

Enhancing Resilience

Annual Report 2019



Fraser's Commercial Trust

11th Annual General Meeting

15 January 2020

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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Year in Review

Year in Review *Key highlights for FY19*

Healthy financial performance



↑ **5.0% yoy¹ to S\$86.9 million**
Full-year distribution to Unitholders



Stable at 9.60 cents
Full-year DPU



↑ **4.4% yoy¹ to S\$2.23 billion**
Portfolio value²



↑ **1.2% yoy¹ to S\$1.61**
Net asset value per Unit (ex-DPU)

Robust operational performance



↑ **11.6 pps to 95.0%**
Average portfolio occupancy



> 800,000 sf
New and renewal leases secured

> 600,000 sf
New leases secured

1. Year-on-year.

2. As at 30 September 2019. Includes FCOT's 50.0% interest in Farnborough Business Park (held as a joint venture and equity-accounted in the financial statements).

Year in Review *Key highlights for FY19 (cont'd)*

Strengthen and reshape portfolio for long-term growth

✔ Completed

Repositioned Alexandra Technopark to a contemporary business campus



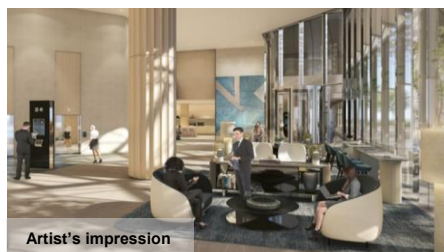
✔ Completed

Rejuvenated China Square Central retail podium



✔ On-going

Creating a contemporary business environment at Central Park



Governance and Sustainability

4 out of 5 stars in GRESB Assessment



Ranked 5th out of 46 entries in the Singapore Governance and Transparency Index 2019 (REIT and Business Trust category)



Year in Review *FY19 key results*



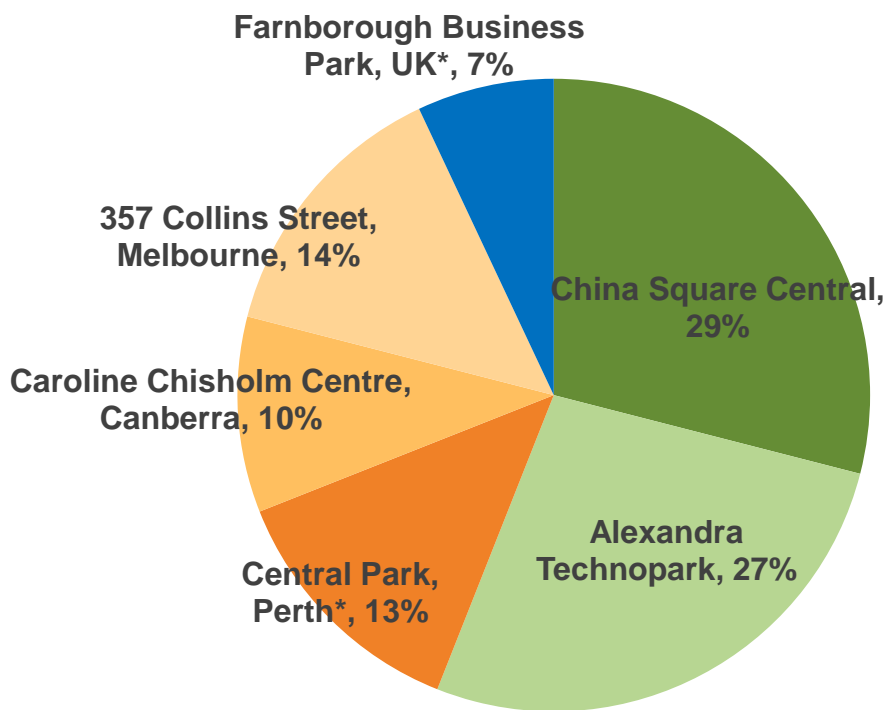
		Year-on-Year
Net Property Income	S\$82.7 mil	↓ 7.4%
Share of results of Joint Venture ¹	S\$7.9 mil	↑ 43.3%
Distribution Income to Unitholders	S\$86.9 mil	↑ 5.0%
Distribution per Unit	9.60 cents	-
Aggregate Value of Property Portfolio ²	S\$2.23 bil	↑ 4.4%

1. In respect of FCOT's 50% interest in Farnborough Business Park.

2. As at 30 September 2019.

Year in Review *Asset portfolio*

- ◆ Diversified portfolio with no single property accounting for more than 29% of portfolio value
- ◆ Portfolio value increased 4.4% year-on-year to S\$2.23 billion



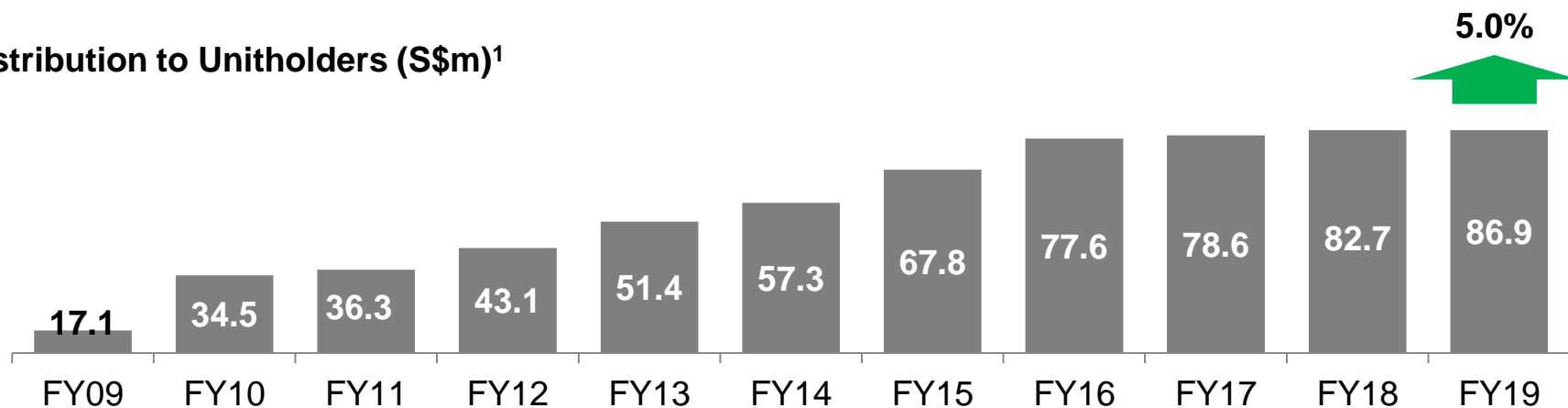
Asset value as at 30 September 2019

Singapore	S\$1,254.0 mil	56%
Australia	S\$822.3 mil	37%
United Kingdom	S\$150.6 mil	7%
Portfolio	S\$2,226.9 mil	100%

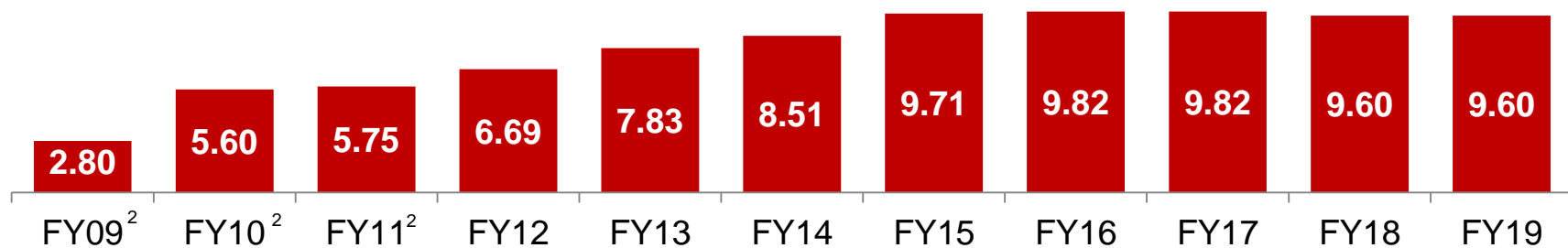
* In relation to FCOT's 50% interests in these properties. Farnborough Business Park is held as a joint venture and equity-accounted in the financial statements.

Year in Review *Stable distribution income*

Distribution to Unitholders (S\$m)¹



DPU (cents)¹



1. On 26 August 2009, FCOT changed its financial year end from 31 December to 30 September. As a result, FY09 comprised a 9-month period from 1 January 2009 to September 2009.
2. Adjusted for Unit consolidation.

Year in Review *Accolades*

Governance and sustainability accolades

Ranked 5th out of 46 entries in the Singapore Governance and Transparency Index 2019 (REIT and Business Trust category)



For good corporate governance and disclosure practices

4 out of 5 stars in GRESB Assessment



- ◆ Inaugural GRESB Real Estate Assessment scored 82 out of 100 points, outperforming global and peer average scores of 72 and 73 points, respectively
- ◆ Awarded 'Green Star' status for integrated ESG¹ approach

Top-3 among Asia Pacific peers in GRESB Assessment



Top-3 in Asia Pacific Diversified Office/Industrial²

'A' for sustainability disclosures



GRESB Public Disclosure measures sustainability disclosures by listed real estate companies and REITs

1. Environment, social and governance.
2. Peer group as defined by GRESB.

Capital Management

Capital Management *Healthy balance sheet and debt profile*

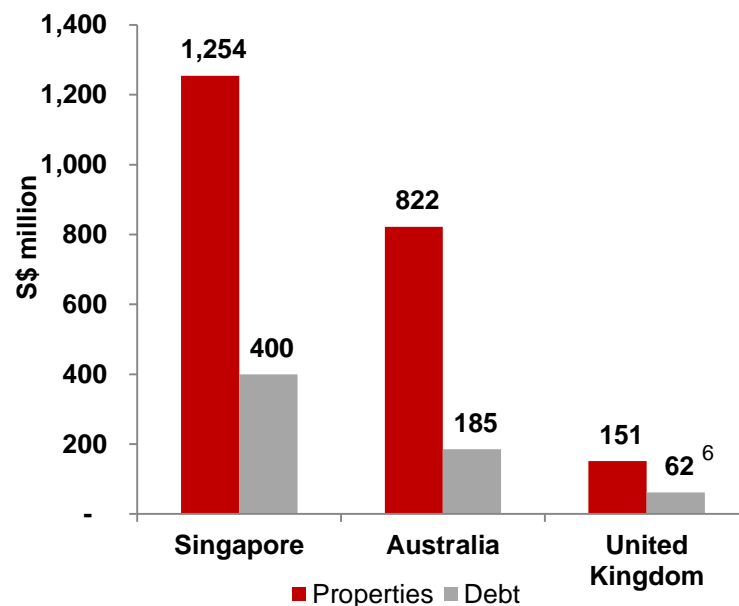
- ◆ Prudent 28.6% gearing (regulatory limit: 45%) affords financial flexibility for growth opportunities and mitigates risks
- ◆ Healthy interest coverage ratio of 5.20 times
- ◆ Borrowings in local currencies provide natural hedges

Key Statistics

As at 30 Sept 2019

Total Assets (S\$'000)	2,259,645
Gross Borrowings (S\$'000)	646,657
Units in Issue and Issuable (entitled to distribution)	912,715,429
NAV per Unit (ex-DPU) (S\$) ¹	1.61
Gearing ²	28.6%
Interest coverage ratio (times) ³	5.20
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 30 September 2019.

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 2019.

4. For the quarter ended 30 September 2019.

5. Moody's affirmed FCOT's Baa2 rating and changed the outlook from negative to stable in its announcement dated 28 June 2019.

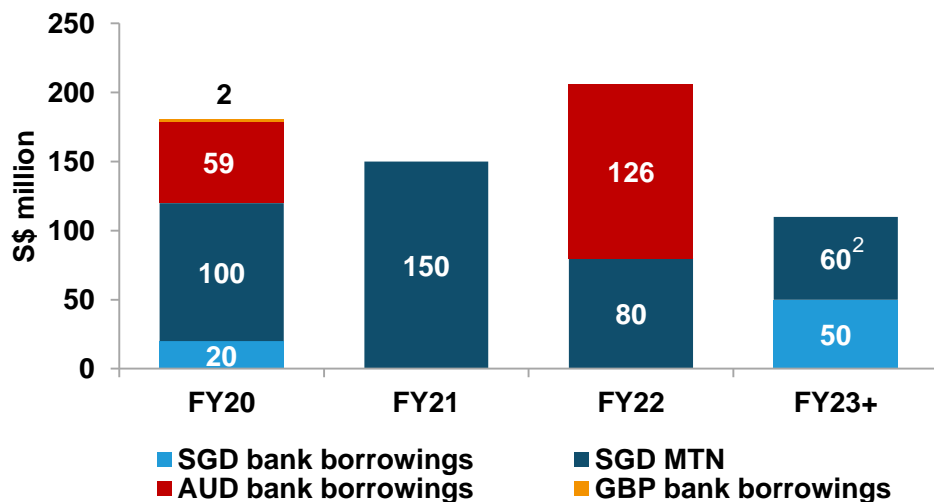
6. S\$60.0 million five-year senior unsecured notes issued in February 2018 was swapped into Sterling Pound.

Capital Management *Prudent debt management*

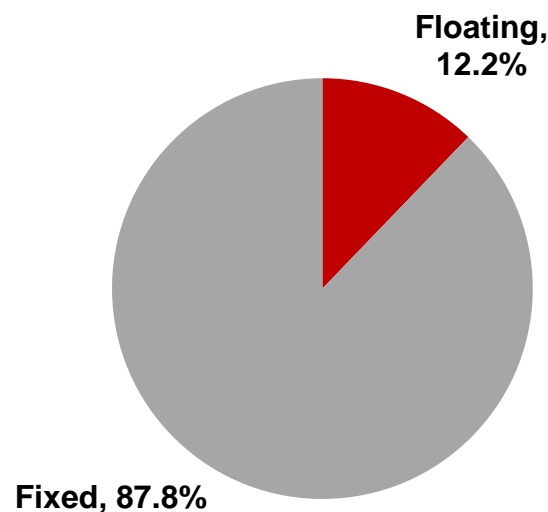
- ◆ Well-spread debt maturity profile
- ◆ All debts are unsecured
- ◆ 87.8% of gross borrowings on fixed rates
- ◆ FCOT is expected to be able to meet debt obligations as and when they fall due

Debt maturity¹

Total borrowings: S\$647 million
Weighted average term to maturity: 2.1 years



Debt composition – floating vs. fixed interest rates¹



1. Data (including exchange rates) as at 30 September 2019.
2. S\$60.0 million senior unsecured notes issued in February 2018 and swapped into Sterling Pound.

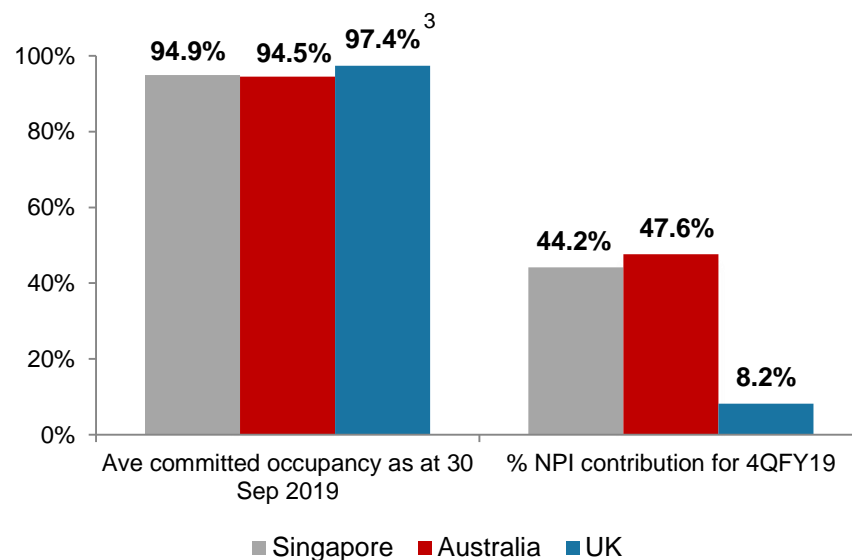
Portfolio Review

Portfolio Review *Occupancy and WALE*

- ◆ Average committed occupancy rate increased 11.6 pps to 95.0% (4QFY18: 83.4%)
- ◆ Healthy committed WALE of 4.9 years¹ (4QFY18: 4.7 years)

Key portfolio statistics as at 30 September 2019	Actual occupancy	Committed occupancy
Ave Occupancy	77.4%	95.0%
Portfolio WALE by gross rental income ¹	4.3 years	4.9 years
Portfolio WALB by gross rental income ²	4.1 years	4.7 years

Geographical occupancy and NPI contribution

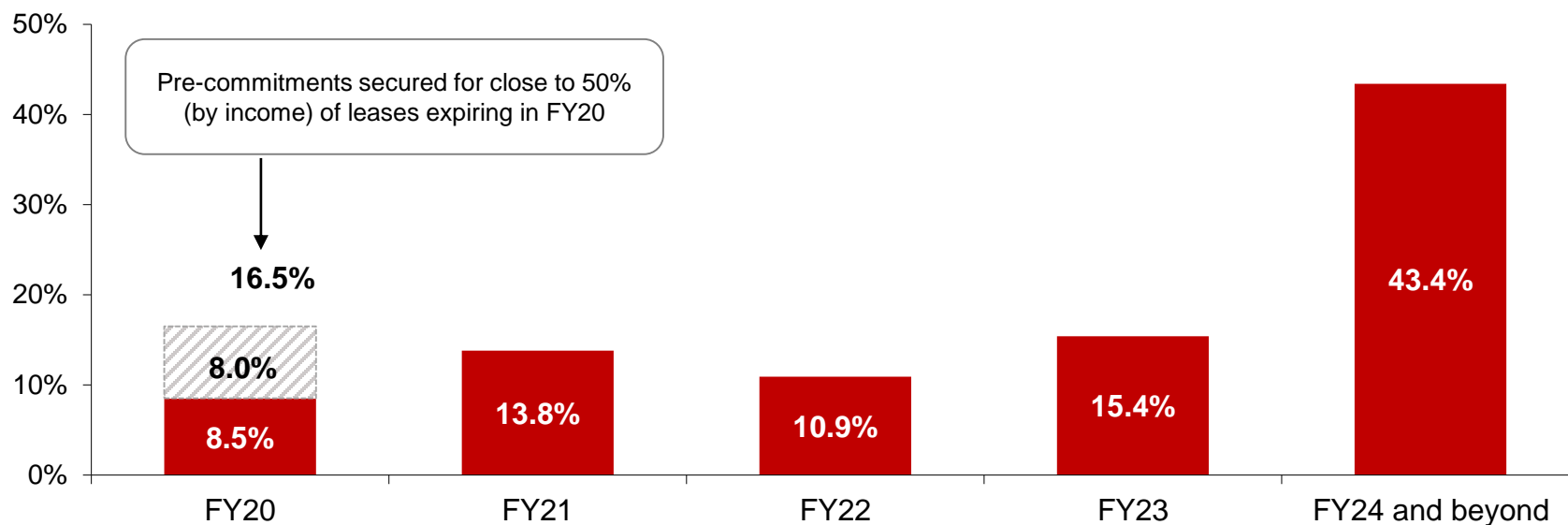


1. WALE – Weighted average lease tenure to expiry (excluding lease incentives and retail turnover rents, if any).
2. WALB – Weighted average lease tenure to break, reflecting contractual rights for tenants to pre-terminate leases in certain cases.
3. Inclusive of a new lease concluded in October 2019, the committed occupancy would be 99.1%.

Portfolio Review *Lease expiry profile*

- ◆ Well-spread lease expiry profile and proactive lease management provide income stability and defensiveness
- ◆ Pre-commitments secured for close to 50% by income of leases expiring in FY20

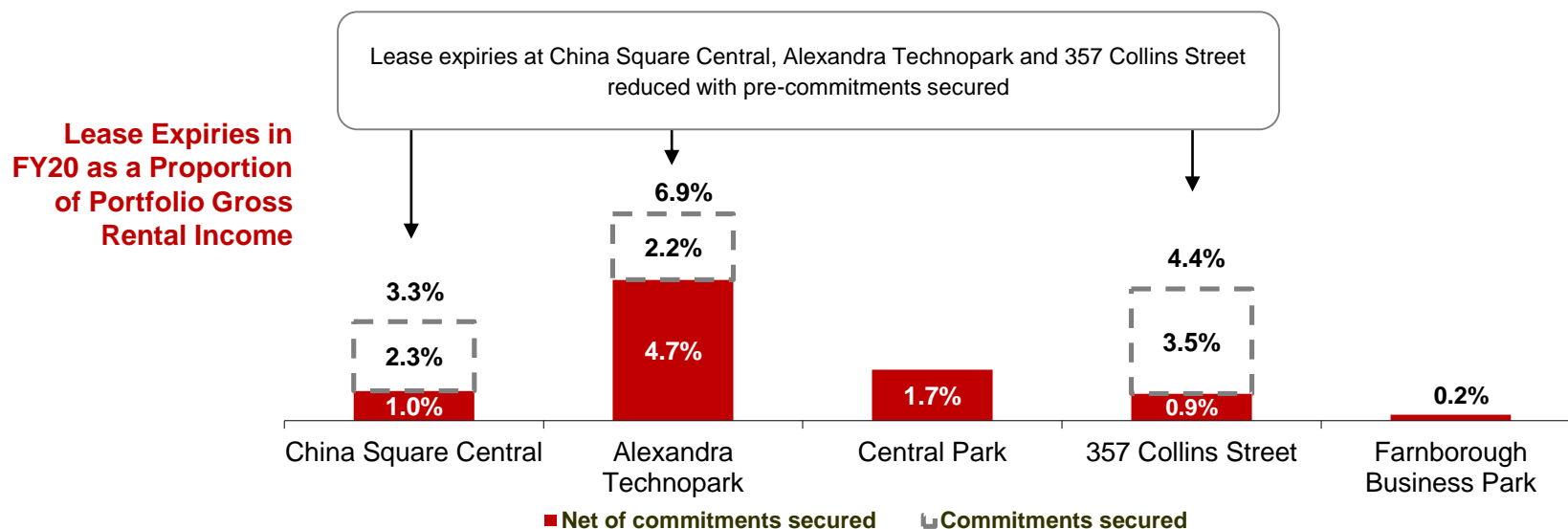
Portfolio lease expiry by gross rental income



Data as at 30 September 2019 and excludes lease incentives and retail turnover rents, if any.

Portfolio Review *Lease expiry profile for FY20*

- ◆ Proactive management of leases with forward commitments



As at 30 September 2019

Number of outstanding leases expiring in FY20 ¹	5 (office) ² 1 (retail)	14	1 (office) 3 (retail)	5 (office)	3
Average passing rents for expiring leases (excluding those with forward commitments secured) ³	S\$7.33 (18 Cross Street office tower) S\$6.71 (all office units) S\$5.40 (retail)	S\$4.06	A\$973.3 (office) ⁴ A\$1,337.6 (retail)	A\$538.0	£21.2

- Adjusted for forward commitments secured.
- Includes 4 leases at 18 Cross Street office tower.
- 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.
- In relation to a single lease, which may not be reflective of other leases in the property.

Portfolio Review *Top-10 tenants*

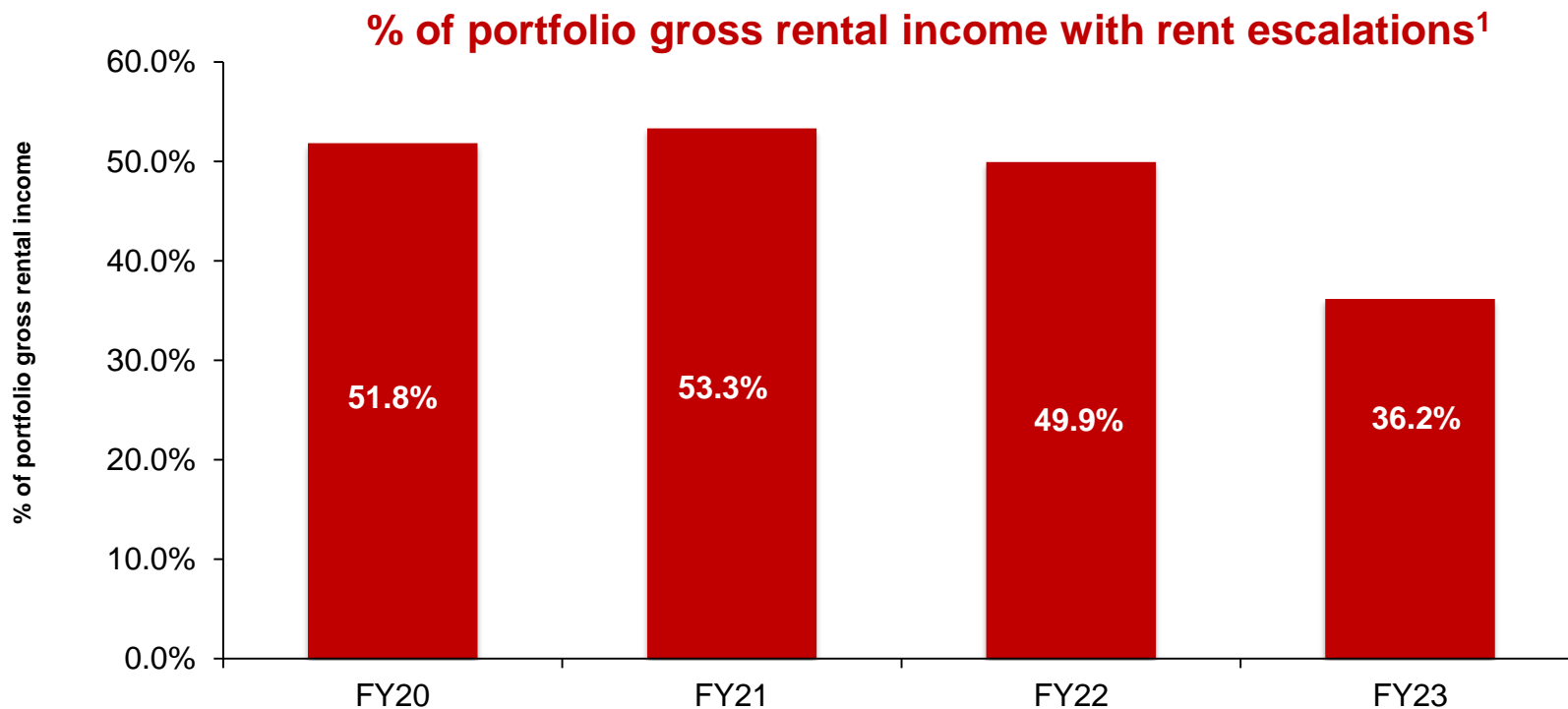
- ◆ Diversified tenant base
- ◆ Top 10 tenants contributed 52% of portfolio gross rental income with 5.7 years WALE¹

Top 10 tenants by gross rental income (as at 30 September 2019)

Tenant	Property	Sector	Lease Expiry	% Gross Rental Income ²
Commonwealth of Australia	Caroline Chisholm Centre	Government	Jul-25	16.0%
Rio Tinto Shared Services Pty Ltd	Central Park	Mining & resources	Jun-30	8.8%
Commonwealth Bank of Australia	357 Collins Street	Banking, insurance & financial services	Dec-22	6.7%
GroupM Singapore Pte Ltd	China Square Central	Consultancy & business services	Jul-23	3.6%
Service Stream Ltd	357 Collins Street	Multimedia & telecommunications	Dec-19 ³ / Dec-24	3.4%
Microsoft Operations Pte Ltd	Alexandra Technopark	IT products & services	Jan-20 ⁴	3.0%
Fluor Limited	Farnborough Business Park	Engineering	Aug-20 ⁵ / Jul-21 and Mar/Jun-25	2.9%
WeWork ⁶	China Square Central and Central Park	Service office/ flexible space	Jul-28/ Aug-31	2.7%
Suntory Beverage & Food Asia Pte Ltd	China Square Central	Food & beverage	May-23	2.4%
Nokia Solutions and Networks (S) Pte Ltd	Alexandra Technopark	Multimedia & telecommunications	Feb-21/ Jun-21	2.1%
Total				51.6%

1. WALB (after accounting for rights to break) is 5.6 years.
2. Excludes lease incentives and retail turnover rents, if any.
3. 0.3% of portfolio gross rental income.
4. Microsoft had exercised its rights to shorten the lease tenure by two years to end in January 2020. As at 30 September 2019, forward lease commitments have been secured for approximately 72% of the space, with the balance under advanced discussions with prospective tenants.
5. 0.02% of portfolio gross rental income.
6. Aggregate of WeWork group's leases at China Square Central and Central Park signed under separate legal entities.

Portfolio Review *Income growth through step-up rents*



Weighted average fixed step-ups	2.8%	2.9%	3.0%	2.1%
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1. Based on leases in place as at 30 September 2019.

Strengthening and Reshaping the Portfolio

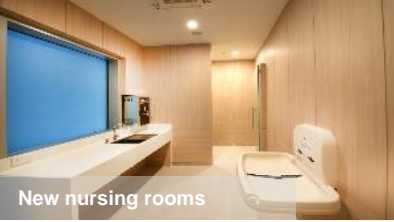
Alexandra Technopark *AEI fully completed*

- ◆ Approximately \$40 million AEI fully completed in January 2019
- ◆ 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



Alexandra Technopark *A contemporary business campus*

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



Alexandra Technopark *Value-enhancing transformation*

ATP AEI has brought about significant tangible benefits and positive outcomes

Improved tenant demand

Close to 490,000 sf of leasing transactions (including more than 460,000 sf of new leases) since AEI completion in Jan 2019

Higher signing rents

4QFY19 signing rents at S\$4.30 – S\$4.60 psf/month generally, significantly above average passing rent of S\$3.97 psf/month as at end-Dec 2018

Enhanced diversification

Diversified mix of new tenants that includes well-established local and international names from a wide array of sectors

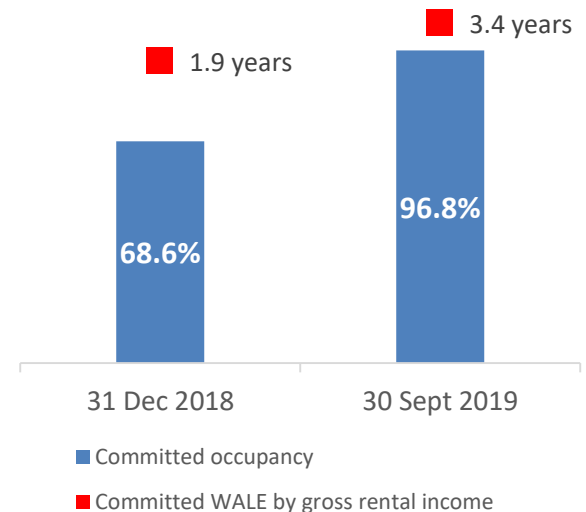
c.S\$100 mil increase in value

Property value increased c. S\$100m from September 2016² to September 2019

Backfilling of Microsoft¹ space in good progress

Forward lease commitments secured for c. 72% of space, with the balance under advanced discussions with prospective tenants

Significant improvements in committed occupancy³ and WALE³



1. Microsoft Operations Pte. Ltd. had exercised its rights to shorten the lease tenure in respect of 77,761 sf of space by two years to end in January 2020. As at 30 September 2019, forward lease commitments have been secured for approximately 72% of the space, with the balance under advanced discussions with prospective tenants
2. Just prior to the commencement of upgrading works in January 2017.
3. Inclusive of the commitment by Google Asia Pacific Pte. Ltd. to lease around 344,100 sf of space (approximately 33.3% of the property's NLA), for a term of five years commencing in 1Q 2020 (refer to the announcement dated 25 June 2019 for details), among others.

China Square Central *Revamping 18 Cross Street retail podium*

- ◆ S\$38 million AEI works obtained Temporary Occupation Permit in 4QFY19
- ◆ Commenced business operations in phases from November 2019
- ◆ Close to 80% of NLA committed as at 30 September 2019
- ◆ Active marketing and negotiations on-going for balance space



Upgraded retail podium of 18 Cross Street, China Square Central



Upgraded retail podium of 18 Cross Street, China Square Central

China Square Central *Enhancing value and income potential*

Value creation by increasing NLA, improving asset quality and enhancing shopper experience

1. Increased NLA of retail podium by 25% to c.80,000 sf (pre-AEI: 64,000 sf)
 - ◆ Improved layout and efficiency
 - ◆ Enhanced income potential
2. Improved building quality
 - ◆ Upgraded architectural and technical specifications
 - ◆ Better integration and connectivity between buildings
3. Enhanced shopper experience
 - ◆ Refreshed shopping environment
 - ◆ Improved tenant mix
 - ◆ New and improved public amenities

Committed tenants
at 18 Cross Street
retail podium
(selected)

absolute
WELLNESS

ASTUTE
MEDICAL CENTRE

ERIC KAYSER
HOTELS & RESTAURANTS
PARIS

graviteabar
GROUND ZERO

HAUS
ATHLETICS

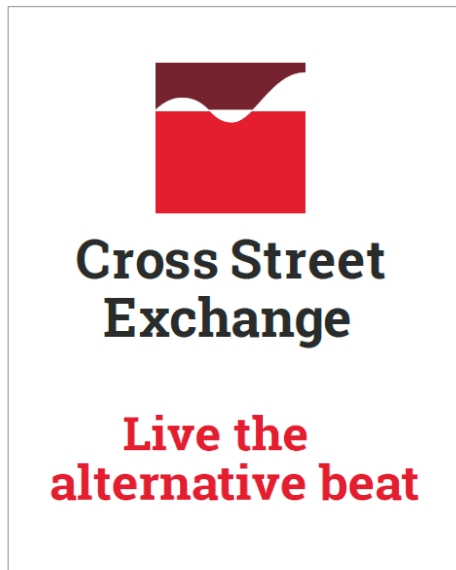
JUST
CO

KILLINEY
SINCE 1910
MORNING
GRIND

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China Square Central Rebranding to “Cross Street Exchange”¹

- ◆ New name to improve brand visibility and better reflect the positioning of the development as a vibrant, integrated hub for business, trade and other activities
- ◆ “Cross Street Exchange” draws upon the rich heritage of Cross Street as a key commercial location dating back to the Straits Settlement era



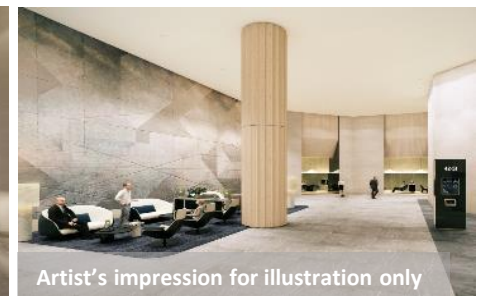
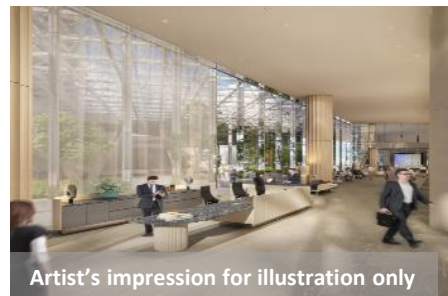
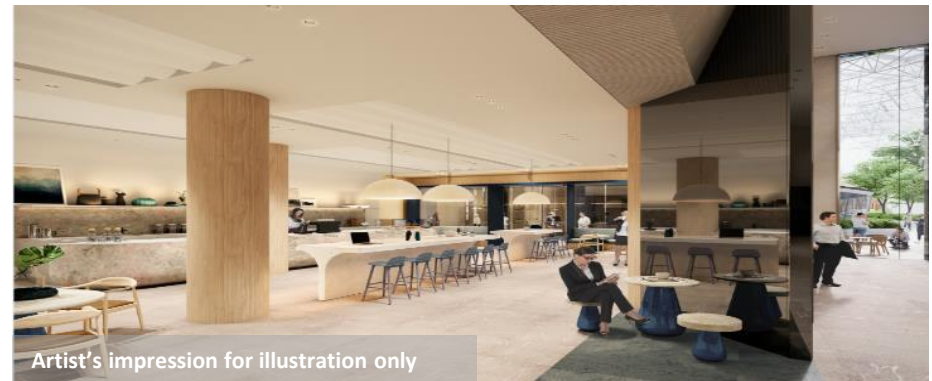
1. The change of name is applicable to 18, 20 and 22 Cross Street and was officially effected on 1 January 2020.

Central Park *Enhancing experience and functionality*

- ◆ Central Park undergoing a S\$23 million (FCOT's 50% share: S\$11.5 million) upgrading of lobby and forecourt areas
- ◆ The AEI aims to create a contemporary, dynamic and community-friendly business environment with increased amenities and flexible spaces, to consolidate the property's position as a premium-grade building in Perth CBD
- ◆ Works commenced in 2Q 2019 and are currently expected to complete in 3Q 2020

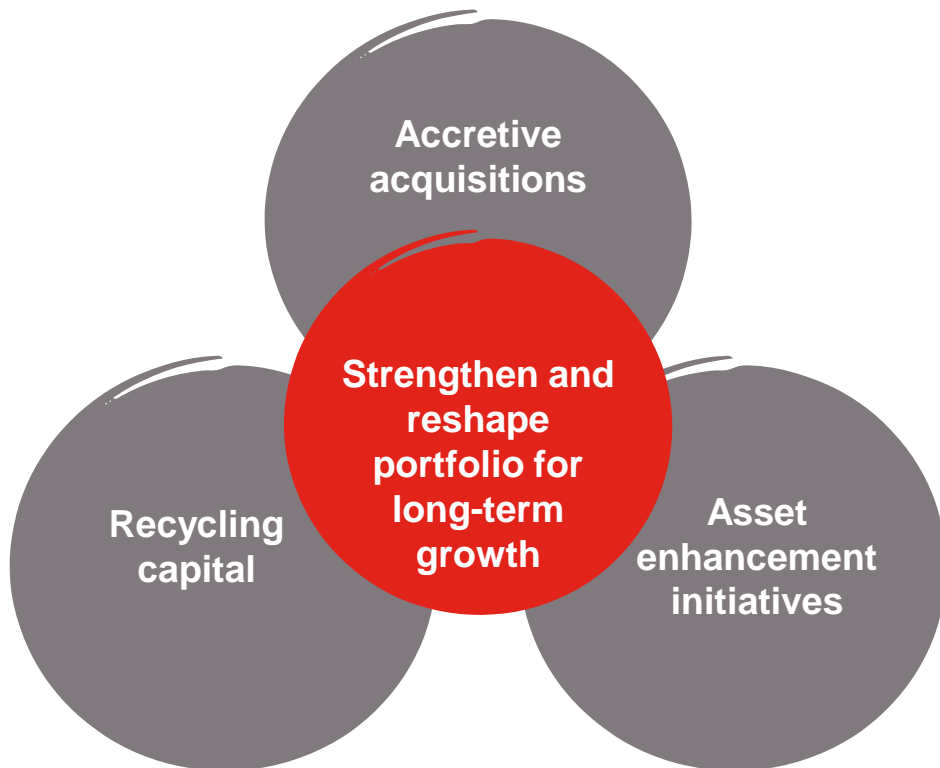
Community-friendly features:

- *Contemporary lobby with modern finishes and more natural lighting*
- *Flexible workspaces supported by F&B amenities to cater to contemporary working styles*
- *Flexible public spaces to host art, community and wellness events*
- *Business pods with meeting facilities*
- *Lush landscaping and greenery*
- *Handicap-friendly access and toilet facilities*
- *Enhanced openness and connectivity to the 54,000-sf landscaped park adjacent the property*



Appendix

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
- ◆ Current healthy gearing of 28.6% provides financial flexibility to pursue investment opportunities

Capital Recycling through Strategic Divestments

- ◆ To improve portfolio quality and long-term performance
- ◆ To recycle capital for growth opportunities
- ◆ Divested 55 Market Street on 31 Aug 2018 for S\$216.8 million to realize 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 c. S\$40 million AEI which was fully completed in January FY19
- ◆ S\$38 million AEI works for the retail podium of 18 Cross Street, China Square Central obtained Temporary Occupation Permit in 4QFY19. The retail podium commenced business operations in phases beginning from November 2019
- ◆ AEI for the lobby and forecourt areas of Central Park is currently underway and expected to complete in the third quarter of 2020

1. Net of transaction expenses and fees.

Portfolio valuations as at 30 Sept 2019

- ◆ Total portfolio value up 4.4% vs end-FY18
- ◆ Higher local currency valuations for all properties in Singapore, Central Park, 357 Collins Street and Farnborough Business Park

Asset	Date of valuation	Local currency value (million)	Translation as at 30-Sep-19 (S\$ million) ^{1,2}	Variance from 30 September 2018 (local currency value)		Variance from 30 September 2018 (translated value)	
				(million)	(%)	(S\$ million)	(%)
China Square Central	30-Sep-19	S\$648.0	648.0	S\$65.6	11.3	65.6	11.3
Alexandra Technopark	30-Sep-19	S\$606.0	606.0	S\$48.0	8.6	48.0	8.6
Singapore properties		S\$1,254.0	1,254.0	S\$113.6	10.0	113.6	10.0
Central Park (50% interest)	30-Sep-19	A\$310.5 ³	289.0	A\$19.5	6.7	0.8	0.3
Caroline Chisholm Centre	30-Sep-19	A\$245.0	228.0	A\$7.0	(2.8)	(21.6)	(8.7)
357 Collins Street	30-Sep-19	A\$328.0	305.3	A\$26.0	8.6	6.2	2.1
Australian properties		A\$883.5	822.3	A\$38.5	4.6	(14.6)	1.7
Total Singapore and Australia			1,977.3				
Farnborough Business Park, UK (50% interest)	30-Sep-19	£87.7 ³	150.6	£1.0	1.1	(5.6)	(3.6)
Total portfolio			2,226.9			93.4	4.4

1. Translated at A\$1.00 = S\$0.9307 or £1.00 = S\$1.6984, being the prevailing spot rates as at end of the financial quarter.

2. Figures may not add up due to rounding.

3. In respect of FCOT's 50.0% interest. Farnborough Business Park is held as a joint venture and equity-accounted in the financial statements.

Portfolio Update *Singapore assets*

Cross Street Exchange – healthy occupancy



Alexandra Technopark – healthy occupancy a testament to successful AEI



Occupancy	89.9% ^{1,2} (office tower: 92.9% ²)	96.8% ²
WALE	2.6 years ¹ (3.9 years ³)	2.0 years (3.4 years ⁵)
WALB⁴	2.6 years ¹ (3.9 years ³)	1.9 years (3.1 years ⁵)
Tenants (selected)	<ul style="list-style-type: none"> ◆ Equinix Asia Pacific Pte Ltd ◆ GroupM Singapore Pte Ltd ◆ OCBC Properties Services Pte Ltd ◆ Suntory Beverage & Food Asia Pte Ltd ◆ WeWork Singapore Pte Ltd 	<ul style="list-style-type: none"> ◆ JT International Tobacco Services (Singapore) Pte Ltd ◆ Microsoft Operations Pte Ltd ◆ Nokia Solutions and Networks Singapore Pte Ltd ◆ Olympus Singapore Pte Ltd ◆ Omron Asia Pacific Pte Ltd

Data as at 30 September 2019.

1. Including 18 Cross Street retail podium (NLA c 80,000 sq ft) as at 30 September 2019. Asset enhancement works for the retail podium at 18 Cross Street obtained Temporary Occupation Permit in 4QFY19. Excluded 18 Cross Street retail podium from 1QFY18 to 3QFY19 as it was closed for asset enhancement works during this period.
2. Committed occupancy as at 30 September 2019.
3. Inclusive of lease commitments.
4. WALB – Weighted average lease to break, reflecting contractual rights for tenants to pre-terminate leases, if any.
5. Inclusive of the commitment by Google Asia Pacific Pte. Ltd. to lease around 344,100 sq ft of space at Alexandra Technopark, representing approximately 33.3% NLA of the property, for a term of five years commencing in 1Q 2020 (refer to the announcement dated 25 June 2019 for details), among others.

Portfolio Update *Australia assets*

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



**Caroline Chisholm Centre –
fully occupied with long WALE
of 5.8 years**



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



Occupancy	83.0% ¹	100.0%	99.7% ¹
WALE	8.0 years (8.2 years ²)	5.8 years	2.6 years (3.6 years ⁵)
WALB³	7.9 years (8.1 years ²)	5.8 years	2.6 years (3.6 years ⁵)
Tenants (selected)	<ul style="list-style-type: none"> ◆ 152 Saint Georges Terrace Pty Ltd (WeWork) ◆ Australian Energy Market Operator Limited ◆ Japan Australia LNG (MIMI) Pty Ltd ◆ PF Lawyers Pty Limited (DLA Piper) ◆ Rio Tinto Shared Services Pty Ltd 	<ul style="list-style-type: none"> ◆ Commonwealth of Australia⁴ 	<ul style="list-style-type: none"> ◆ Analytical Systems Pty Ltd ◆ Commonwealth Bank of Australia ◆ Meridian Lawyers Limited ◆ Orange Business Services Australia Pty Ltd ◆ Service Stream Limited

Data as at 30 September 2019.

1. Committed occupancy as at 30 September 2019.
2. Inclusive of the commitment by WeWork to lease the remaining c. 36,200 sq ft of space at Central Park, representing approximately 5.1% NLA of the property.
3. WALB – Weighted average lease to break, reflecting contractual rights for tenants to pre-terminate leases, if any.
4. Rated AAA based on Moody's rating in June 2019.
5. Inclusive of lease commitments.

Portfolio Update *United Kingdom asset*

Farnborough Business Park – long WALE and healthy occupancy



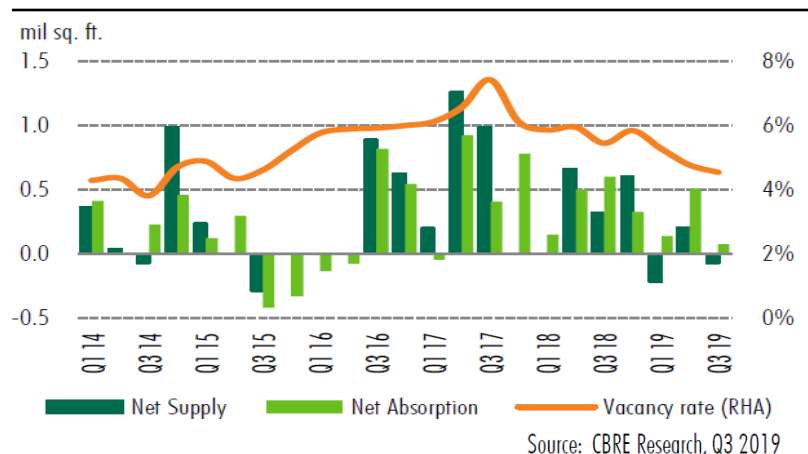
Occupancy	97.4% ¹
WALE	6.8 years
WALB²	5.3 years
Tenants (selected)	<ul style="list-style-type: none">◆ Aetna Global Benefits (UK) Ltd◆ Bolling Investments Limited◆ Fluor Limited◆ Syneos Health UK Limited◆ TI Media Limited

Data as at 30 September 2019.

1. Inclusive of a new lease concluded in October 2019, the committed occupancy would be 99.1%.
2. WALB – Weighted average lease to break, reflecting contractual rights for tenants to pre-terminate leases, if any.

Singapore CBD office trends and outlook

Office supply-demand dynamics¹



Office vacancy rates¹

	Q3 19	Q-o-q	Y-o-y
Islandwide	4.5%	-23 bps	-91 bps
Core CBD	4.0%	-23 bps	-137 bps
Fringe CBD	4.5%	-30 bps	-186 bps
Decentralised	5.7%	-14 bps	118 bps
Grade A (Core CBD)	3.5%	-42 bps	-194 bps

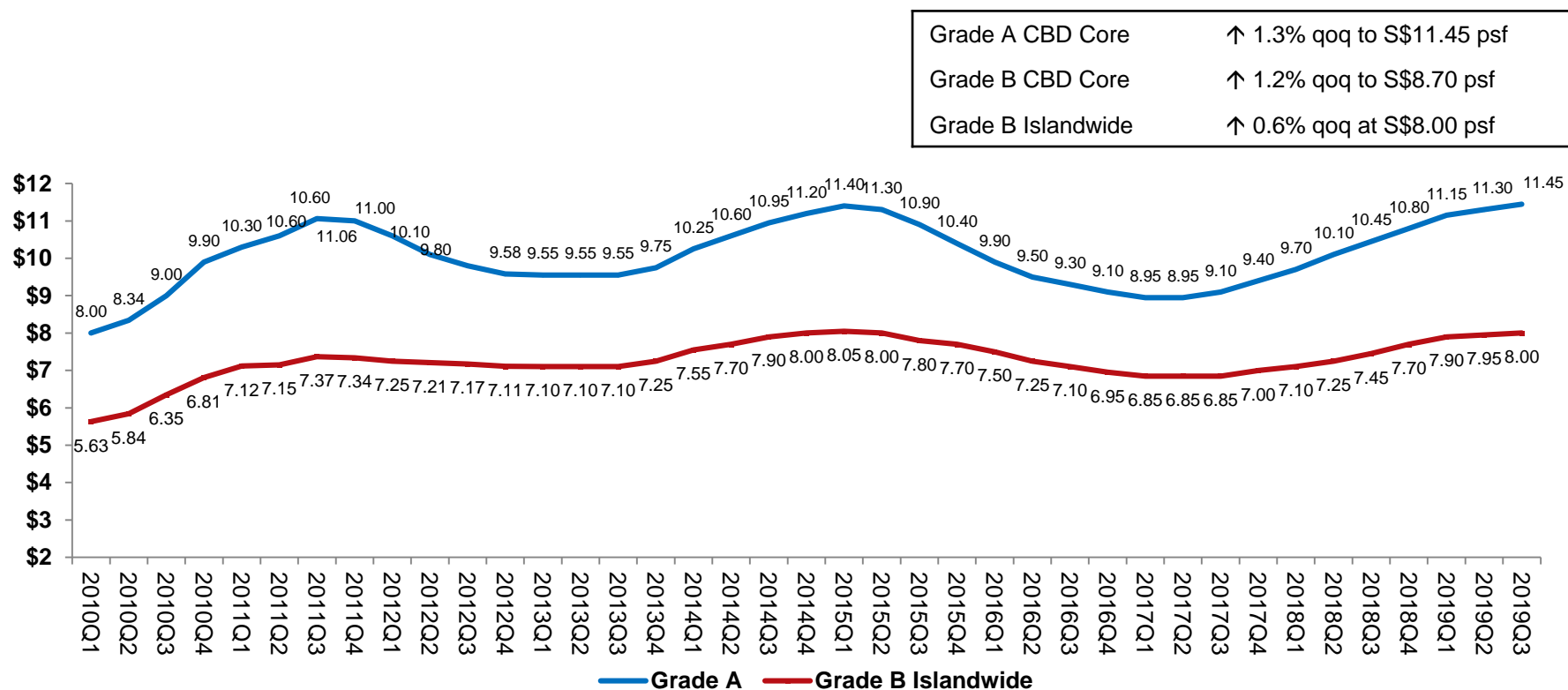
Source: CBRE Research, Q3 2019

- ◆ CBRE reported that the island-wide office vacancy rate reduced marginally from 4.8% in 2Q 2019 to 4.5% in 3Q 2019
- ◆ Net absorption of 74,590 sf for 3Q 2019 was significantly lower compared to 508,443 sf in 2Q 2019, mainly due to economic uncertainties and cautious sentiment in the office market
- ◆ Tenant demand was mainly driven by the technology sector and co-working space operators.
- ◆ According to CBRE, landlords of new developments nearing completion will be compelled to fill-up spaces and this is likely to cap rental growth in the next 6 to 12 months

Singapore office rents

- Rental growth for the office market is expected to be capped in the next 6 to 12 months

Singapore Grade A and Grade B office rents¹

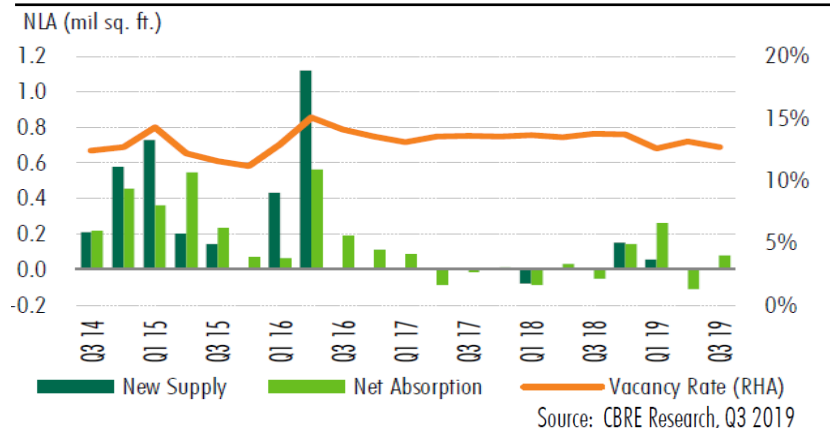


Source: CBRE Research

1. CBRE, Singapore Market View, Q3 2019

Singapore business park¹ trends and outlook

Business park supply-demand dynamics²



- ◆ The business park segment continued to remain resilient mainly due to limited new supply of multi-user stock and lack of speculative developments.
- ◆ Island-wide vacancy reduced marginally by 0.4% points to 12.7% in 3Q 2019
- ◆ According to CBRE, the performance of city fringe business parks is expected to remain healthy and benefit from the urban transformation and rejuvenation of the Greater Southern Waterfront³

Business park future pipeline²

	City Fringe	Rest of Island	Total
Q4 2019	-	-	-
2020	0.53 mil	1.07 mil	1.60 mil
2021	-	0.36 mil	0.36 mil
2022	0.18 mil	-	0.18 mil

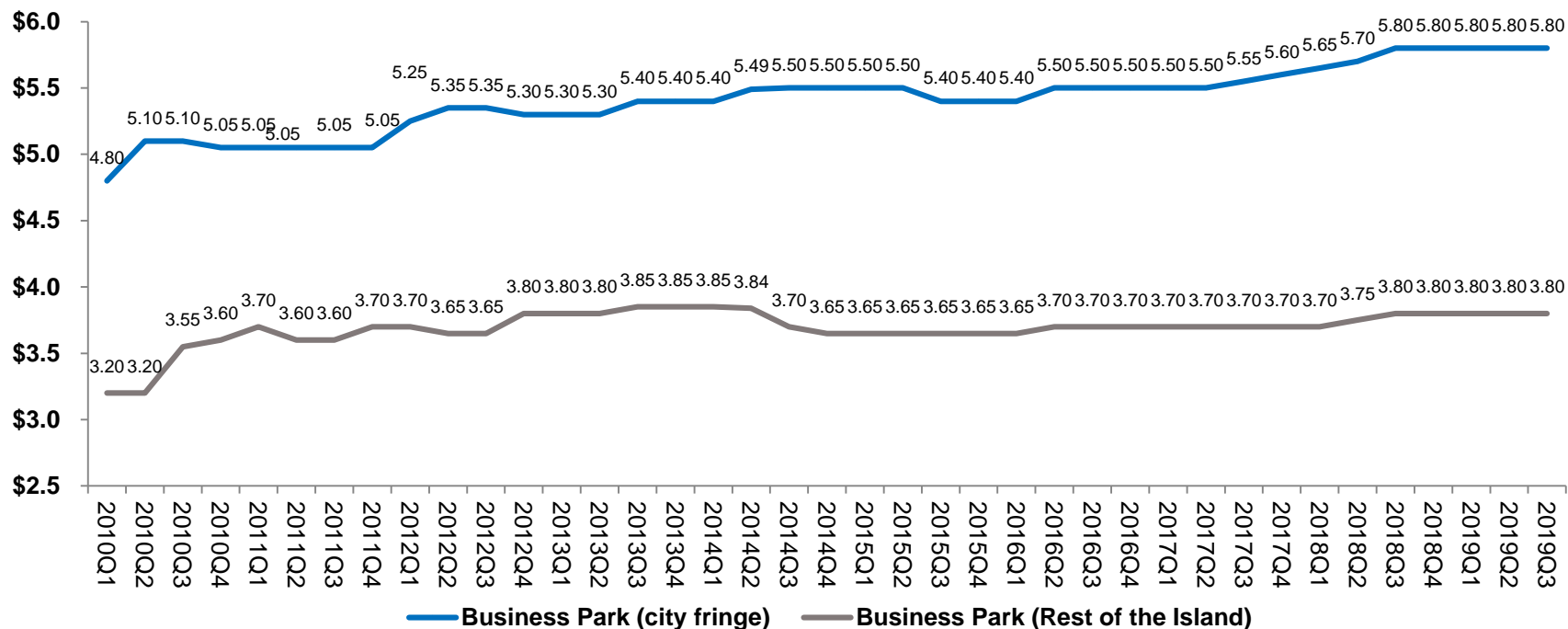
Source: CBRE Research, Q3 2019

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, Q3 2019.
3. Announced during the Singapore National Day Rally 2019.

Singapore business park¹ rents

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

Singapore Business Park (city fringe) rents²

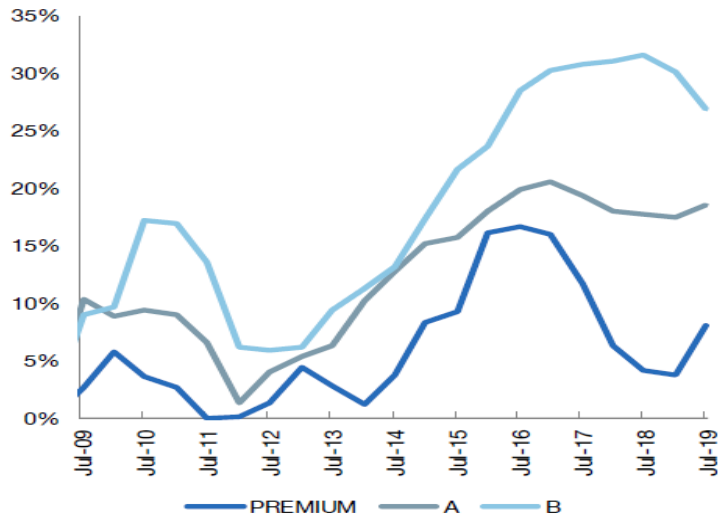


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Perth CBD office trends and outlook

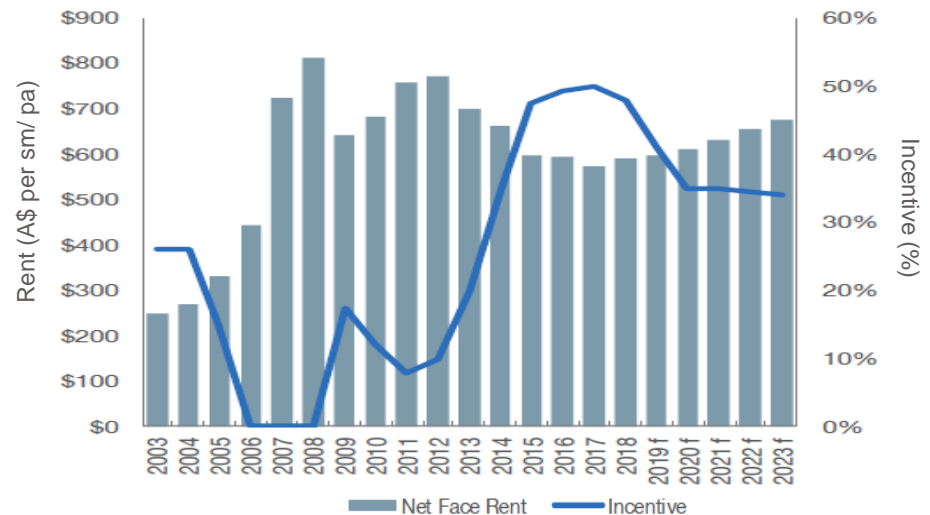
- ◆ Leasing market has rebounded strongly, with prime effective rents growing averagely by 9.5% year-on-year as at end-July 2019
- ◆ Demand for office space was mainly driven by the re-centralisation to CBD and 'flight to quality' trends
- ◆ Prime Grade average net face rent was A\$550 to A\$650 per sqm per annum as at July 2019, with average lease incentives between 40% and 45%
- ◆ Total vacancy reduced by 10 basis points from 18.5% in the six months to January 2019 to 18.4% in the six months to July 2019
- ◆ Knight Frank Research forecasted prime net effective rents to grow by 36% to end-2023 on top of the 9.5% growth achieved over the past 12 months

Perth CBD office vacancy rate by grade (%)



Source: Knight Frank Research/ PCA

Perth CBD office prime grade net face rents and incentives

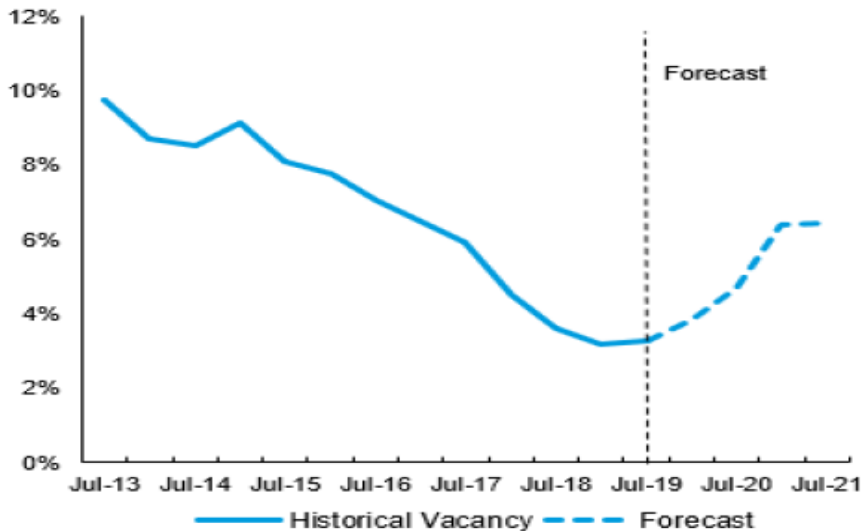


Source: Knight Frank Research

Melbourne CBD office trends and outlook

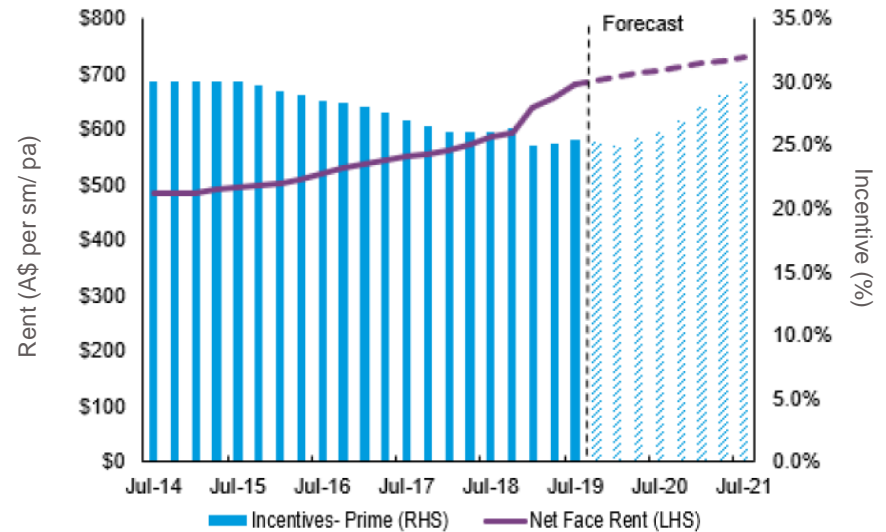
- ◆ Unprecedented employment and population growths in Melbourne continued to drive demand for office space
- ◆ Demand for office space continued to be strong in the Premium and Grade A segments
- ◆ Strong level of demand are expected to fulfil the next wave of new supply in 2020
- ◆ Melbourne CBD Prime Grade office average net face rent was A\$680 per sqm per annum as at July 2019, with lease incentives between 22% and 28%
- ◆ Knight Frank Research forecasted rental growth to remain strong in the short term with Prime Grade net face rents expected to rise by a further 4% over the next 12 months

Melbourne CBD office vacancy rate (%)



Source: Knight Frank Research/ PCA

Melbourne CBD office prime grade net face rents and incentives

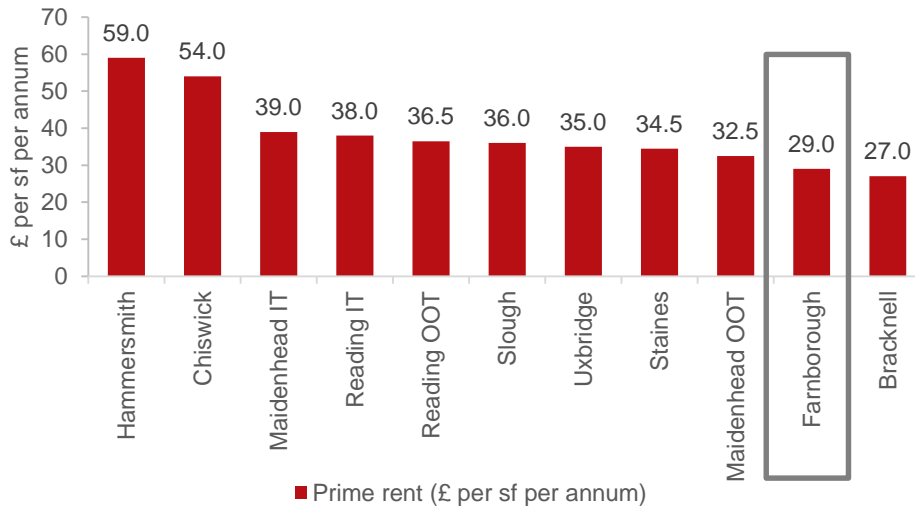


Source: Knight Frank Research

Thames Valley office trends and outlook

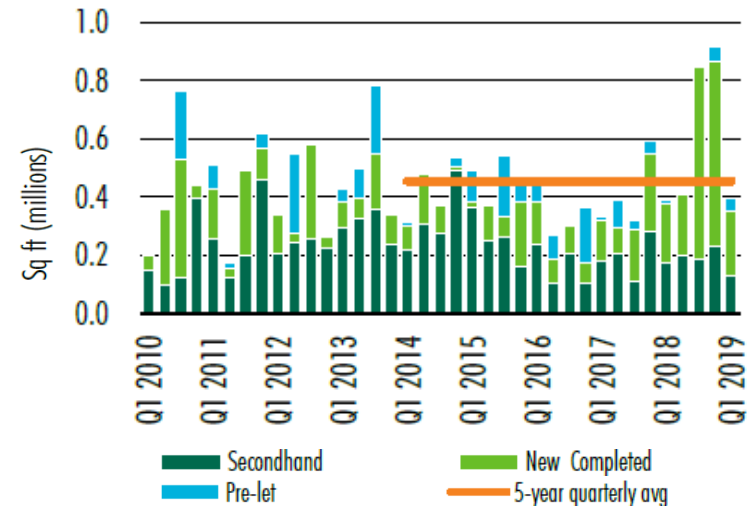
- ◆ Total absorption of 393,653 sf in 1Q 2019 signaled a solid start to the year
- ◆ Rents generally remained stable in 2018, with prime office rents in the majority of locations achieving all-time highs
- ◆ For the Farnborough area, the indicative prime office headline rent was £29.0 psf per annum as at end-March 2019, while lease incentives were generally around 17.5% (for typical 10-year lease terms)
- ◆ CBRE Research forecasts rents in the Farnborough area to be generally on an uptrend in the next twelve months, while incentives are expected to remain stable during the same period

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



Source: CBRE Research, Q1 2019

Thames Valley take up, Q1 2019



Source: CBRE Research, Q1 2019

Sustainability

- ◆ Sustainability is one of the key aspects contributing to our aspirations of becoming a leading owner of quality commercial real estate properties and the preferred choice for businesses and investors and to deliver long-term growth to our Unitholders
- ◆ FCOT's sustainability strategies and action plans are based on the Frasers Property Group's Sustainability Framework, which sets out sustainability priorities until 2030
- ◆ Key highlights of sustainability performance in FY2019 include:

Acting Progressively

- ◆ Ranked 5th out of 46 entries in the Singapore Governance and Transparency Index 2019 (REIT and Business Trust category) for good corporate governance and disclosure practices
- ◆ All Singapore properties are BCA Green Mark certified and all Australia properties have National Australian Built Environment Rating System (NABERS) Energy base building rating of at least 5.0 star
- ◆ Participated in GRESB Real Estate Assessment for the first time and achieved 4 stars out of 5 stars
- ◆ No known incident of breaches of environmental laws and regulations
- ◆ No confirmed incident with regards to bribery and corruption reported
- ◆ No known incidents of non-compliance with regulations and voluntary codes in relation to marketing communications
- ◆ Newly constructed buildings at Farnborough Business Park obtained "Very Good" ratings under the Building Research Establishment Environmental Assessment Method (BREEAM) New Construction: Office (Fully Fitted) category

Consuming Responsibly

- ◆ 1.9% year-on-year improvement in average building energy intensity
- ◆ 11.0% year-on-year improvement in average greenhouse gas (GHG) emissions intensity
- ◆ 1.7% year-on-year increase in average building water intensity

Focusing on People

- ◆ 46.5 hours of training per employee, 16.3% higher than the target of 40.0 hours
- ◆ No major safety incidents across our portfolio
- ◆ More than S\$700,000 community investments raised/donated

**Experience
matters.**



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