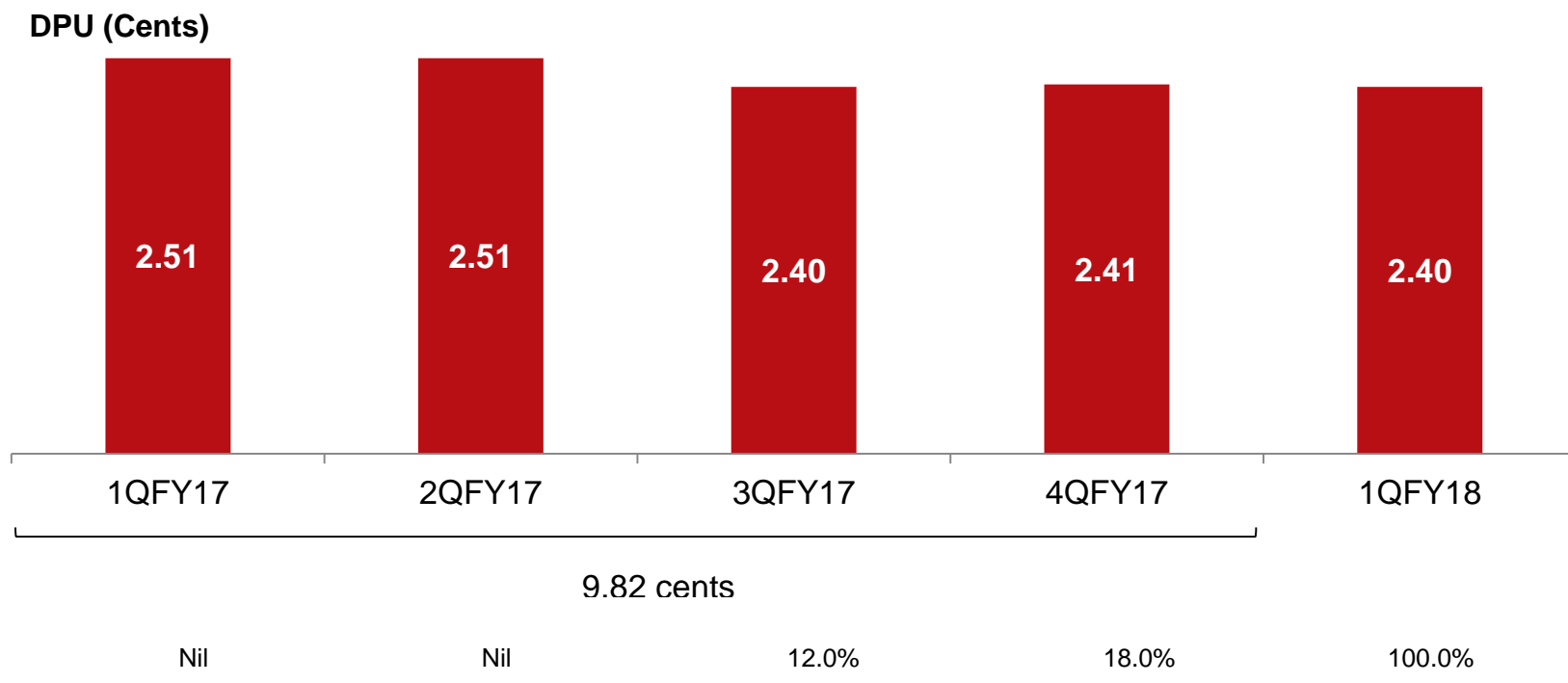
3. Adjusted for Unit consolidation.

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



# Stable DPU

- ◆ FY17 total DPU of 9.82 cents in-line with that of FY16
- ◆ 1QFY18 DPU held steady QoQ

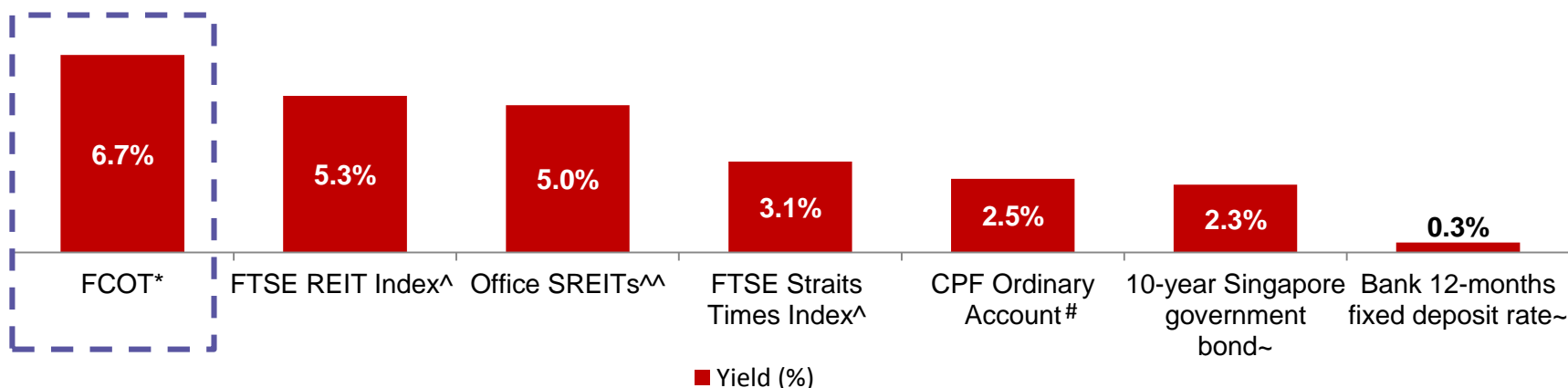


1. For full FY17, 18.2% of the Manager's management fees were taken in Units.

# Attractive yield

- ◆ FCOT offers an attractive yield and currently trades around 440 basis points above the 10-year Singapore government bond

## Yield (%)



### Preferential tax rates for investors

Individuals

Qualifying unitholders (Singapore incorporated and tax-resident companies)

Foreign unitholders (non-individual)

### Taxable dividends received\*\*

Gross

Gross, but income tax payable at own applicable tax rates

Net of 10.0% withholding tax

\* Based on FCOT's closing price of \$1.43 per Unit as at 29 Mar 2018 and annualised FY18 DPU of 9.52 cents (see 1QFY18 financial statements for details).

^ Based on the respective closing prices as at 29 Mar 2018 and the dividends in 2017. Source: Bloomberg.

^^ Based on closing prices as at 29 Mar 2018 and annualised DPU. Source: Bloomberg. Weighted average (based on market capitalisation) and comprised Frasers Commercial Trust, Keppel REIT, CapitaLand Commercial Trust and Suntec REIT.

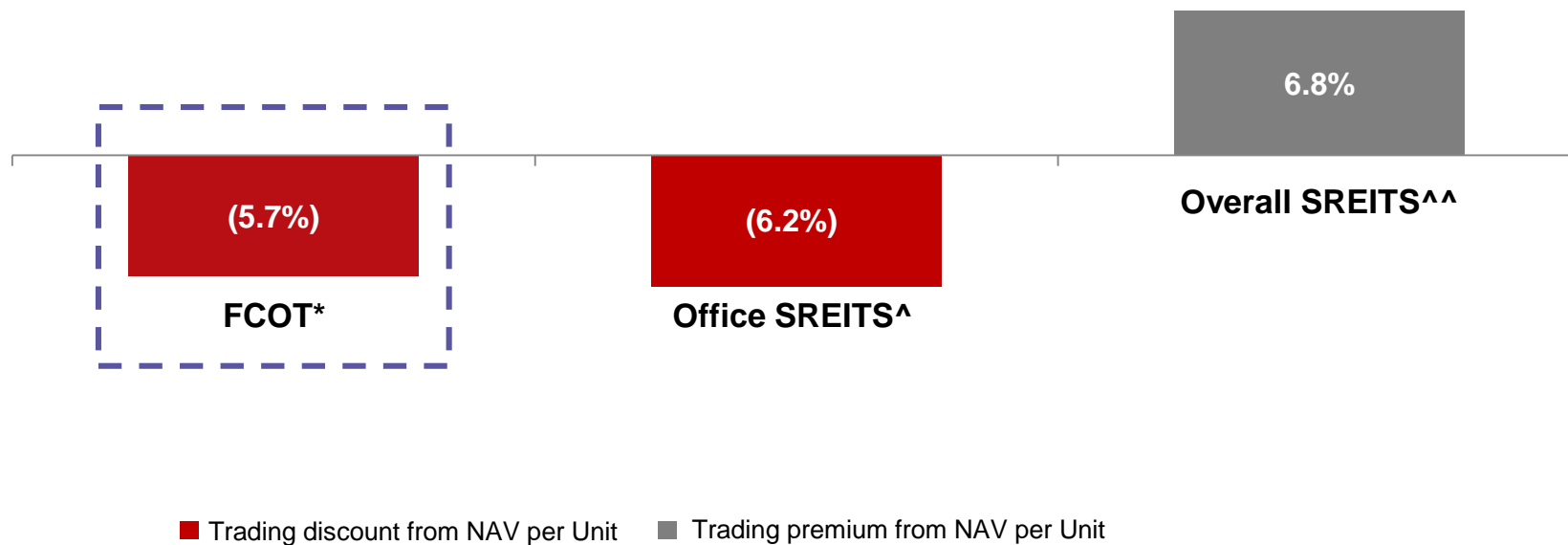
# Based on the interest rate paid on the Central Provident Fund (CPF) Ordinary Account from Jan 2018 to Mar 2018. Source: www.cpf.gov.sg.

~ As at Mar 2018. Source: www.mas.gov.sg.

\*\* Subject to declaration of tax status, and advice by investors' own tax advisors.

# Discount to NAV

Trading premium/discount to NAV per Unit (%)



\* Based on FCOT's closing price of \$1.43 per Unit as at 29 Mar 2018.

^ Based on closing prices as at 29 Mar 2018. Source: Bloomberg. Weighted average (based on market capitalisation) and comprised Frasers Commercial Trust, Keppel REIT, CapitaLand Commercial Trust and Suntec REIT.

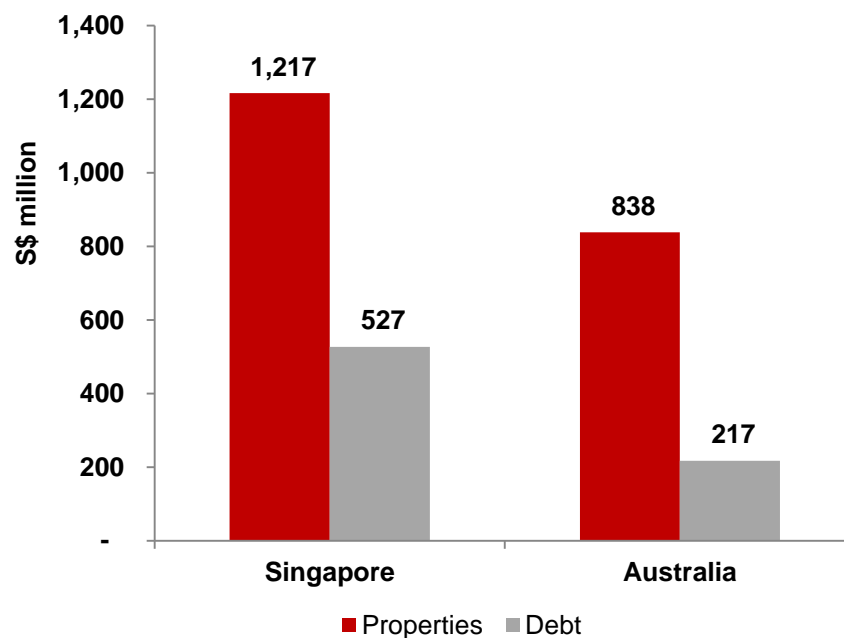
^^ Based on closing prices as at 29 Mar 2018. Source: Bloomberg. Weighted average figures (based on market capitalisation) for all Singapore REITs and real estate trusts.

# Debt statistics

- ◆ Healthy gearing of 34.8% as at 31 Dec 2017 (regulatory limit: 45%)
- ◆ Healthy interest coverage ratio of 4.1 times as at 31 Dec 2017
- ◆ All assets are unencumbered
- ◆ Borrowings in local currencies provide natural hedge for non-Singapore assets

Statistics	As at 31 Dec 2017
Total Assets (S\$'000)	2,138,936
Gross Borrowings (S\$'000)	744,244
Units on Issue and Issuable entitled to distribution	810,654,842
NAV per Unit (ex-DPU) (S\$) <sup>1</sup>	1.55
Gearing <sup>2</sup>	34.8%
Interest coverage ratio (times) <sup>3</sup>	4.3
Average borrowing rate <sup>4</sup>	3.04%
- Weighted average SGD debt rate	2.69%
- Weighted average AUD debt rate	3.88%
- Weighted average GBP debt rate	2.57%
FCOT Issuer rating by Moody's <sup>5</sup>	Baa2

## Borrowings and assets by currency (as at 31 Dec 2017)



1. Based on issued Units for the financial quarter ended 31 December 2017.

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 2017. See accompanying 1QFY18 Financial Statements announcement for details.

4. For quarter ended 31 December 2017.

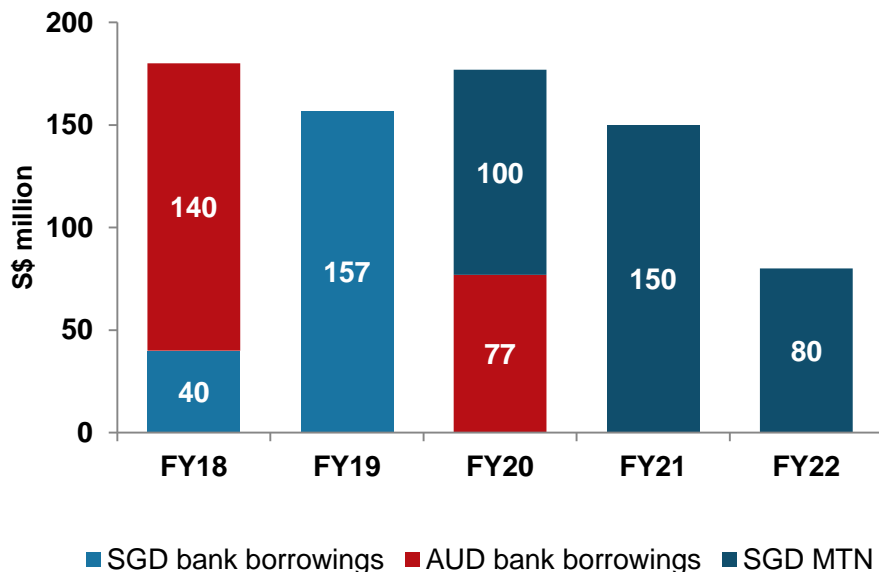
5. Moody's affirmed FCOT's Baa2 ratings with a negative outlook in its credit opinion report dated 19 March 2018.

# Well-spread debt expiry profile

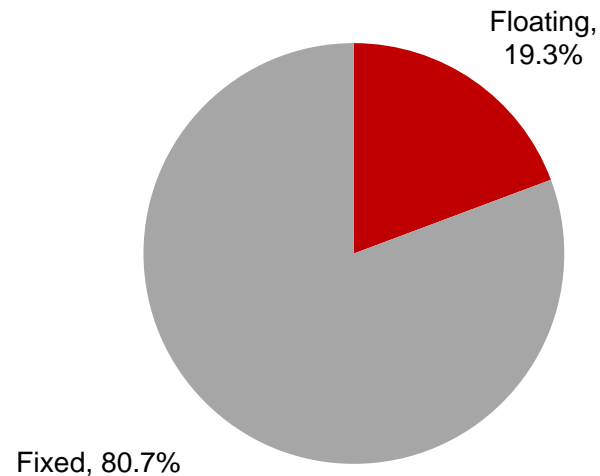
- ◆ Well-spread debt maturity profile, with not more than S\$180 million due in any financial year
- ◆ Refinancing of debt due in FY18 on-going
- ◆ 81% of gross borrowings on fixed rate

## Debt maturity

Total facilities: S\$744 million  
Weighted average term to maturity: 2.3 years



## Debt composition – floating vs. fixed interest rates





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# Expansion of Investment Mandate to Europe and Acquisition of 50% Interest in Farnborough Business Park, UK



# Summary of Transaction

- ◆ In Jan 2018 FCOT expanded investment mandate to Europe, with initial focus on the United Kingdom (“UK”)
- ◆ 50:50 joint venture with Frasers Property to acquire Farnborough Business Park for £174.6 million<sup>1</sup>

<b>Description</b>	◆ <b>Farnborough Business Park:</b> High quality business park of 14 commercial buildings located in Thames Valley, UK <sup>2</sup>							
<b>Purchase consideration</b>	◆ £174.6 <sup>1</sup> million (S\$314.8 million) based on adjusted NAV of target company, on a debt-free basis							
<b>Property Valuation</b>	◆ £175.05 million <sup>3</sup>							
<b>FCOT's funding</b>	<ul style="list-style-type: none"> <li>◆ Total acquisition cost funded by a combination of debt (38%) and equity (62%)           <ul style="list-style-type: none"> <li>➢ Raised S\$100 million from a private placement in February 2018. Over 5x subscribed at top end of price range (S\$1.48 per Unit, reflecting 1.4% discount to adjusted VWAP)<sup>4</sup></li> <li>➢ Issued S\$60 million five-year senior unsecured notes due in 2023 with a fixed rate of 3.185% in February 2018, to be swapped into Pound Sterling.</li> </ul> </li> </ul>	<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="padding-right: 10px;"><b>FCOT's share</b></td> <td style="background-color: #808080; color: white; text-align: center;"><b>£174.6</b></td> </tr> <tr> <td style="padding-right: 10px;"><b>Frasers Property's share</b></td> <td style="background-color: #800000; color: white; text-align: center;">£87.3</td> </tr> <tr> <td colspan="2" style="border-top: 1px solid black; text-align: right;"><b>Purchase consideration</b></td> </tr> </table>	<b>FCOT's share</b>	<b>£174.6</b>	<b>Frasers Property's share</b>	£87.3	<b>Purchase consideration</b>	
<b>FCOT's share</b>	<b>£174.6</b>							
<b>Frasers Property's share</b>	£87.3							
<b>Purchase consideration</b>								
<b>Completion date</b>	◆ 29 January 2018							
<b>Investment mandate expansion</b>	<ul style="list-style-type: none"> <li>◆ Expansion of investment mandate to include commercial real estate assets (primarily office, business space and/or business parks) in Europe including the UK</li> <li>◆ FCOT intends to focus initially on the UK</li> </ul>							

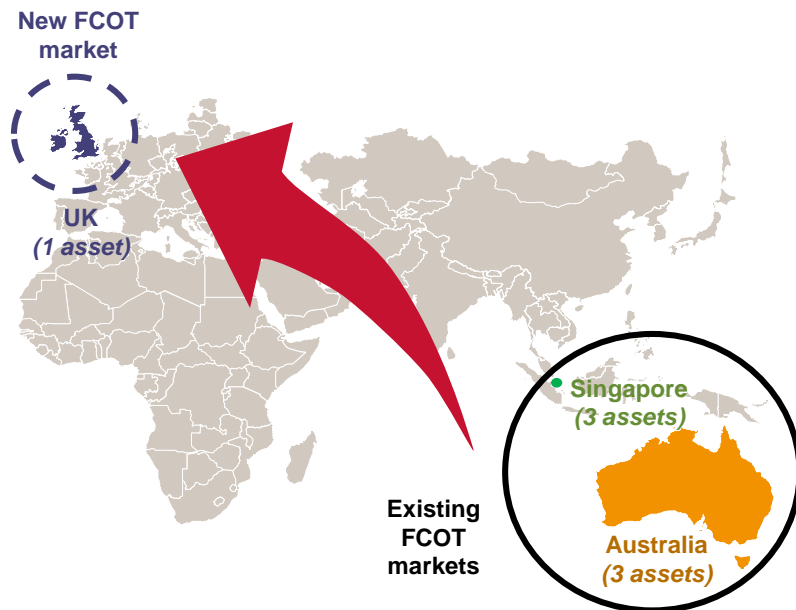
Exchange rate applied of £1 : S\$1.8030 where applicable as at 11 December 2017.

1. Estimated net asset value of HEREF Farnborough Limited, which holds Farnborough Business Park, based on an agreed property value of £175.0 million and working capital in the company. The estimated net asset value is subject to post-completion adjustment and the actual amount of purchase consideration would only be determined after the completion date.
2. Includes a car showroom to be built, which is pre-let and expected to be completed by January 2019. Farnborough Business Park also includes five freehold reversions subject to long leaseholds and four listed buildings relating to British aviation history.
3. Based on the valuation report by BNP Paribas Real Estate Advisory & Property Management UK Limited dated 11 December 2017.
4. Refer to announcement dated 24 January 2018.

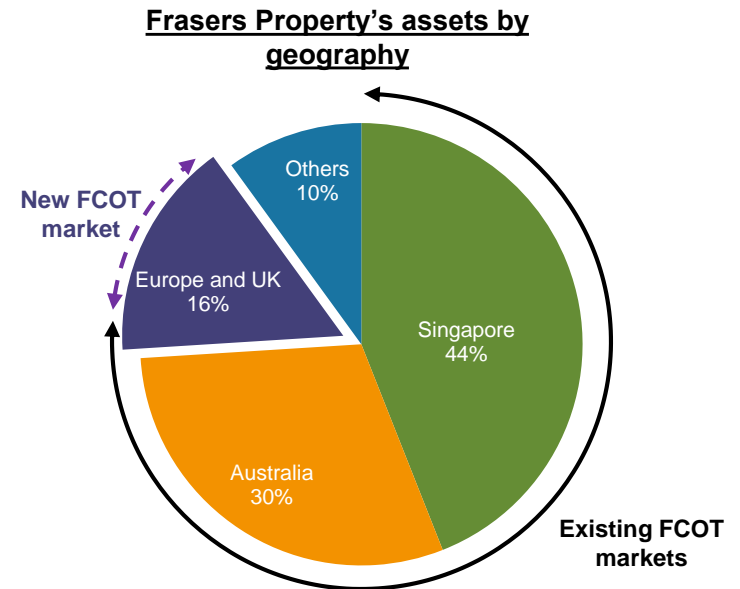
# Expansion of investment mandate – synergistic alignment to Sponsor for growth and diversification

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

Enhanced diversification from broadened mandate

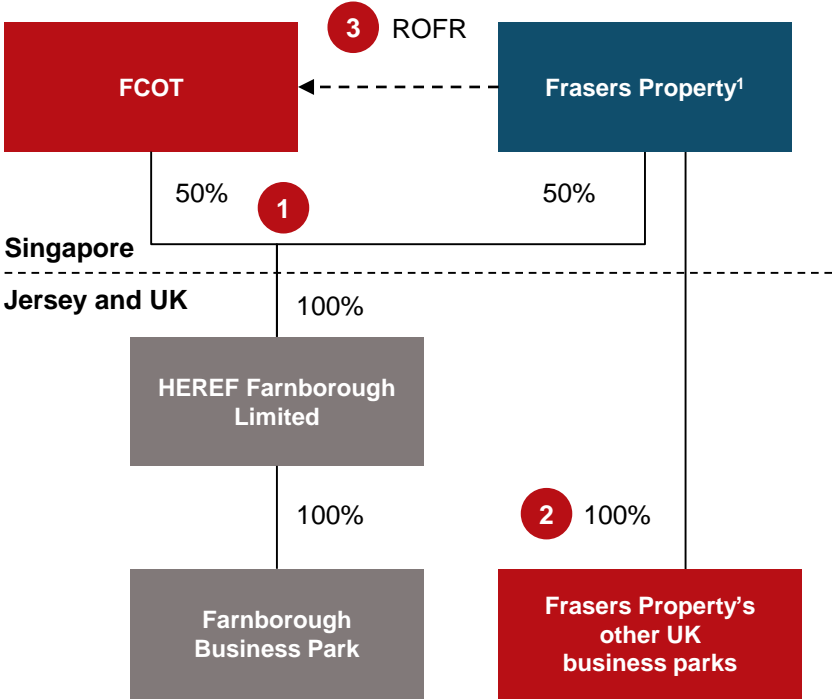


Alignment with Sponsor's top 3 geographical markets



# Joint venture structure – synergistic alignment

Synergistic joint venture structure to leverage on Frasers Property's network and platform strengths in the UK



1 50:50 joint acquisition with Sponsor

2 Network effect with Frasers Property's platform

3 ROFR for future growth

1. Through Frasers Property International Pte. Ltd

# High-quality and strategically located business park

**46.5**  
**hectares**  
freehold land

**~555k sq**  
**ft**  
NLA

**8.3 years**  
long WALE<sup>1</sup>

**98.1%**  
occupancy rate<sup>2</sup>

**89%**  
tenant retention<sup>3</sup>

**36**  
quality tenants<sup>4</sup>



**Award-winning and well-located business park with 14 high quality buildings that offer an integrated live-work-play proposition<sup>5</sup>**

1. By gross rental income as at 30 September 2017 after taking into account certain rent guarantees and reimbursement of rent free incentives from the vendor for existing leases and potential lease breaks/lease expirations in 2018. The weighted average lease to termination ("WALT") (after accounting for rights to break) is 5.9 years. Please refer to FCOT's announcement dated 14 December 2017 for further details.  
 2. As at 30 September 2017 and after adjusting for leases for which the tenants have exercised their rights to break.  
 3. Since 2012.  
 4. As at 30 September 2017 and after taking into account committed pre-leases to two new tenants.  
 5. Farnborough Business Park also includes five freehold reversions subject to long leaseholds and four listed buildings relating to British aviation history.



# High-quality and strategically located business park (cont'd)

Single-ownership business park with a site area of 46.5 hectares



**34 min**  
train ride to  
Waterloo Station

Connected to key  
motorway  
junctions 4 and 4a  
of M3

**40 km**  
to Heathrow  
Airport

**1.6 km**  
to Farnborough  
Town Centre

Adjacent to TAG  
Farnborough Airport  
and Farnborough  
International Exhibition  
& Conference Centre

 Farnborough Business Park site area

# High-quality and strategically located business park (cont'd)

Selected developments within and adjacent to the property<sup>1</sup>



1. Includes certain lots sold as long leaseholds.  
2. Adjacent to, and is not part of, Farnborough Business Park



# High-quality and strategically located business park (cont'd)

Differentiated business park integrating lifestyle and community with a live-work-play focus

## Integrated communities with high quality amenities



Integrated business community with high quality amenities focused on delivering a stimulating and enriching business campus environment



**Attractive business campus:** Mixed-use business environment in Thames Valley that has attracted blue-chip companies to relocate their corporate headquarters, such as Fluor Limited



**Cluster effect:** Concentration of skilled talent pool from key business clusters including manufacturing, financial & business services and hi-tech sectors



**Modern amenities:** Provision of on-site amenities with >300,000 sq ft of modern retail and other facilities



**Healthy tenant retention:** Has proven appeal to occupiers with healthy tenant retention ratio of 89% since 2012

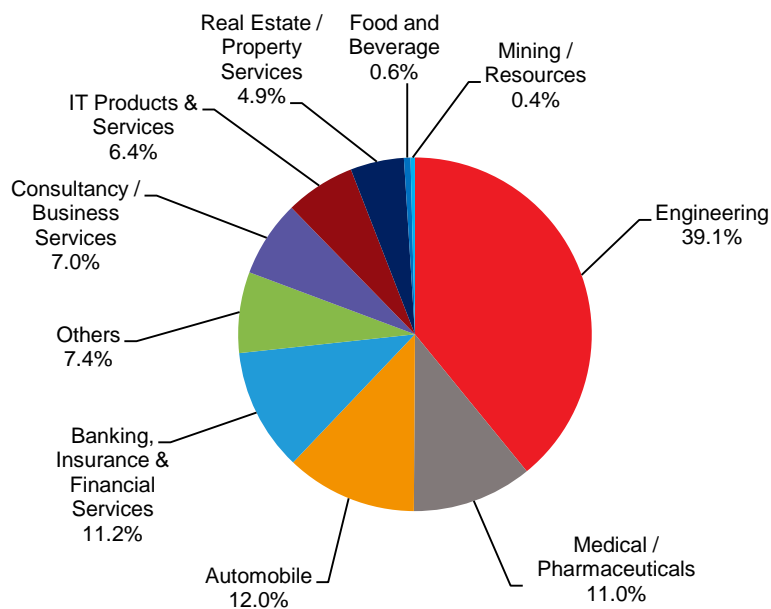


**Award-winning business park:** Won BCO award for excellent office space, Green Flag award for well-managed green space and BALI landscape award

# High-quality and strategically located business park (cont'd)

## Strong and diversified tenant base

### Diversified trade sector mix<sup>1</sup>



**Primarily focused on engineering, medical, pharmaceuticals and automobile sectors**

### High quality tenant base<sup>1</sup>

#	Top ten tenants by rental income	Sector	% Gross rental income	Credit rating
1	Fluor Limited	Engineering	35.6%	A3 / A-
2	INC Research UK Ltd	Medical / Pharmaceuticals	10.8%	Ba2 / BB-
3	Time Inc (UK) Ltd	Publisher	6.5%	B1 / B
4	Bolling Investments Limited	Automobile	6.3%	n/a
5	Aetna Global Benefits (UK) Ltd	Insurance	5.9%	Baa2 / A
6	Barons Farnborough Limited	Automobile	4.7%	n/a
7	Red Hat UK Limited	IT	4.2%	BBB
8	CapQuest Debt Recovery Ltd	Financial services	3.3%	n/a
9	A unit of Regus	Service office	3.2%	n/a
10	Corporate Media Partners Limited	Consultancy	1.8%	n/a

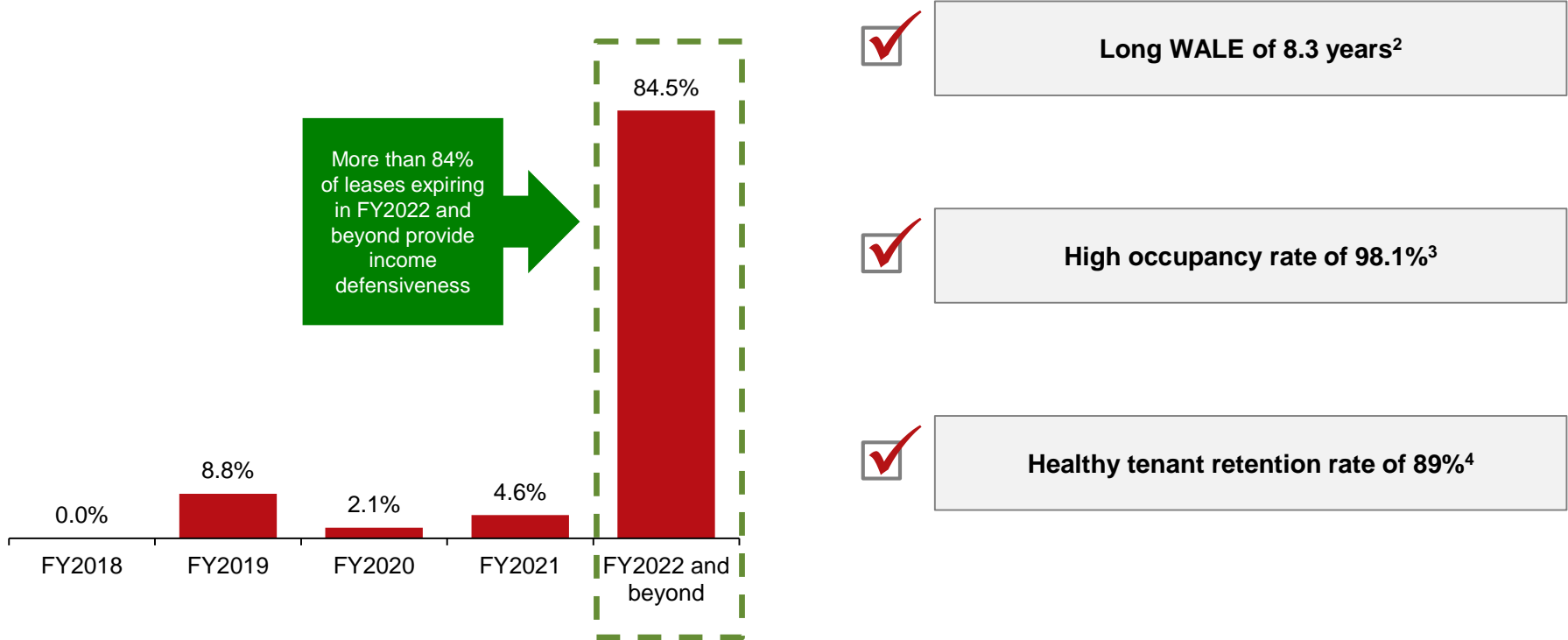
Data as at 30 September 2017. Excluding lease incentives and retail turnover rent, if any.

1. Taking into account certain rent guarantees and reimbursement of rent free incentives from the vendor for existing leases and potential lease breaks / lease expirations in 2018 and committed pre-lease to Bolling Investments Limited to occupy a car showroom (construction to commence in 1Q 2018 and expected to be completed by January 2019)

# High-quality and strategically located business park (cont'd)

## Strong defensive attributes

### Lease expiry profile by gross rental income<sup>1</sup>



Data as at 30 September 2017. Excluding lease incentives and retail turnover rent, if any.

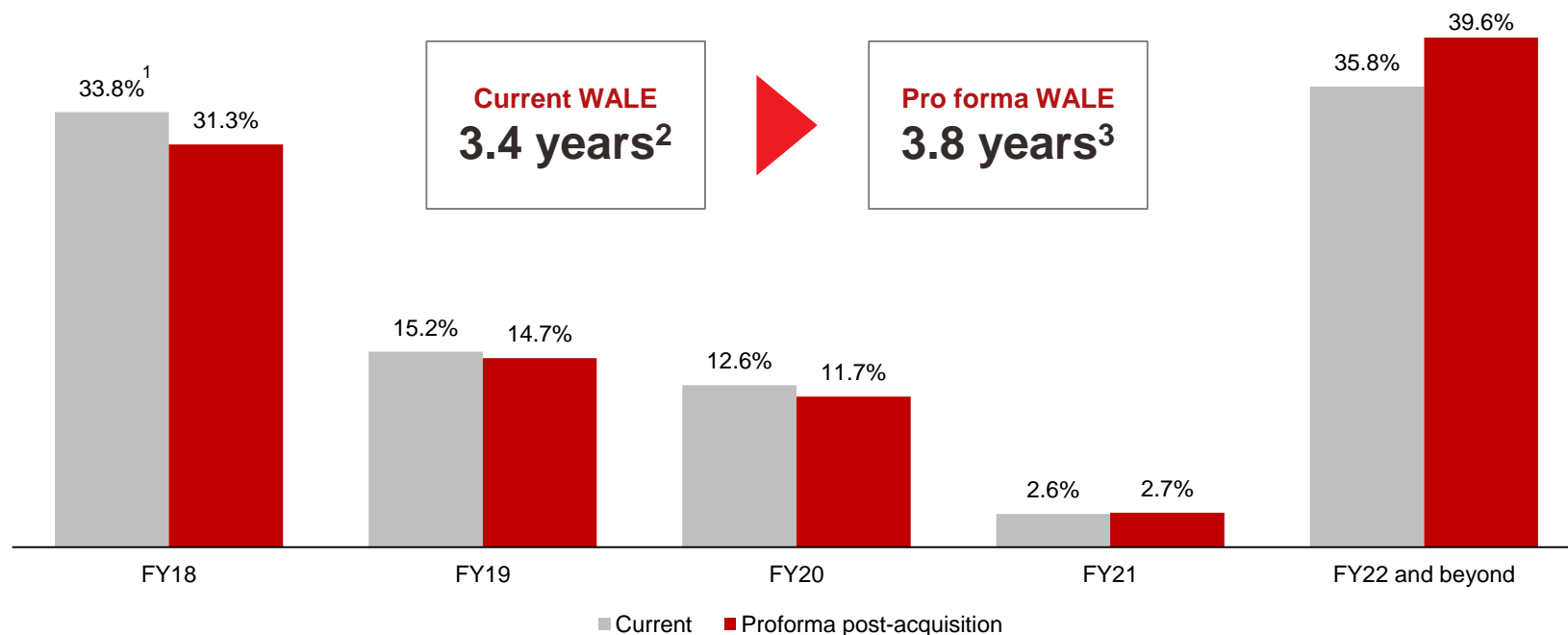
1. After taking into account certain rent guarantees and reimbursement of rent free incentives from the vendor for existing leases and potential lease breaks/ expirations in 2018.
2. By gross rental income after taking into account rent guarantees and reimbursement of rent free incentives from vendor for existing leases and potential lease breaks / lease expirations in 2018. The weighted average lease to termination ("WALT") (after accounting for rights to break) is 5.9 years.
3. After adjusting for leases for which the tenants have exercised their rights to break.
4. Since 2012.



# DPU-accretive acquisition and strengthens FCOT's portfolio

Improved lease expiry profile for enlarged portfolio

## Portfolio lease expiry profile by gross rental income



Data as at 30 September 2017. Excluding lease incentives and turnover rent, if any

1. Lease expiries in FY2018 has taken into account the space committed by an entity of Rio Tinto Limited for 12 years at Central Park commencing in FY2018 of 5.5%. Inclusive of the premises at Alexandra Technopark which were not renewed by Hewlett-Packard Enterprise and Hewlett-Packard Singapore upon lease expirations on 30 November 2017 (totalling 3.1%).
2. Adjusted for, among others, space committed by an entity of Rio Tinto Limited at Central Park on a new 12-year lease commencing in FY2018 and leases constituting 6.8% portfolio GRI which were not renewed by Hewlett-Packard Enterprise Singapore Pte Ltd at Alexandra Technopark upon lease expirations on 30 September 2017 and 30 November 2017 (refer to FCOT's announcement dated 22 September 2017 for further details). On 3 November 2017, FCOT announced that premises constituting a further 1.5% of portfolio GRI would not be renewed by Hewlett-Packard Singapore Pte Ltd at Alexandra Technopark upon lease expiration on 30 November 2017 (refer to FCOT's announcement dated 3 November 2017 for details).
3. Based on committed gross rental income and excluding lease incentives and turnover rent, if any, and taking into account rent guarantees and reimbursement of rent free incentives from the vendor for existing leases and potential lease breaks / lease expirations in 2018. The WALT (after accounting for rights to break) is 3.6 years

# Portfolio synergies and platform strength

Excellent connectivity and strategic network effect from Frasers Property's cluster of business parks

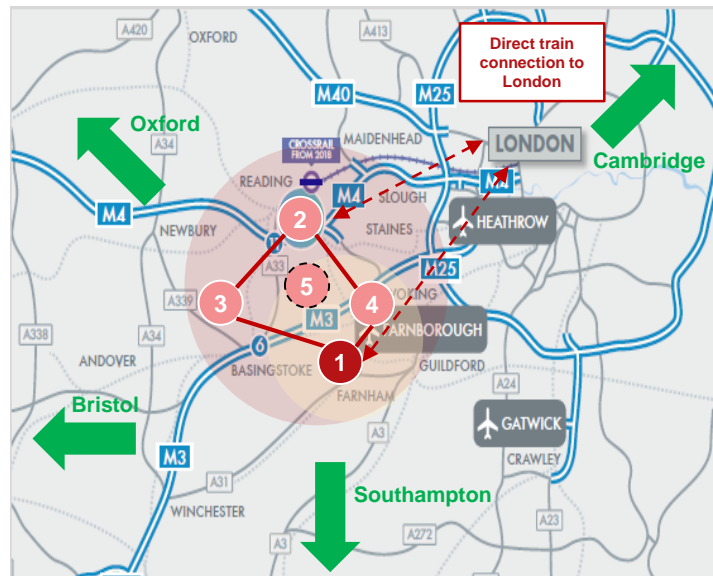


**Network effect:** Synergistic network effect between Frasers Property's other business parks in Thames Valley and Farnborough Business Park



**Unique positioning:** premium business park located adjacent to TAG Farnborough Airport and Farnborough International Exhibition & Conference Centre

## Frasers Property Group's Thames Valley network



Thames Valley Blackwater Valley

## Excellent transport connectivity

	ROAD	RAIL	AIR
<b>1</b> Farnborough Business Park	✓ 5 km to M3 29 km to M25	✓ 34 min to London Waterloo Stn	✓ 40 km to Heathrow 1.6 km to TAG Farnborough Airport
<b>2</b> Winnersh Triangle	1.6 km to M4 – J10 26 km to M25 – J48	8 min to Reading Stn 30 min to Paddington Stn	37 km to Heathrow
<b>3</b> Chineham Park	5 km to M3 – J6 45 km to M25 – J2	16 min to Reading Stn	64 km to Heathrow
<b>4</b> Watchmoor Park	1 km to M3 – J4 8 km to M25 – J2	34 min to London Waterloo Stn	29 km to Heathrow
<b>5</b> Maxis <sup>(1)</sup>	8 km to M4 – J10 63 km to Central London	54 min <sup>(2)</sup> to Paddington Stn 62 min to London Waterloo Stn	32 km to Heathrow

● FCOT / Frasers Property ● Frasers Property

1. Acquisition of Maxis by Frasers Property is subject to certain conditions precedent.  
2. Via Reading.

# A key and well-established business location

Well located in the Blackwater Valley with strong economic and demographic fundamentals

## Strong micro-market fundamentals



### Presence of key business clusters:

- Manufacturing
- Financial & business services
- Hi-tech, TMT
- Aerospace



### Availability of quality workforce:

- Large workforce: **85%** working age population
- Quality workforce: **>60%** office-based workforce



### Availability of quality talent pool:

- Access to over **340k** university students from universities in South East UK

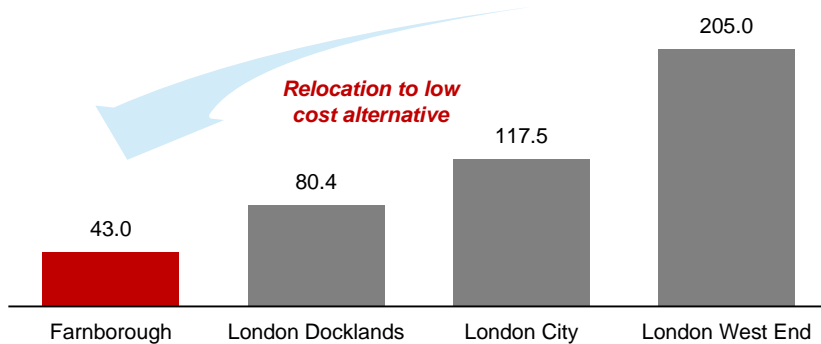
## Selected blue-chip tenants located in Blackwater Valley

# Resilient market conditions

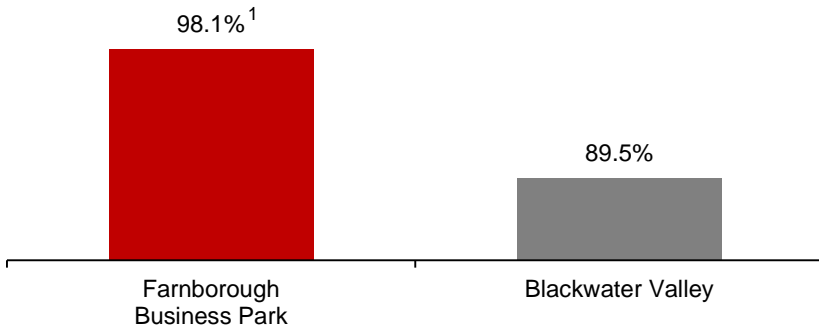
Resilient UK business park market supported by cost efficient positioning and favourable demand-supply dynamics

## Cost-efficient alternative to CBD and London locations

Total occupier cost (£ psf pa)

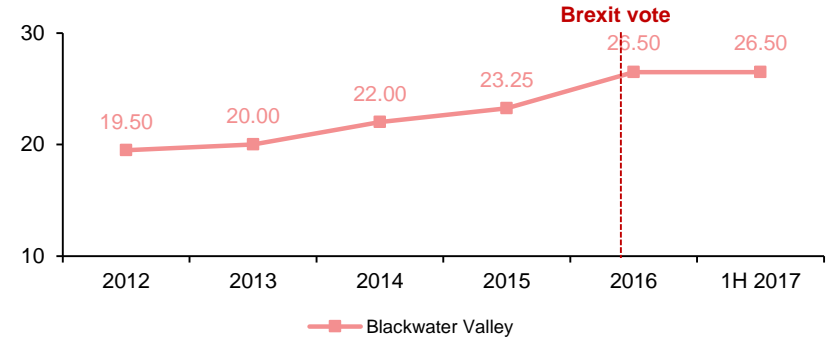


## Office occupancy rates in Blackwater Valley



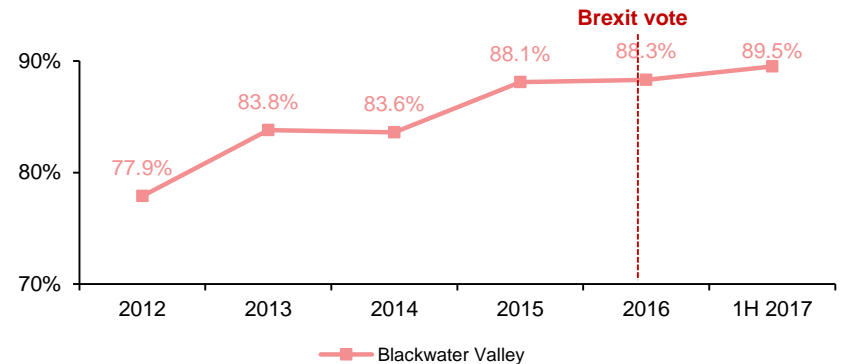
## Resilient rental trends despite Brexit vote

Top rents £ psf pa



## Demand and supply trends driving healthy occupancy rates

Occupancy rate



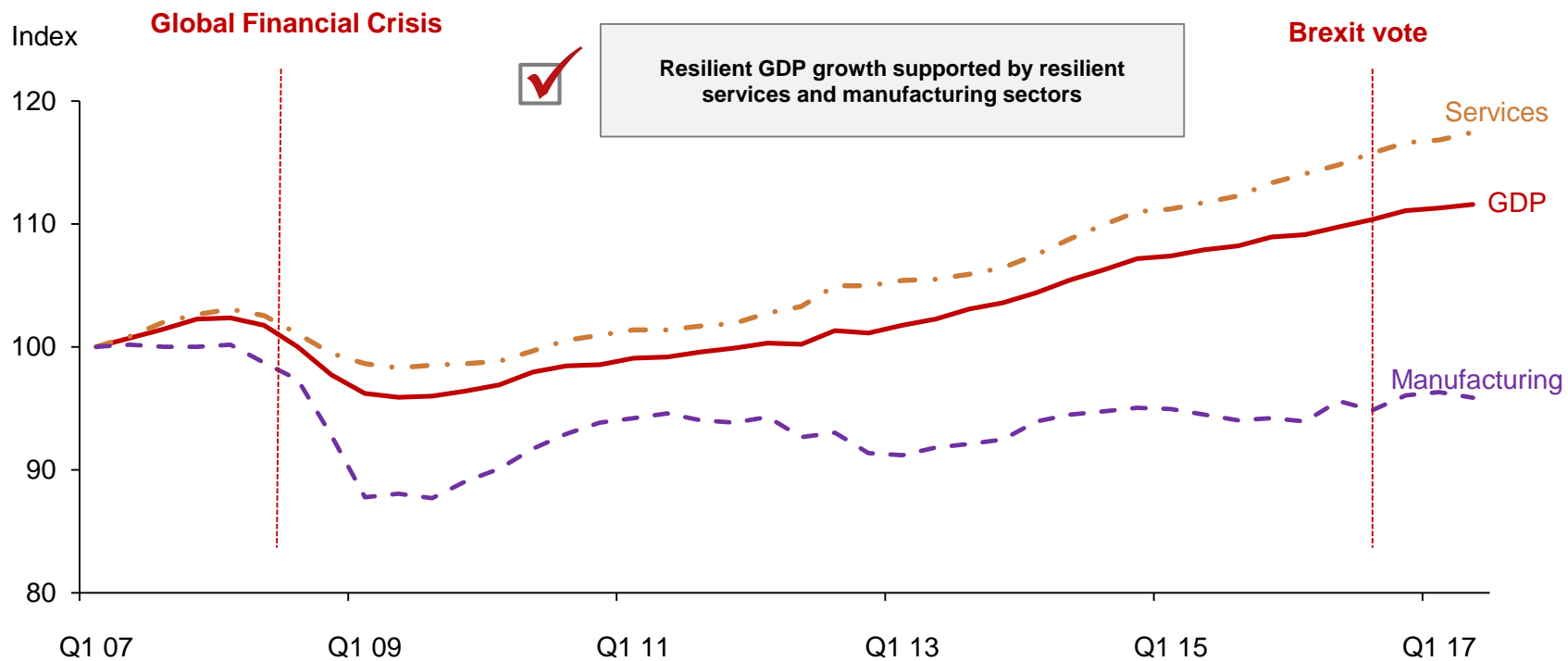
Source: Based on the valuation report by BNP Paribas Real Estate Advisory & Property Management UK Limited dated 11 December 2017.

1. As at 30 September 2017 and after adjusting for leases which tenants have exercised their rights to break.

# Resilient UK economy

Access to the 5th largest economy globally with resilient economic performance post-Brexit vote

## UK GDP

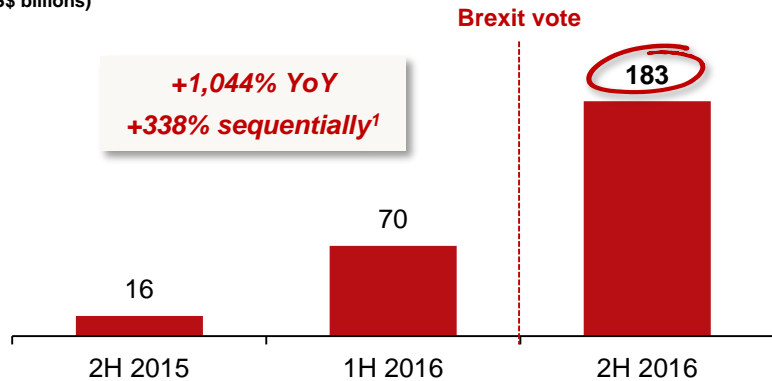


# Resilient UK economy (cont'd)

## Robust FDI inflows and robust domestic business performance

### Resilient FDI inflows

(US\$ billions)

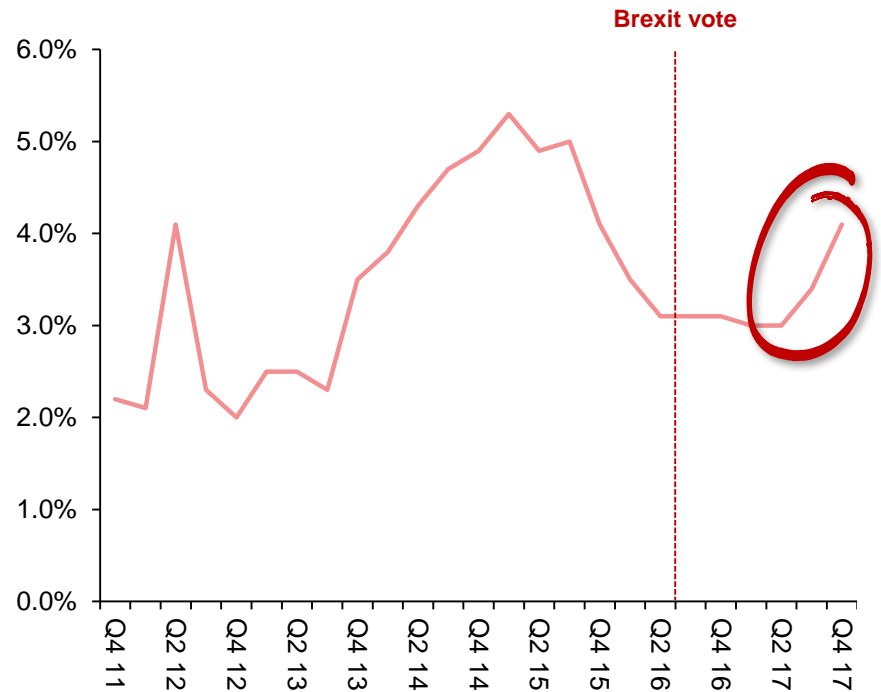


### FDI supported by large global institutions



### Domestic profits picking up

Average change in profits (%)



Source: OECD, Office for National Statistics, Bloomberg LP, Institute of Chartered Accountants in England and Wales.

1. Refers to growth in FDI inflows from 2H 2015 to 1H 2016

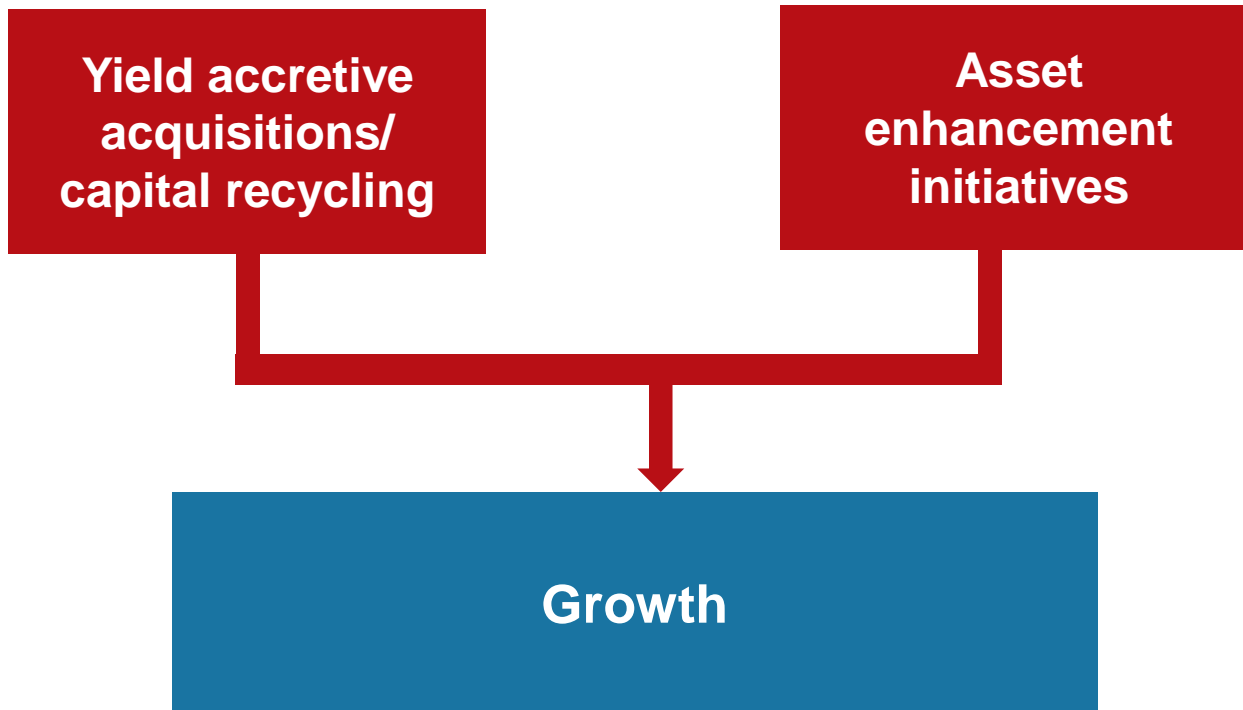


# Growth Strategies



Artist's impression of entrance to Alexandra Technopark, Singapore

# Growth strategies



# Over S\$4bn ROFR Pipeline

FCOT has Right of First Refusal over Frasers Property Group's Office/Business Space/Business Park assets in Asia-Pacific and Europe, currently worth more than S\$4bn

## Selected Singapore assets owned by Frasers Property



**Frasers Tower<sup>1</sup>**



**Alexandra Point**



**51 Cuppage Road**



**Valley Point**

## Selected Australia assets owned by Frasers Property



**1B Homebush Bay Drive**



**2 Southbank Boulevard**



**1D Homebush Bay Drive**



**Rhodes Corporate Park (Bldg F)**

## Selected UK assets owned by Frasers Property



**Winnersh Triangle**



**Chineham Park**



**Watchmoor Park**



**Farnborough Business Park<sup>2</sup> (50%)**

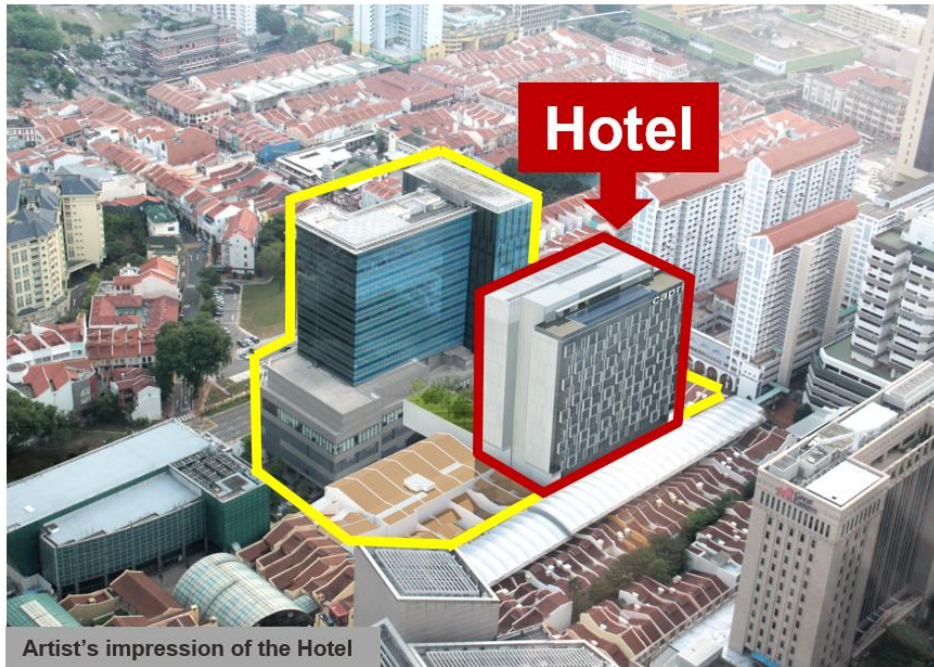
Source: Frasers Property 2017 annual report and announcements.

1. Currently under development.
2. Frasers Property's 50% interest.

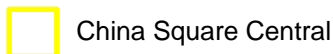


# Developments at China Square Central

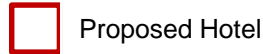
- ◆ Construction works for the development of the 16-storey Hotel and Commercial Project<sup>1</sup> are on track and expected to be completed by mid-2019
- ◆ New retail and commercial spaces with better frontages and visibility will also be created<sup>2</sup>
- ◆ The new Capri by Fraser hotel will bring increased activity to rejuvenate China Square Central



Artist's impression of the Hotel



China Square Central



Proposed Hotel



Construction hoarding along Nankin Mall

1. Undertaken by an entity of Frasers Centrepoint 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.

# Enhancement of China Square Central retail podium

- ◆ Written permission obtained for rejuvenation and repositioning of retail podium at 18 Cross Street
- ◆ S\$38 million<sup>1</sup> project in progress and expected to complete by mid-2019<sup>1</sup>
- ◆ NLA to potentially increase to c.75,000 sf<sup>1</sup> from c.64,000 sf currently
- ◆ Improved tenant mix focusing on F&B, wellness and services
- ◆ To benefit from uplift in human traffic from Capri by Fraser opening in 2019



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



# Asset enhancement at Alexandra Technopark

- ◆ \$45 million AEI and re-branding on track to complete around mid-2018
- ◆ Creating a contemporary business campus with greater connectivity and a more activated, stimulating and engaging environment
- ◆ Tenants can look forward to a generous offering of wellness, lifestyle, social and other amenities
- ◆ New amenities include futsal courts, end-of-trip facilities, exercise areas and meeting facilities



Artist's impression of Central Plaza, a new amenity hub



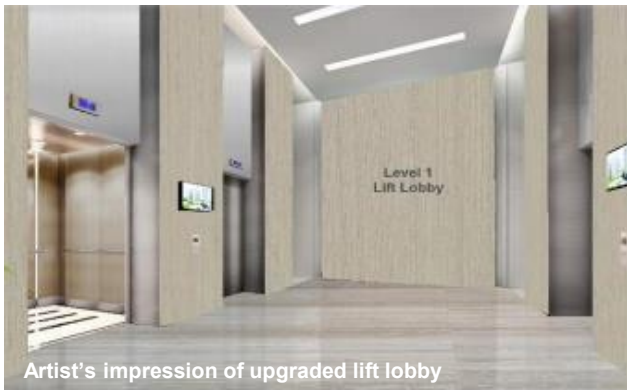
Artist's impression of entrance to Alexandra Technopark

# Asset enhancement at Alexandra Technopark

- ◆ Wide range of amenities and facilities will be introduced for an enriching and stimulating environment
- ◆ Tenants can look forward to a generous offering of wellness, lifestyle, social and other amenities



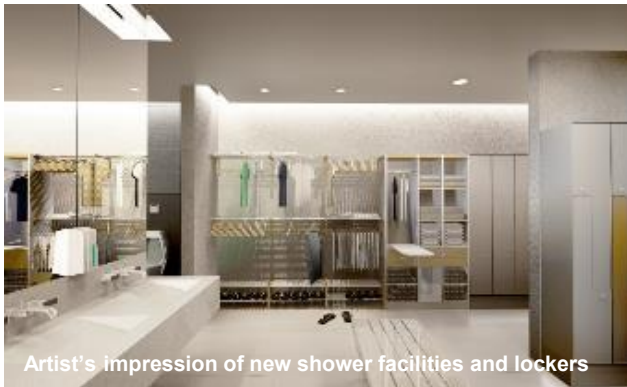
Artist's impression of Central Plaza, a new amenity hub



Artist's impression of upgraded lift lobby



Artist's impression of new bicycle racks



Artist's impression of new shower facilities and lockers

New amenities include:

- ✓ Amenity hub
- ✓ Futsal courts
- ✓ Extensively landscaped garden environment
- ✓ End-of-trip facilities
- ✓ Farming plots for tenants to grow their own greens
- ✓ Bicycle and pedestrian paths
- ✓ Barbeque pits
- ✓ Exercise areas



# Appendix

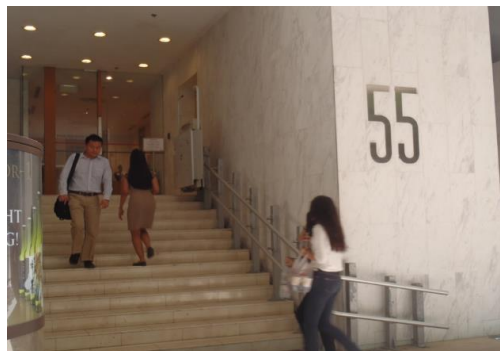


# Portfolio Update Singapore assets

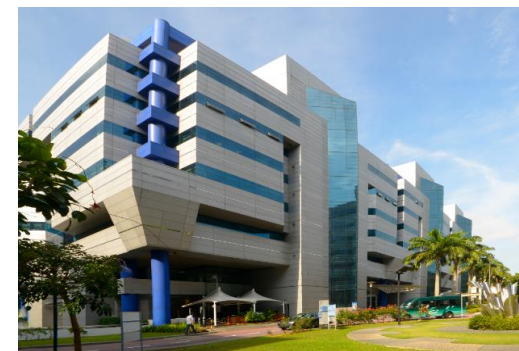
**China Square Central – stable occupancy for office tower**



**55 Market Street – stable occupancy**



**Alexandra Technopark – rejuvenation and repositioning underway**



<b>Occupancy</b>	93.2% <sup>1,2</sup> (office tower: 93.0%) <sup>1,2</sup>	90.0%	79.9% <sup>1</sup>
<b>WALE</b>	1.5 years	1.6 years	1.5 years
<b>New leases, committed and renewals</b>	WeWork Singapore Pte Ltd, MW Medical Pte Ltd, Equinix Asia Pacific Pte Ltd, Berkley Insurance Company (Singapore Branch)	Itron Metering Systems Singapore Pte Ltd	Olympus Singapore Pte Ltd, DISA Limited, Hewlett-Packard Singapore Pte Ltd, Fujikura Asia Limited

## Tenants



Data as at 31 December 2017.

1. Committed occupancy as at 31 December 2017.

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 6.7 years\***



**Caroline Chisholm Centre – full occupancy with long WALE of 7.5 years**



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



<b>Occupancy</b>	71.6%**	100.0%	98.9%
<b>WALE</b>	1.7 years (6.7 years with new leases*)	7.5 years	3.4 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^)	Frasers Property Management Services Pty Limited

**Tenants**



Data as at 31 December 2017.

\* Adjusted for, among other things, space committed by an entity of Rio Tinto Limited on a new 12-year lease commencing in FY18 and space that Rio Tinto Limited will be returning by end-FY18 as part of its partial relocation to new premises under the new lease. Actual occupancy on 31 December 2017 was 64.6%.

# Committed occupancy as at 31 December 2017.

^ Based on Moody's rating in August 2017.



# Portfolio Review Top-10 tenants

- ◆ MNCs, government department and public listed companies
- ◆ Established names and well diversified across various sectors
- ◆ Contribute 58% of portfolio gross rental income, with a WALE of 4.5 years at 31 Dec 2017

## Top 10 tenants by gross rental income

Tenant	Property	Sector	Lease Expiry	% (Gross Rental Income) <sup>1</sup>
Commonwealth of Australia	Caroline Chisholm Centre	Government	Jul-25	16.9%
Hewlett-Packard Singapore Pte Ltd	Alexandra Technopark	IT Products & Services	Jan-18 to Dec-18	11.1%
Rio Tinto Limited <sup>2</sup>	Central Park	Mining/ resources	Jun-18/ Jun-30 <sup>2</sup>	7.5%
Commonwealth Bank of Australia	357 Collins Street	Banking, insurance & financial services	Dec-22	6.5%
GroupM Singapore Pte Ltd	China Square Central	Consultancy/ business services	Mar-19	3.6%
Service Stream Ltd	357 Collins Street	Multimedia & Telecommunications	Dec-19	3.4%
Microsoft Operations Pte Ltd	Alexandra Technopark	IT Products & Services	Jan-22	3.1%
Suntory Beverage & Food Asia Pte Ltd	China Square Central	Food & beverage	May-20	2.8%
Equinix Asia Pacific Pte Ltd	China Square Central	IT Products & Services	Feb-21	1.4%
Nokia Solutions and Networks (S) Pte Ltd	Alexandra Technopark	Multimedia & Telecommunications	Feb-21	1.3%
<b>Total</b>				<b>57.6%</b>



Australian Government



CommonwealthBank



RioTinto

1. Data as at 31 December 2017 and excludes lease incentives and retail turnover rents, if any.

2. Based on the space committed by an entity of Rio Tinto Limited on a new 12-year lease at Central Park commencing in FY18.

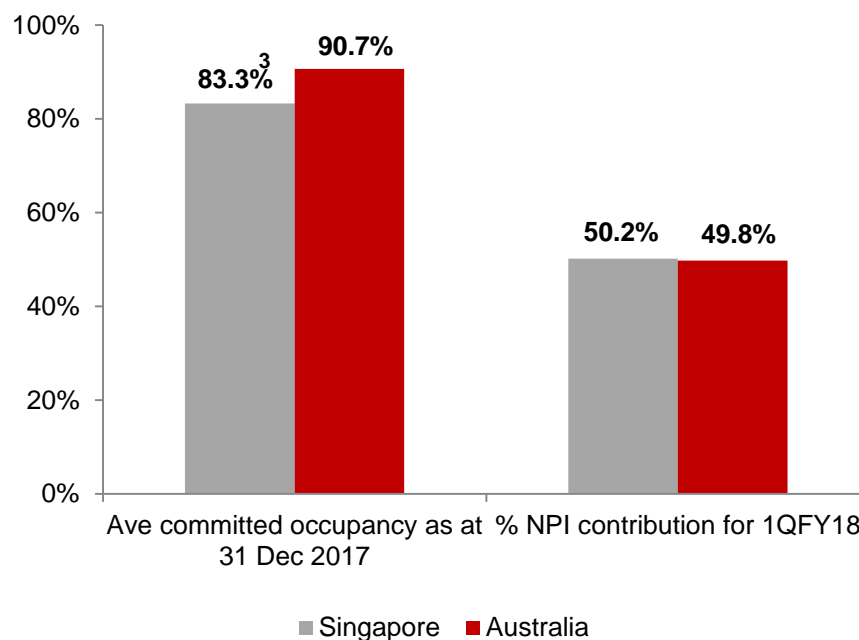


# Portfolio Review Occupancy & WALE

- ◆ Average committed occupancy rate of 86.6%
- ◆ WALE of 3.6 years<sup>1,2</sup>

Key portfolio statistics As at 31 Dec 2017	Actual occupancy	Committed occupancy <sup>2</sup>
Ave Occupancy	80.3%	86.6%
Portfolio WALE by gross rental income <sup>1</sup>	2.8 years	3.6 years

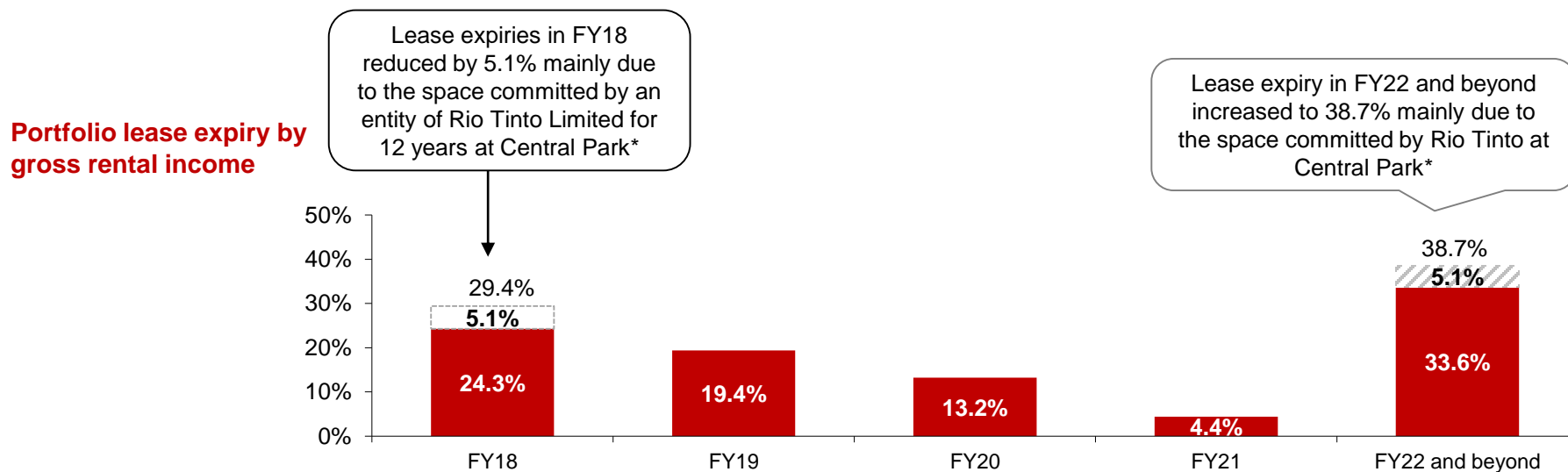
## Geographical occupancy and % NPI contribution



1. Excludes lease incentives and retail turnover rents, if any.
2. Adjusted for, among other things, space committed by an entity of Rio Tinto Limited on a new 12-year lease commencing in FY18 and space that Rio Tinto Limited will be returning by end-FY18 as part of its partial relocation to new premises under the new lease. In addition, 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.
3. 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 defensiveness



## Portfolio lease expiry by gross rental income~

<b>Number of leases expiring</b>	49	57	35	19	36 <sup>#</sup>
<b>NLA (sq ft) expiring</b>	491,421	385,437	263,497	85,637	854,689
<b>Expiries as % total NLA</b>	19.3%	15.1%	10.4%	3.4%	33.6%
<b>Expiries as % total Gross Rental Income</b>	24.3%	19.4%	13.2%	4.4%	38.7%

Data as at 31 December 2017 and excluding lease incentives and retail turnover rents, if any.

\* Based on the space committed by an entity of Rio Tinto Limited on a new 12-year lease at Central Park commencing in FY18.

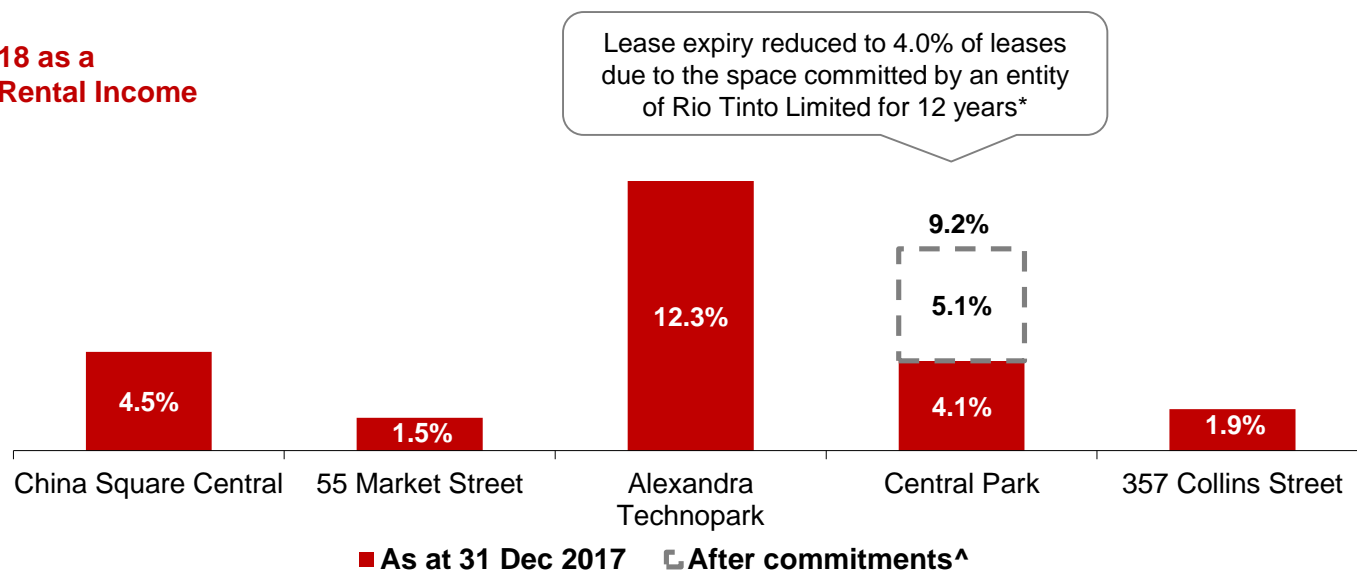
~ Adjusted for, among other things, space committed by an entity of Rio Tinto Limited on a new 12-year lease commencing in FY18. In addition, the total NLA of the portfolio used in the computation has excluded 18 Cross Street retail podium (NLA c. 64,000 sf) which is currently closed for asset enhancement

# Pending confirmation of actual number of leases to be executed in respect of the overall space committed by an entity of Rio Tinto Limited under a Heads of Agreement.

# Portfolio Review Lease expiry profile

## ◆ Pro-active management of leases

### Portfolio Lease Expiries in FY18 as a proportion of Portfolio Gross Rental Income



### As at 31 December 2017

	China Square Central	55 Market Street	Alexandra Technopark	Central Park	357 Collins Street
Number of leases expiring^	14 (office)	5 (office) 2 (retail)	14	3 (office) 1 (retail)	5 (office) 5 (retail)
Average passing rents for expiring leases~	\$7.63 (office)	\$7.33 (office) \$6.71 (retail)	\$4.07	A\$610 (office) A\$2,627 (retail)	A\$554 (office) A\$2,073 (retail)

^ Adjusted for, among other things, space committed by an entity of Rio Tinto Limited on a new 12-year lease commencing in FY18.

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

# Portfolio Review Mid-term rent reviews

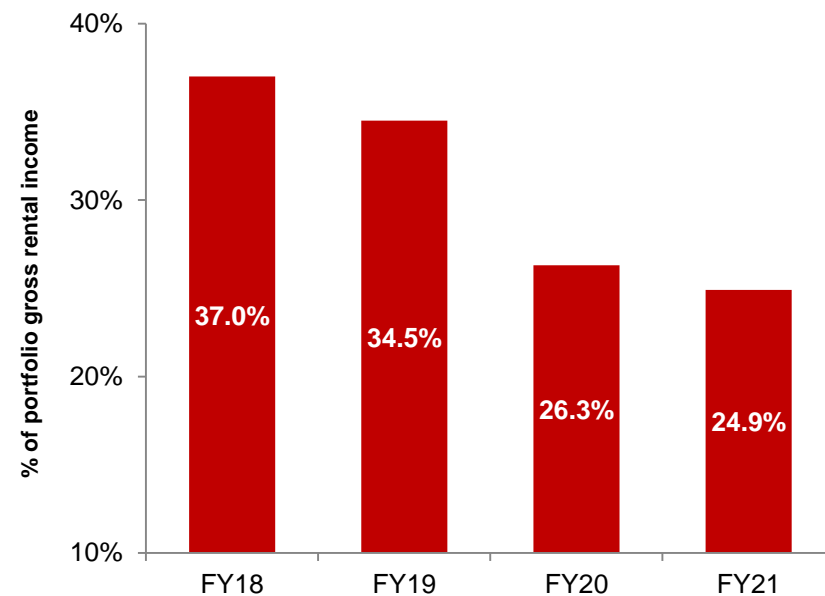
## 37% of FY18 leases have built-in step-up rents

Property	Leases	Average step-up	GROSS RENTAL INCOME <sup>1</sup>	
			% of Property	% of Portfolio
China Square Central	9	1.8%	41.3%	7.2%
55 Market Street	1	0.7%	7.6%	0.3%
Alexandra Technopark	1	15.1%	1.4%	0.4%
Caroline Chisholm Centre	1	3.0%	100.0%	16.1%
Central Park	12	3.7%	29.2%	4.7%
357 Collins Street	24	3.9%	50.0%	8.0%

## FY18 - Other mid-term lease rent reviews

Property	Leases	Review mechanism	GROSS RENTAL INCOME <sup>1</sup>	
			% of Property	% of Portfolio
Central Park	1	Market	5.5%	0.9%
Central Park	3	CPI	1.6%	0.3%
357 Collins Street	4	Market	39.7%	6.3%

## FY18 – FY21 Portfolio Gross Revenue with Step-Up Rents



Weighted average fixed step-ups	FY18	FY19	FY20	FY21
	2.9%	2.8%	2.3%	2.0%

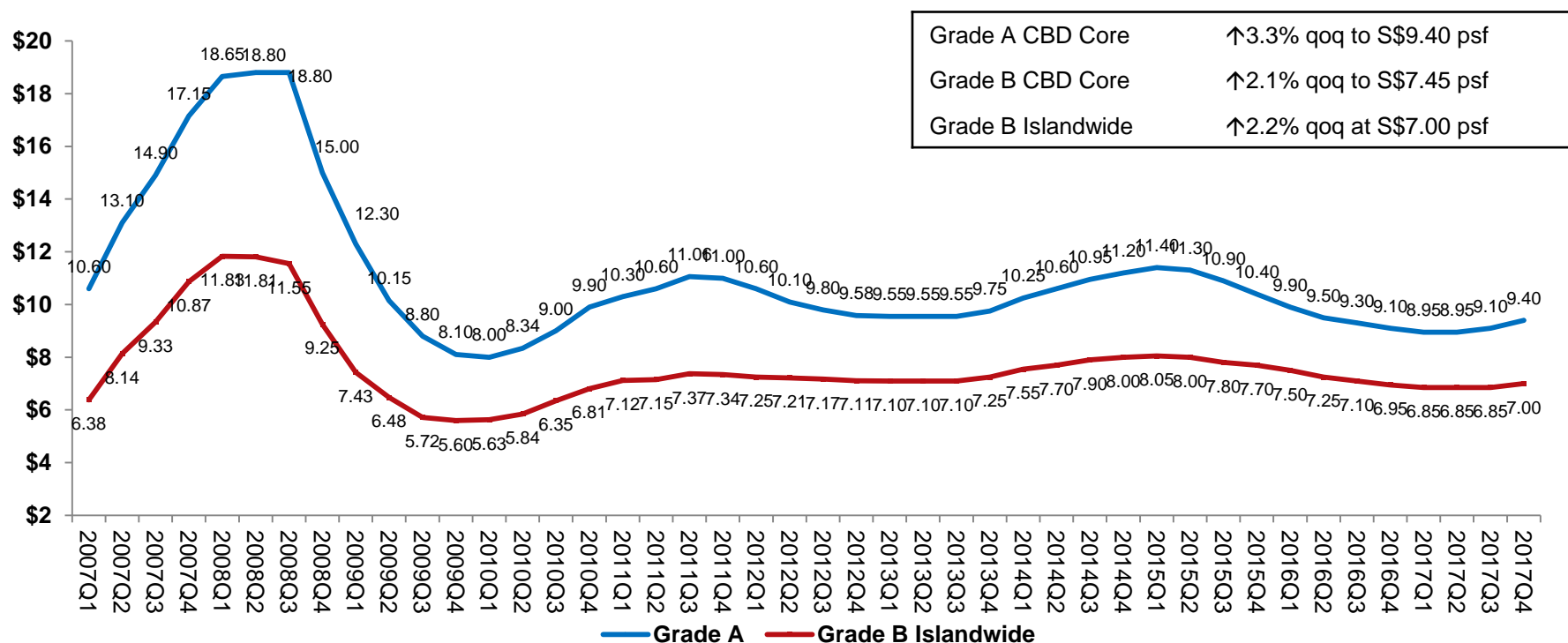
1. Excludes lease incentives and turnover rent, if any.

# Singapore office rents

Singapore office:

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

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

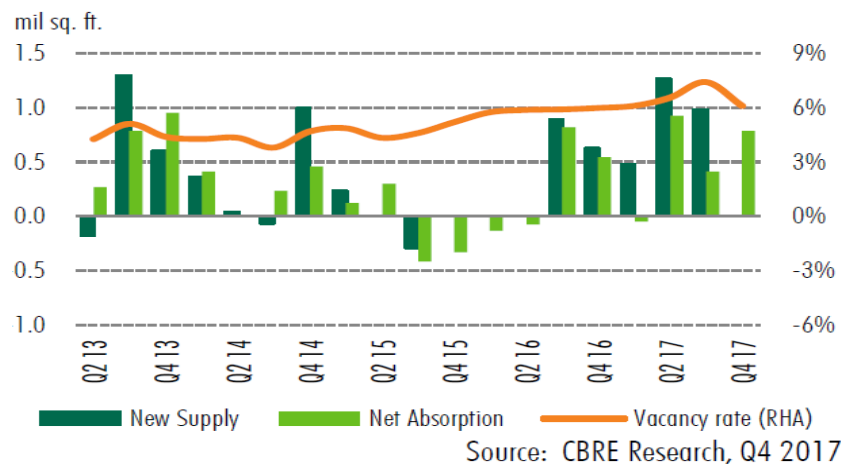


Source: CBRE Research

1. CBRE, Singapore Market View, Q4 2017

# Demand, supply and outlook for Singapore CBD office market

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



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

	Q4 17	Q-o-q	Y-o-y
Islandwide	6.1%	-132 bps	11 bps
Core CBD	6.2%	-129 bps	205 bps
Fringe CBD	6.6%	-173 bps	-219 bps
Decentralised	5.2%	-88 bps	-108 bps
Grade A	6.2%	-217 bps	203 bps

Source: CBRE Research, Q4 2017

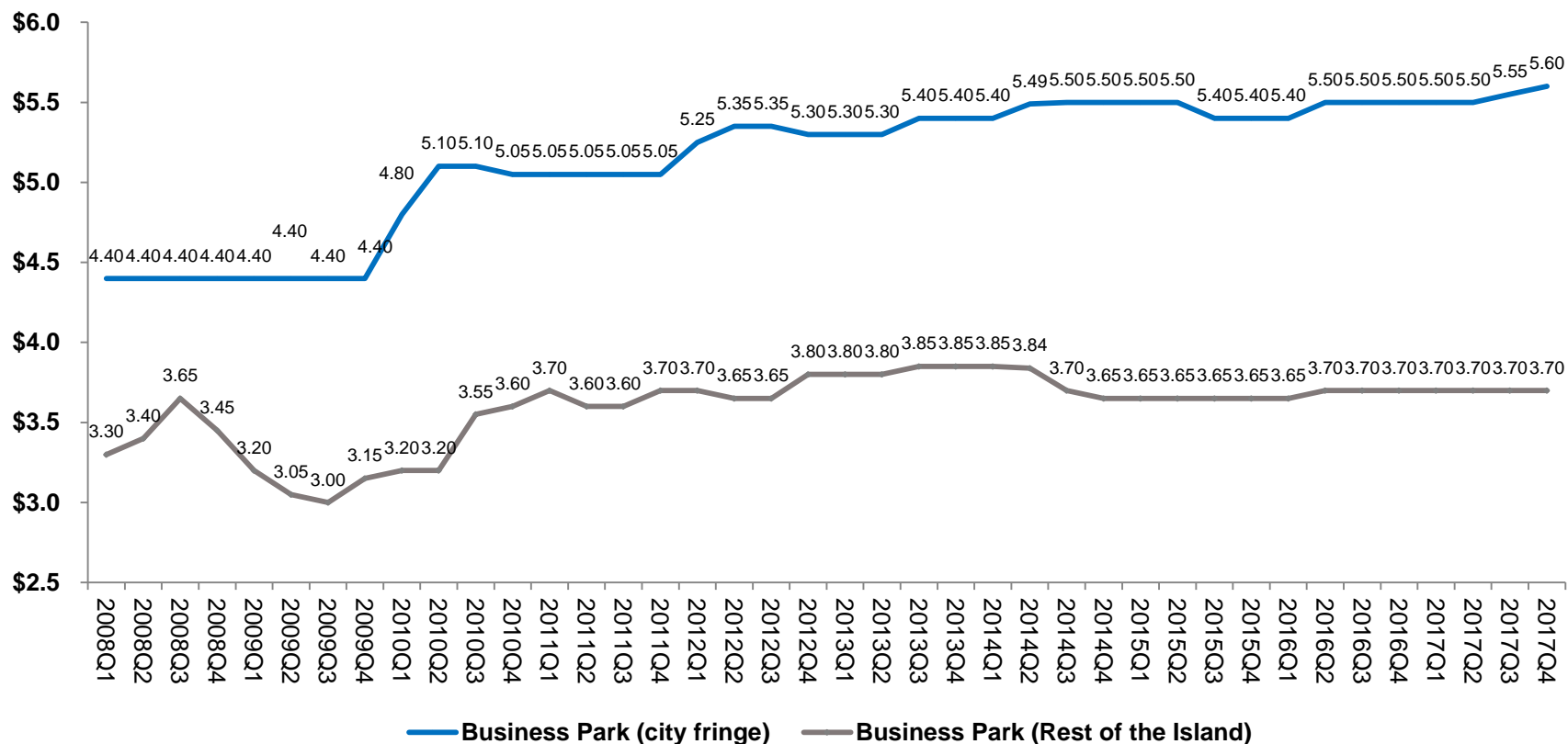
- ◆ Generally more positive outlook underpinned by stronger economic conditions and lower quantum of new supply expected over the medium term
- ◆ The office market ended 2017 on a high note with a total net absorption of 2.1 million sf
- ◆ Island-wide vacancy decreased to 6.1% in Q4 2017 from 7.4% in the previous quarter
- ◆ Most of the leasing transactions in 4Q 2017 were from the co-working and technology firms
- ◆ Co-working operators are now considering fringe CBD locations
- ◆ CBRE is of the opinion that the expansion of traditional industries such as banking, maritime and energy will be needed to fuel future growth in the office market



# Singapore business park rents

- ◆ Singapore business parks – City fringe business park rents increased 0.9% qoq in Q4 2017<sup>1</sup>

## Singapore Business Park (city fringe) rents<sup>1</sup>

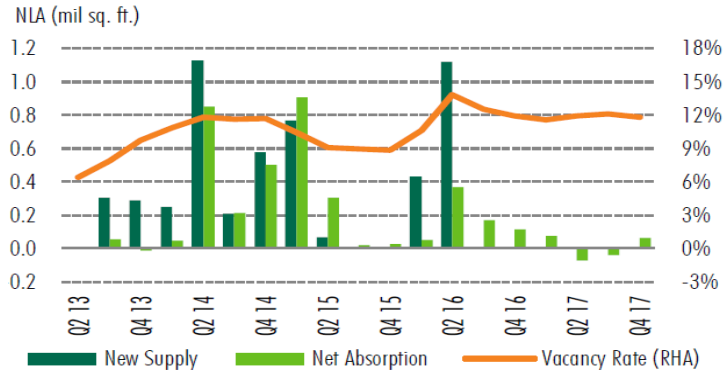


Source: CBRE Research

1. CBRE, Singapore Market View, Q4 2017

# Demand, supply and outlook for Singapore business park market

## Business park supply-demand dynamics<sup>1</sup>



Source: CBRE Research, Q4 2017

## Business park future pipeline<sup>1</sup>

Year	Est. NLA (mil sq. ft.)	Est. Pre-commitment
2018	0.44	60%
2019	0.68	0%
2020	-	-
<b>Total</b>	<b>1.12</b>	<b>24%</b>

Source: CBRE Research, Q4 2017

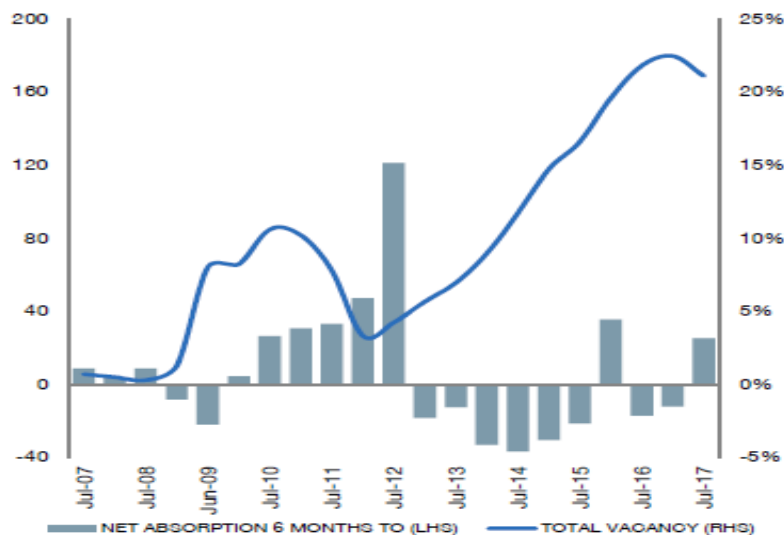
- ◆ Island-wide net absorption returned to a positive 64,098 sf as at end Q4 2017, after two consecutive quarters of negative net absorption
- ◆ Vacancy improved to 11.8% in Q4 2017 from 12.1% in the previous quarter
- ◆ City fringe business parks of higher quality and better locations are seeing healthier occupier demand and interest
- ◆ Demand for business park space is expected to remain steady due to limited stock and quality options available
- ◆ CBRE is of the opinion that any rental growth is likely to favour city fringe business parks

1. CBRE, Singapore Market View, Q4 2017

# Perth CBD office supply and rents

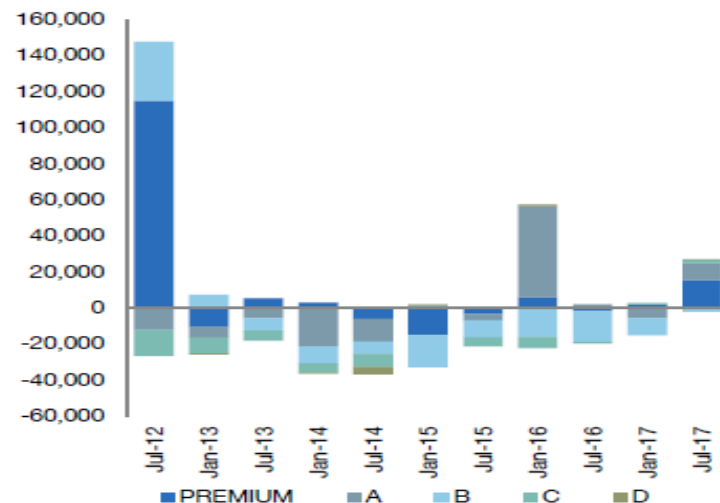
- ◆ Perth CBD office market appears to have bottomed, overall vacancy fell to 21.1% as at July 2017
- ◆ Net absorption of 25,130 sqm for the six months to July 2017 was the second positive half-yearly net absorption recorded in the past two years, mainly driven by take-up of Prime Grade office space
- ◆ Prime Grade average net face rent was A\$500 to A\$700 per sqm per annum as at July 2017, with average lease incentives between 45% and 50%
- ◆ Lease incentives appear to be tightening at the top end of the market

## Perth CBD office net absorption and vacancy rate ('000 sqm and % per six-month period)



Source: Knight Frank Research/PCA

## Perth CBD net absorption by grade ('000 sqm)

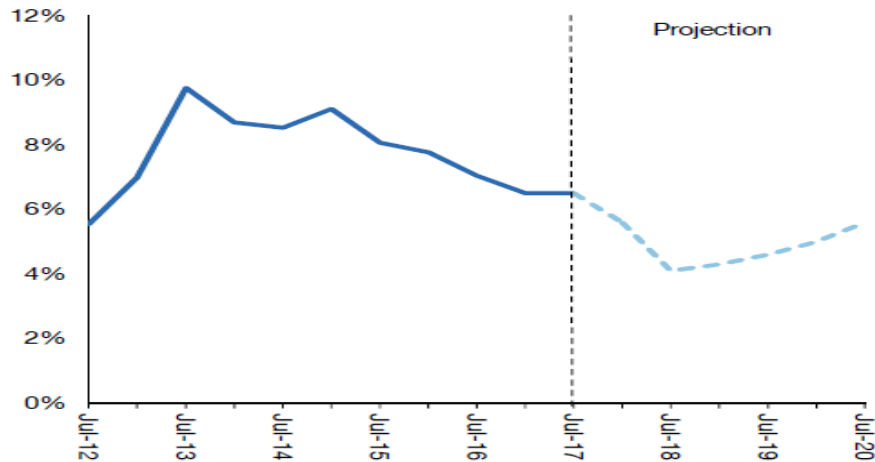


Source: Knight Frank Research/PCA

# Melbourne CBD office supply and rents

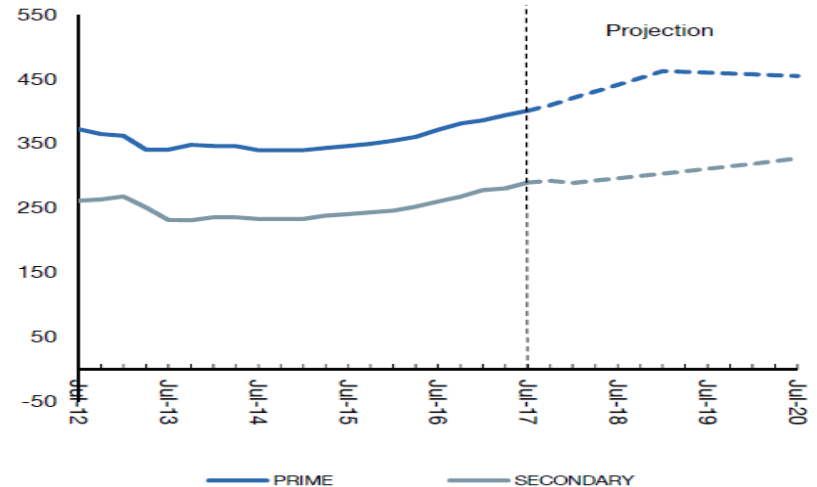
- ◆ 128,400 sqm net absorption for the year to June 2017 for the Melbourne CBD office market was the highest since 2008
- ◆ Prime Grade vacancy of 6.1% as at July 2017 was the lowest level recorded in the past four years, supported by employment growth across Victoria, among other factors
- ◆ Prime Grade net face rent for Melbourne CBD office space was between A\$5100 to A\$600 per sqm per annum as at July 2017, with lease incentive levels around 25% to 27%
- ◆ Vacancy expected to fall to a 10-year low of 4.1% by mid-2018
- ◆ Prime Grade office net face rent is forecast to grow by 6.5% per annum over the next two years

**Melbourne CBD office vacancy rate (total vacancy %)**



Source: Knight Frank Research/PCA

**Melbourne CBD office net effective rents (\$/sq m)**



Source: Knight Frank Research/PCA

**Experience  
matters.**

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