FRASERS COMMERCIAL TRUST

Experience matters

Annual Report 2018

A member of Frasers Property Group

FRASERS PROPERTY

‘Experience matters’ is the belief that underpins everything we do.

Our attention to detail reflects this belief. From the big, macro concepts and developments to the small, micro moments and thoughtful, sustainable touches, we embrace details which make an impact.

This year’s Annual Report highlights some of the key elements that matter to us, and to the people in our properties. Whether it is a feature of an asset or a nuance of an engagement, we captured details and moments that illustrate our commitment to building meaningful experiences.

Building on nearly a decade’s worth of experience in managing Frasers Commercial Trust, we continue to adapt to changing times to deliver sustainable returns and create long-term value for our Unitholders and other stakeholders. Even as we evolve, our core values remain unchanged, and we are proud of our legacy, which still inspires the way we think and work today.

This year’s Annual Report cover pays homage to the rich heritage of China Square Central. The featured row of heritage shophouses along Nankin Mall is a beautiful juxtaposition to the modern elements of the development. Built during the Straits Settlements, China Square Central’s heritage shophouses feature rich, intricate architectural details reflective of that era. The lively wall murals are a modern touch that evokes the vibrancy and energy of a time in Singapore’s history – as well as a reminder that past experiences continue to inspire future growth.

Contents

All values in the tables, graphs and charts are expressed in Singapore currency unless otherwise stated. Any discrepancies in the tables, graphs and charts included in this report between the listed amounts and total thereof are due to mathematical rounding. Where applicable, measurements in square metres (sq m) are converted to square feet (sq ft) and vice versa based on the conversion rate of 1 sq m = 10.7639 sq ft.

About Frasers Commercial Trust

Frasers Commercial Trust (FCOT or the Trust) is a real estate investment trust sponsored by Frasers Property Limited (Frasers Property). As at 30 September 2018, its portfolio consists of four office buildings, one business space property and a business park located in Singapore, Australia and the United Kingdom (UK) with a combined appraised value of approximately S$2.1 billion.

Listed on the main board of the Singapore Exchange Securities Trading Limited (SGX-ST) since 30 March 2006, FCOT is managed by Frasers Commercial Asset Management Ltd (the Manager), a subsidiary of Frasers Property.

Frasers Property (together with its subsidiaries, the Group), is a multi-national company that owns, develops and manages a diverse, integrated portfolio of properties. Listed on the Main Board of the SGX-ST and headquartered in Singapore, the Group has total assets of approximately S$32 billion as at 30 September 2018. Frasers Property's assets range from residential, retail, commercial and business parks, to logistics and industrial in Singapore, Australia, Europe, China and Southeast Asia. Its well-established hospitality business owns and/or operates serviced apartments and hotels in over 80 cities across Asia, Australia, Europe, the Middle East and Africa. The Group is unified by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging on its knowledge and capabilities from across markets and property sectors, to deliver value in its multiple asset classes.

FCOT strives to become a leading owner of quality commercial real estate properties, a landlord of choice for businesses and a preferred investment choice among investors. This ambition is enabled by our unifying idea, which we share with our sponsor, Frasers Property.

Experience matters.

We believe our *customers'* experience matters.
When we focus on our customers' needs we gain valuable insights which guide our products and services. We create memorable and enriching experiences for our customers.

We believe *our* experience matters.
Our legacy is valuable and inspires our future successes. As a member of the Group, a multi-national business of scale and diversity, we can bring the right expertise to create value for our customers. We celebrate the diversity of our people and the expertise they bring, and we commit ourselves to enabling their professional and personal development.

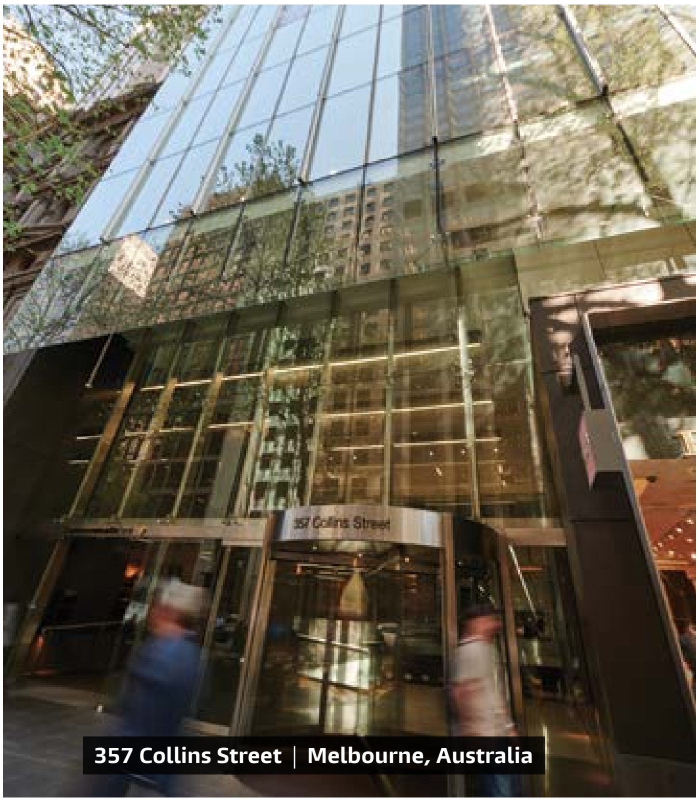
Our Properties

Alexandra Technopark | Singapore

Farnborough Business Park | Farnborough, UK

China Square Central | Singapore

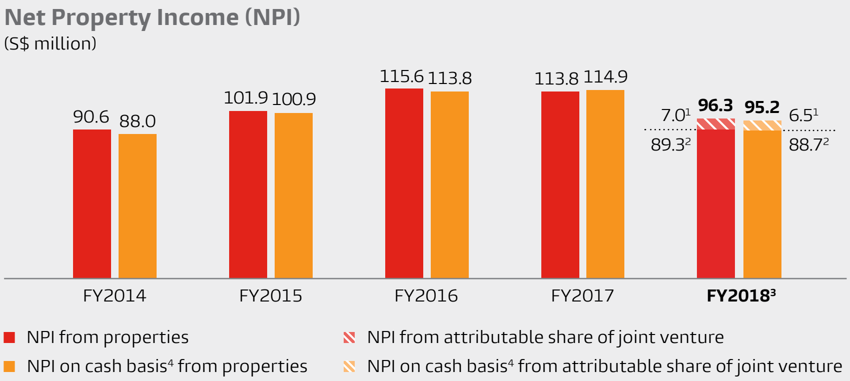
Caroline Chisholm Centre | Canberra, Australia

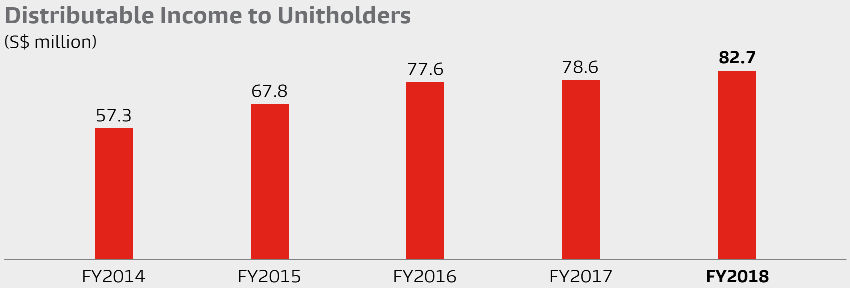


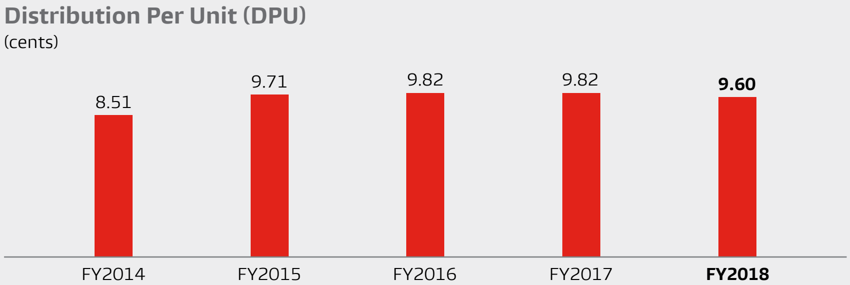
357 Collins Street | Melbourne, Australia

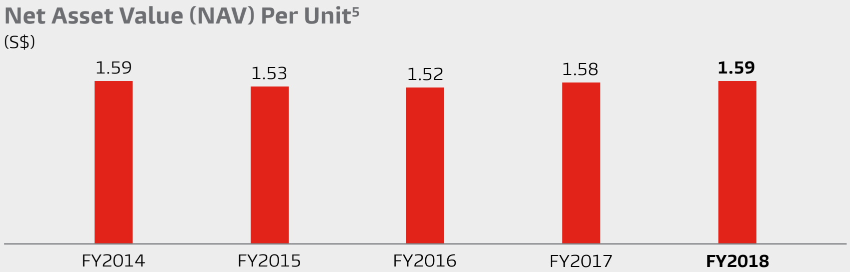
Central Park | Perth, Australia

Financial Highlights









1 In respect of FCOT's 50.0% interest in Farnborough Business Park for the period from 29 January 2018 (completion of acquisition) to 30 September 2018. The amount 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).

2 Inclusive of 55 Market Street for the period from 1 October 2017 until its divestment on 31 August 2018.

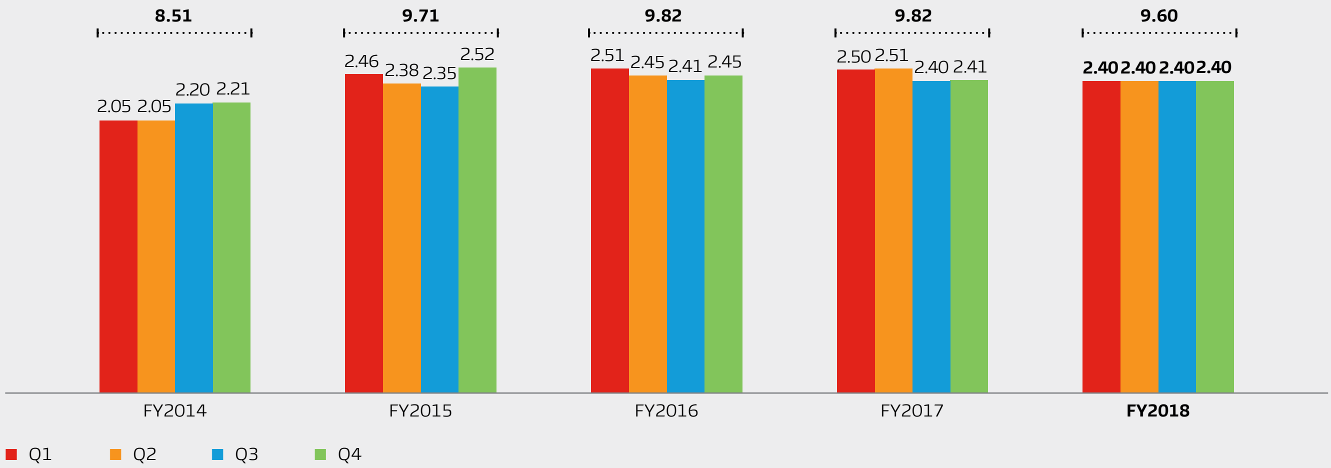
3 Acquired 50.0% interest in Farnborough Business Park on 29 January 2018 which is held as a joint venture and equity-accounted in the financial statements and divested 55 Market Street on 31 August 2018.

4 NPI excluding the effects of recognising accounting income on a straight line basis over the terms of leases.

5 Net of distributable income (assuming distributable income for the fourth quarter of each financial year was fully paid in cash).

Quarterly DPU

(cents)



Statement of Total Return Highlights (S$ million)		FY2014	FY2015	FY2016	FY2017	FY2018[1]
Gross revenue		118.8	142.2	156.5	156.6	143.1[2,3]
NPI		90.6	101.9	115.6	113.8	96.3[2,3]
NPI on cash basis[4]		88.0	100.9	113.8	114.9	95.2[2,3]
Distributable income to Unitholders		57.3	67.8	77.6	78.6	82.7
Balance Sheet Highlights (as at 30 September) (S$ million)						
Total assets		1,881.8	2,034.4	2,069.4	2,158.9	2,173.1
Portfolio value		1,824.9	1,954.8	1,989.3	2,070.9	2,133.5[5]
Total liabilities		790.4	827.6	840.9	869.6	742.2
Total gross borrowings		698.6	736.8	745.4	750.0	615.0
Net assets		1,091.4	1,206.9	1,228.4	1,289.3	1,430.8
Key Financial Indicators						
DPU	cents	8.51	9.71	9.82	9.82	9.60
NAV per Unit[6]	S$	1.59	1.53	1.52	1.58	1.59
Gearing[7]	%	37.1	36.2	36.0	34.7	28.3
Interest cover[8]	times	4.3	4.5	4.6	4.4	4.0[9]
Average cost of debt	% per annum	2.7	2.9	3.0	3.0	3.0
Fixed borrowings as a % of total borrowings	%	46.0	81.0	85.0	80.7	81.2
Unencumbered assets as a % of property portfolio	%	100.0	100.0	100.0	100.0	100.0

1 Acquired 50.0% interest in Farnborough Business Park on 29 January 2018 which is held as a joint venture and equity-accounted in the financial statements and divested 55 Market Street on 31 August 2018.
2 Inclusive of 55 Market Street for the period from 1 October 2017 until its divestment on 31 August 2018.
3 Inclusive of FCOT's 50.0% interest in Farnborough Business Park for the period from 29 January 2018 (completion of acquisition) to 30 September 2018. The amount 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).
4 NPI excluding the effects of recognising accounting income on a straight line basis over the terms of leases.
5 Includes FCOT's 50.0% interest in Farnborough Business Park (held as a joint venture and equity-accounted in the financial statements).
6 Net of distributable income (assuming distributable income for the fourth quarter of each financial year was fully paid in cash).
7 Gross borrowings as a percentage of total assets.
8 Calculated based on net income before changes in fair values of investment properties, interest expense and income, other investments and derivative instruments, income tax and distribution, and adding back certain non-recurring items and cash finance costs.
9 Excluding the gain on divestment of 55 Market Street of approximately S$75.7 million. Including the gain on divestment, the interest coverage ratio would be 7.3 times.

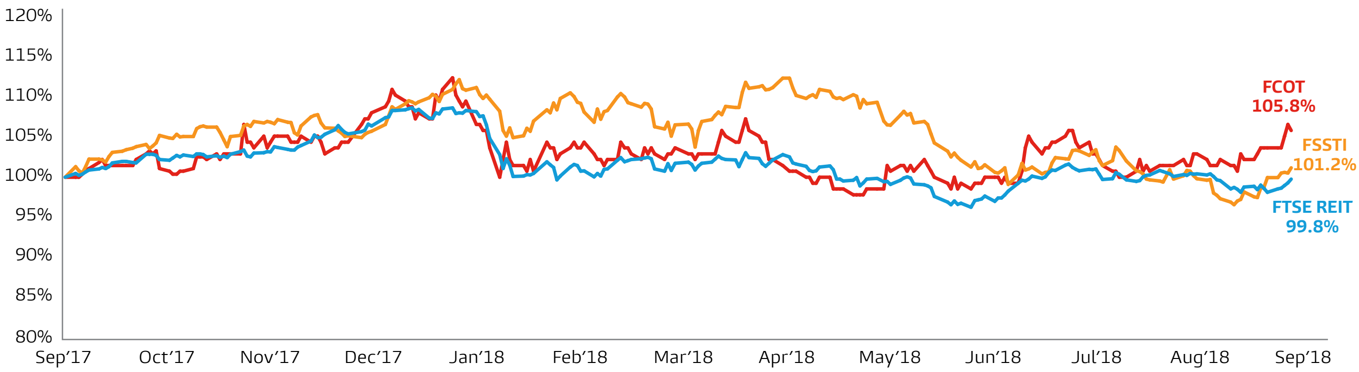
Financial Highlights

Trading Performance in FY2018

Global financial markets continued to be volatile in FY2018, affected by trade disputes, geopolitical events and concerns over interest rates increases, among others. The US Federal Reserve made four 25-basis point interest rate increases over FY2018, with future rate hikes expected in 2019 and 2020. While the global economy appears to be strengthening overall, downside risks remain.

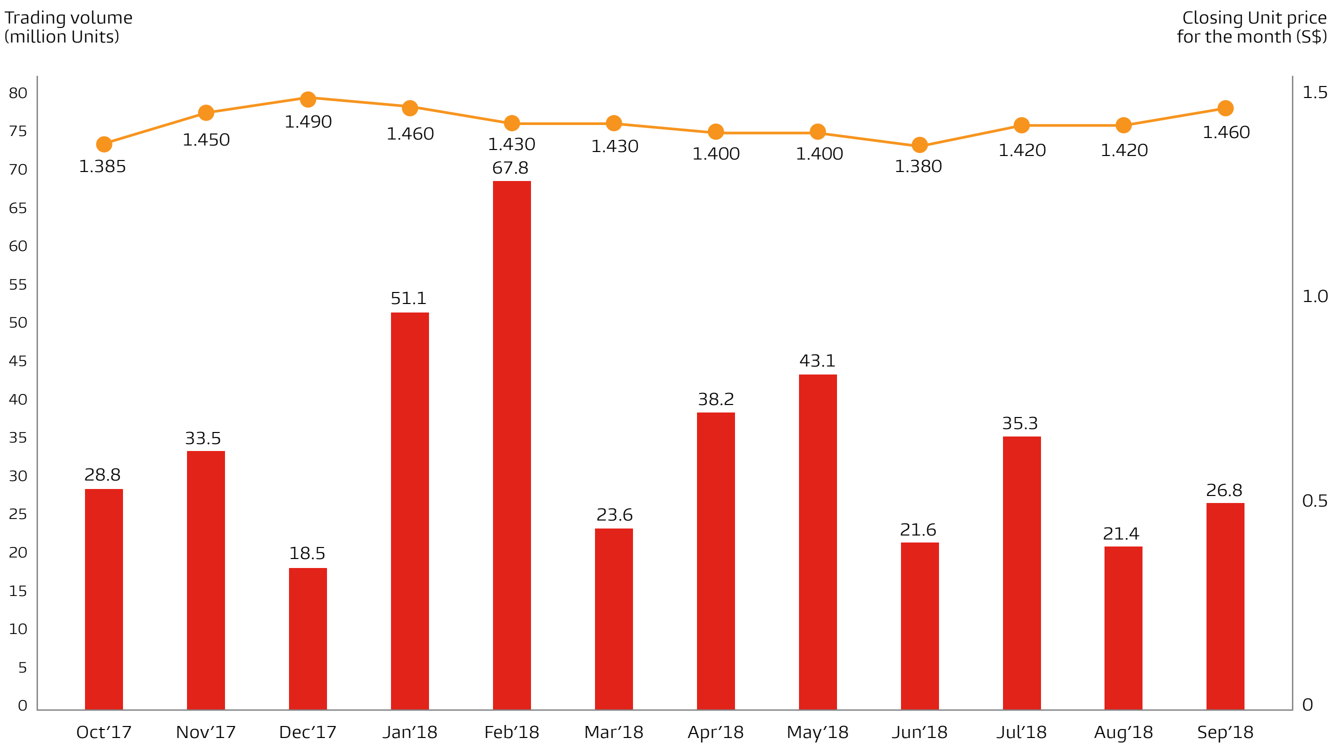
FCOT's unit price closed at S$1.460 on 28 September 2018 (the final trading day of FY2018), 5.8% higher than the closing price of S$1.380 on 29 September 2017, and outperformed the FTSE STI and FTSE REIT indices during the same period.

(Base = 100 on 29 September 2017)



Source: Bloomberg

FCOT Monthly Trading Performance in FY2018



Source: Bloomberg

FCOT Unit price performance		FY2014	FY2015	FY2016	FY2017	FY2018
Opening price	S$	1.250	1.360	1.330	1.405	1.380
Closing price	S$	1.350	1.330	1.405	1.380	1.460
High price	S$	1.440	1.580	1.430	1.450	1.550
Low price	S$	1.215	1.180	1.145	1.235	1.340
Trading volume	million Units	189.9	218.0	187.7	266.7	409.7
Average daily trading volume	million Units	0.8	0.9	0.7	1.1	1.6
Market capitalisation[1]	S$ million	913.5	1,041.0	1,116.0	1,111.4	1,297.4

Source: Bloomberg
1 Based on the closing price and number of issued Units as at the last trading day of the respective financial year.

FCOT's total returns have generally outperformed those of the FTSE Straits Times and FTSE REIT indices over the last five financial years

	1 Year[1]		3 Years[1]		5 Years[1]	
	Price change %	Total return[2] %	Price change %	Total return[2] %	Price change %	Total return[2] %
FCOT	5.8	13.1	9.8	35.3	15.9	63.3
FTSE REIT Index	-0.2	6.1	15.7	40.1	9.8	50.0
FTSE Straits Times Index	1.2	4.9	16.7	30.1	2.8	22.1

Source: Bloomberg
1 Up to 28 September 2018.
2 Assumes dividends are reinvested.

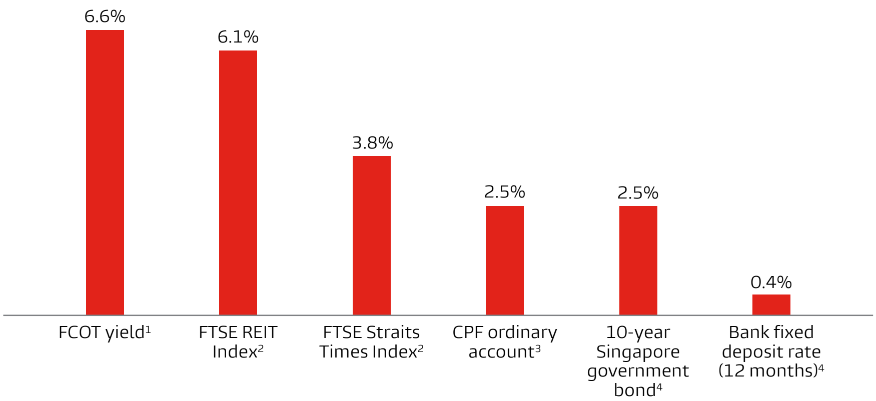
FCOT total return for FY2014-FY2018

63.3%

FCOT's 5-year total return of 63.3% exceeded the FTSE REIT and FTSE Straits Times indices' 5-year total returns of 50.0% and 22.1%, respectively.

FCOT offers an attractive yield compared to other investments

FCOT offers an attractive distribution yield of 6.6% (before tax, if any) as at 28 September 2018, higher than those of the FTSE Straits Times and FTSE REIT indices.



1 Based on FCOT's closing price of S$1.460 per Unit as at 28 September 2018 and total DPU of 9.60 cents for FY2018.
2 As at 28 September 2018. Source: Bloomberg.
3 Based on interest rate paid on the Central Provident Fund ordinary account from 1 July 2018 to 30 September 2018. Source: CPF website.
4 As at 28 September 2018. Source: www.mas.gov.sg.

Letter to Unitholders

We carried out several major projects and initiatives in FY2018 with the aim of strengthening and reshaping the portfolio for greater resilience, diversity and long-term growth.

Dear Unitholders,

FY2018 was an eventful and overall fruitful year for us as we carried out several important initiatives to continue strengthening and reshaping our portfolio for long-term growth. On behalf of Frasers Commercial Asset Management Ltd., as Manager of FCOT, we are pleased to present this Annual Report for FY2018.

Financial and Portfolio Performance

Distributable income totalling S$82.7 million was declared in FY2018, which was 5.2% above the amount in FY2017. This translated to distribution per Unit of 9.60 cents, which was marginally below the 9.82 cents per Unit in FY2017 due to the higher Unit base in FY2018[1].

FY2018 portfolio gross revenue of S$133.3 million was 14.8% lower year-on-year and portfolio NPI of S$89.3 million was 21.6% lower year-on-year. These lower performances resulted mainly from lower contributions from Alexandra Technopark, Central Park and China Square Central and the effects of the weaker Australian Dollar. Alexandra Technopark and Central Park were impacted by higher vacancies in the wake of lease expiries for key tenants including Hewlett-Packard Singapore Pte Ltd, Hewlett-Packard Enterprise Singapore Pte Ltd and BHP Billiton Iron Ore Pty Ltd. The financial performance of China Square Central was affected by the planned closure of the retail podium at 18 Cross Street for asset enhancement works. We will continue to carry out proactive leasing and asset management measures to normalise and improve the performances of the properties.

The foregoing FY2018 portfolio gross revenue and NPI figures are before contributions from a 50.0% interest in Farnborough Business Park located in the UK, which was acquired on 29 January 2018. The investment is held as a joint venture and generated attributable gross revenue and NPI of S$9.8 million[2] and S$7.0 million[2], respectively, in FY2018.

NAV as at 30 September 2018 was 1.59 cents per Unit[3], which was stable versus 1.58 cents per Unit as at 30 September 2017.

Strengthening and Reshaping the Portfolio for Long-term Growth

We carried out several major projects and initiatives in FY2018 with the aim of strengthening and reshaping the portfolio for greater resilience, diversity and long-term growth potential.

In December 2017, we announced that FCOT's investment mandate would be expanded beyond the Asia Pacific to include Europe[4], with an initial focus on the UK. The UK presents a vast and well-institutionalised real estate market, and will greatly enhance our ability to provide portfolio diversification and long-term growth potential for FCOT.

1 Inclusive of 67,567,000 new Units issued pursuant to the private placement which was completed on 1 February 2018 to part-finance the acquisition of 50.0% interest in Farnborough Business Park. Refer to the announcement dated 1 February 2018 for details.
2 Amounts 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).
3 Net of distribution income and assuming distribution income for the fourth quarter was fully paid in cash.
4 Refer to the announcement dated 14 December 2017.

From left to right: Mr Bobby Chin Yoke Choong and Mr Jack Lam

Letter to Unitholders

Our maiden investment in Farnborough Business Park was a 50:50 joint venture with a subsidiary of Frasers Property. The acquisition for an agreed property value of £175.0 million (approximately S$322.9 million[5]), was completed on 29 January 2018. The award-winning business park, which is located in Thames Valley west of London, has strong fundamentals, including a high-quality tenant base and a long weighted average lease expiry of 7.5 years[6]. As at 30 September 2018, its occupancy was 98.1%.

On 31 August 2018, we completed the divestment of 55 Market Street to an unrelated third-party for a consideration of S$216.8 million, which implied an attractive exit yield of 1.6%[7] and was almost three times the purchase price of S$72.5 million in 2006. The property was the smallest of our assets, and its monetisation unlocked significant value with a net gain of approximately S$75.7 million[8] over the property's net book value of S$139.9 million.

At Alexandra Technopark, the S$45 million asset enhancement initiative (AEI) which commenced in 1Q 2017 is nearing full completion and has received positive feedback from tenants, Unitholders and other stakeholders. The property has been transformed and repositioned to a contemporary and vibrant business campus that offers an engaging, green and spacious environment augmented by a multitude of food and beverage, social and wellness amenities.

At China Square Central, a S$38 million AEI to rejuvenate and reposition the retail podium at 18 Cross Street commenced in January 2018 and is expected to complete in the second half of 2019. The project aims to create an exciting retail destination focusing on food and beverage, wellness and services. The net lettable area of the retail podium is expected to increase by 22.0% to around 78,000 sq ft[9], which will further add to its income-generating potential. The retail podium is also expected to benefit from the expected opening of the new 304-room Capri by Fraser, China Square hotel[10] in March 2019[11]. Last but not least, we also expect that the Urban Redevelopment Authority's newly announced Business Improvement District programme for the China Place precinct to bring further benefits to China Square Central.

The Hub | Alexandra Technopark, Singapore

Portfolio Value Increased 3.0%

Portfolio value increased to S$2.1 billion[12] based on independent valuations of the properties as at 30 September 2018, up 3.0% compared to a year ago. The increase in portfolio value was mainly due to the addition of the 50.0% interest in Farnborough Business Park and the higher valuations for the Singapore properties. The portfolio value was partially offset by the divestment of 55 Market Street and lower translated values of the Australian properties due to the effects of the weaker Australian Dollar.

5 Based on the exchange rate of £1.00 = S$1.8453 at the time of acquisition.
6 Based on gross rental income as at 30 September 2018, which included reimbursements of lease incentives and rent guarantee 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 weighted average lease to break calculated on gross rental income basis and reflecting contracted rights for tenants to pre-terminate leases, was 5.2 years as at 30 September 2018.
7 Based on the annualised NPI of 55 Market Street for 3QFY2018.
8 Net of transaction expenses and fees.
9 Based on provisional scheme and may be subject to change.
10 Refer to the Circular to Unitholders dated 3 June 2015 for details.
11 Refer to Frasers Property's announcement dated 10 April 2018.
12 Portfolio as at 30 September 2018 included 50.0 % interest in Farnborough Business Park acquired on 29 January 2018 and excluded 55 Market Street divested on 31 August 2018.

Proactive and Prudent Capital Management

In February 2018, gross proceeds of approximately S$100.0 million was raised from a private placement of 67,567,000 new Units at a price of S$1.48 per Unit (Private Placement), as part of the long-term financing for the 50.0% interest in Farnborough Business Park. The Private Placement was initially launched based on 55,556,000 Units and was subsequently upsized by 12,011,000 Units following good demand from investors. The Private Placement enlarged our Unit base and the free float of Units.

We continue to take a prudent and proactive approach towards capital management. In June 2018, a A$135.0 million term loan facility due in FY2018 was refinanced to FY2022. In September 2018, an aggregate of S$196.6 million of borrowings due in FY2018 and FY2019 were repaid using the divestment proceeds of 55 Market Street. With the foregoing financing activities undertaken, there is currently no major refinancing requirement until FY2020.

The repayment of S$196.6 million of borrowings as mentioned above has substantially lowered FCOT's gearing level to 28.3% as at 30 September 2018, from 35.4% as at 30 June 2018. The current gearing level is well below the regulatory 45.0% limit for Singapore REITs. This provides a high degree of financial flexibility for the pursuit of new investments, AEIs and other growth opportunities. We will also look at opportunities to further reshape our portfolio and enhance our capital structure.

In addition, FCOT's FY2018 average interest coverage ratio continued to be healthy at 4.0 times[13] and interest rates for approximately 81.2% of borrowings as at 30 September 2018 is fixed or have been hedged, providing certainty in interest cost and protection from interest rate volatility.

13 Excluding the gain on divestment of 55 Market Street of S$75.7 million. Including the gain on divestment, the interest coverage ratio would be 7.3 times.

Outlook

Singapore's Ministry of Trade and Industry expects the economy to grow by 3.0% to 3.5% in 2018, and by 1.5% to 3.5% in 2019[14]. Against this backdrop, the outlook for the Singapore office market is generally positive. CBRE has expressed the view that healthy tenant demand coupled with limited future supply will lead to further rental growth in the medium term[15]. Following the recovery in office rents since the second half of 2017, there are now also higher rent expectations for well-located business park properties[16]. The above market trends bode well for China Square Central and Alexandra Technopark.

For Australia, the Reserve Bank of Australia expects the economy to grow by 3.50% each in 2018 and 2019[17]. Caroline Chisholm Centre, which is wholly occupied by the Commonwealth of Australia on a long-term lease, will continue to provide stable income to the portfolio. We believe 357 Collins Street will also be highly defensive, given its high occupancy of 95.0% as at 30 September 2018 and the generally positive Melbourne office market. With regard to Central Park in Perth, we are cautiously optimistic of the outlook, as the city's prime office segment is benefitting from improving business confidence and a flight-to-quality trend exhibited by office occupiers.

For the UK, the Bank of England's Monetary Policy Committee expects the economy to grow by around 1.75% in 2018[18]. There are currently uncertainties over business conditions in 2019 in light of Brexit in March 2019. Nonetheless, given the strong fundamentals of Farnborough Business Park and the continued attractiveness of Thames Valley as a well-established and cost-efficient location for businesses, we believe that the income performance of the property would be resilient[19].

Acknowledgements

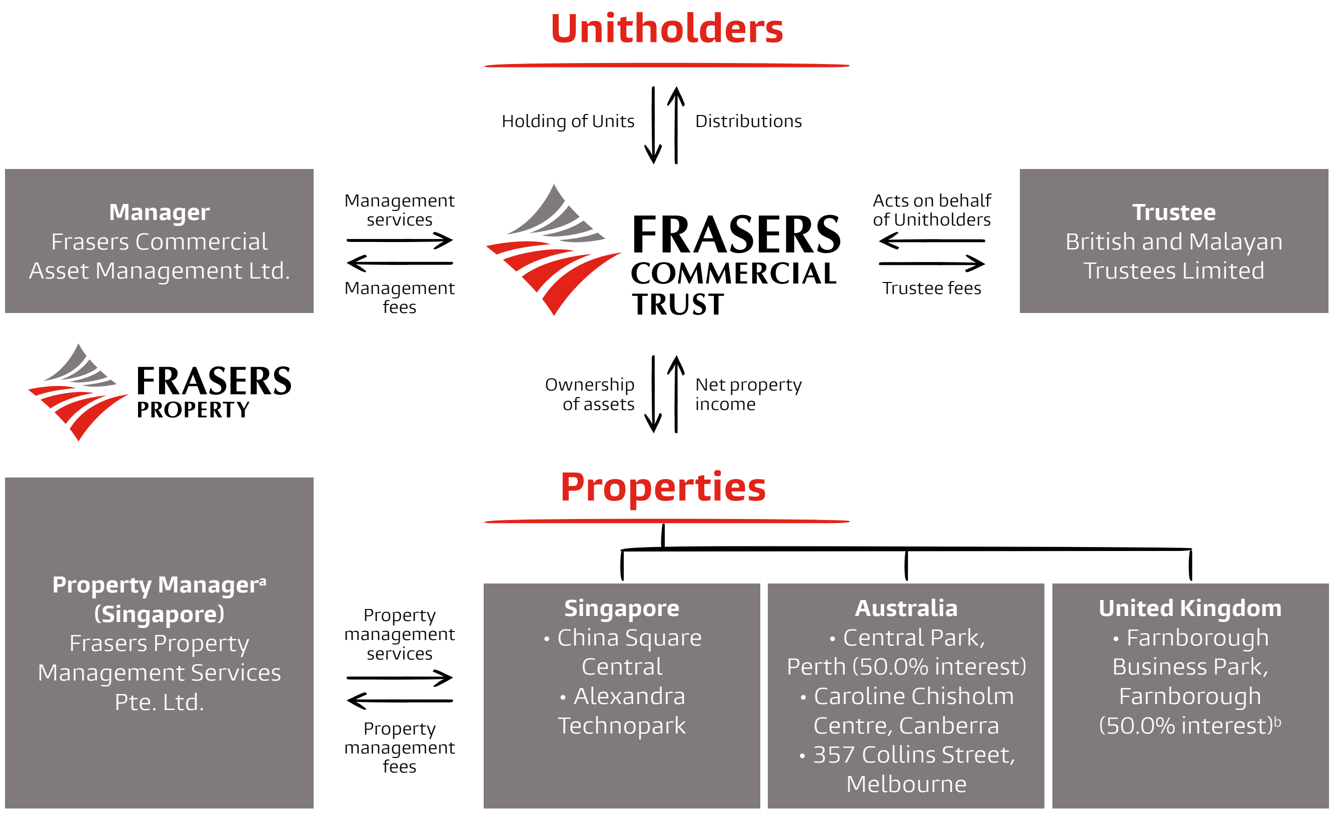
In conclusion, the Board would like to thank our Unitholders and other stakeholders, including the Trustee, tenants and service partners, for their strong and unwavering support. Our appreciation also goes out to the management team for their continued dedication and hard work in managing the Trust. We look forward to meeting with our Unitholders at the upcoming Annual General Meeting to be held on 18 January 2019.

Bobby Chin Yoke Choong
Chairman and Independent Non-Executive Director

Jack Lam
Chief Executive Officer

14 Source: Ministry of Trade and Industry Singapore, 22 November 2018.
15 Source: CBRE, Singapore Market View, Q3 2018.
16 Alexandra Technopark is a high-specification B1 industrial development located at the city-fringe, with certain physical attributes similar to business parks. In the absence of meaningful market research information directly relevant to the asset class of Alexandra Technopark, market research information for business parks is provided for indicative reference.
17 Source: Reserve Bank of Australia's Statement on Monetary Policy Decision, 6 November 2018.
18 Source: Bank of England's Monetary Policy Committee meeting held on 31 October 2018.
19 For more information, please refer to Market Overview, Thames Valley and Farnborough Area, UK, by Jones Lang LaSalle dated 30 November 2018 which is included in this Annual Report.

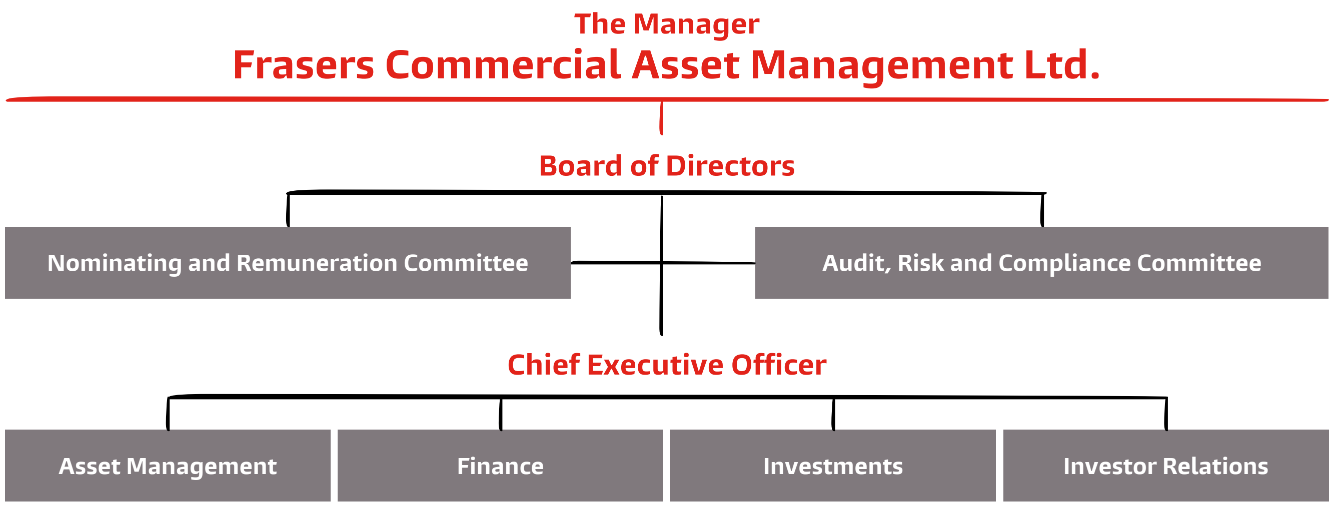
Corporate Structure



a The property manager of 357 Collins Street is Frasers Property Management Services Pty Ltd., a related company of the Manager. The property managers of Central Park, Caroline Chisholm Centre and Farnborough Business Park are not related parties of the Manager.

b Farnborough Business Park is held as a joint venture and equity-accounted in the financial statements.

Organisation Structure



Key Events

2017

October 2017
Distribution of 2.4070 cents per Unit was declared for the financial period from 1 July 2017 to 30 September 2017 and the Distribution Reinvestment Plan (DRP) was applied.

November 2017
Announced that Hewlett-Packard Singapore Pte Ltd would be extending a portion of its lease (266,905 sq ft out of 304,920 sq ft) at Alexandra Technopark by between two to thirteen months from the lease expiry date of 30 November 2017.

Retirement of Dr Chua Yong Hai as Chairman (Non-Executive and Independent Director) of the Board of Directors of the Manager (Board), and as a member of the Audit, Risk and Compliance Committee (ARC Committee) and the Nominating and Remuneration Committee (NRC) with effect from 30 November 2017.

Retirement of Mr Tan Guong Ching as Non-Executive and Independent Director of the Board, Chairman of the NRC and member of the ARC Committee with effect from 30 November 2017.

Appointment of Mr Bobby Chin Yoke Choong, a Non-Executive and Independent Director and member of the ARC Committee and the NRC, as Chairman of the Board with effect from 30 November 2017.

Appointment of Mr Chang Tou Chen, a Non-Executive and Independent Director, and member of the ARC Committee and the NRC, as Chairman of the NRC with effect from 30 November 2017.

3,047,084 new Units were allotted and issued pursuant to the DRP for the distribution declared for the financial period from 1 July 2017 to 30 September 2017.

December 2017
Announced the expansion of FCOT's investment mandate to include real estate assets located in Europe including the UK used for commercial purposes (comprising primarily office, business space and/or business park purposes).

Announced a 50:50 joint venture with a wholly-owned subsidiary of Frasers Property to acquire Farnborough Business Park, Farnborough, Thames Valley, the UK, at an agreed property value of £175.0 million.

2018

January 2018
Commencement of a S$38 million upgrading project to rejuvenate and reposition the retail podium at 18 Cross Street, China Square Central. The retail podium was closed for safety reasons to facilitate the construction works.

FCOT entered into an £88.0 million unsecured transferable term loan facility for a term of 6 months from the date of first drawdown of the facility, which was primarily used to finance the acquisition of 50.0% interest in Farnborough Business Park initially.

The 9th Annual General Meeting (AGM) of FCOT was held on 22 January 2018 and all resolutions proposed were duly passed.

The Eleventh Supplemental Deed of FCOT was entered into to incorporate the provisions regarding electronic communications of notices and documents to Unitholders and to expand the principal investment policy of FCOT to include real estate assets located in Europe including the UK used for commercial purposes.

Distribution of 2.4000 cents per Unit was declared for the financial period from 1 October 2017 to 31 December 2017 and the DRP was applied.

FCOT raised gross proceeds of approximately S$100.0 million from a Private Placement of 67,567,000 new Units at an issue price of S$1.48 per Unit which was over five times subscribed. An advanced distribution of 0.8000 cents per Unit was declared for the financial period from 1 January 2018 to 31 January 2018 (Advanced Distribution).

The acquisition of 50.0% interest in Farnborough Business Park was completed.

February 2018

67,567,000 new Units were issued pursuant to the Private Placement.

Change of name of the Manager from "Frasers Centrepoint Asset Management (Commercial) Ltd." to "Frasers Commercial Asset Management Ltd." with effect from 1 February 2018.

Utilised approximately S$98.5 million of the gross proceeds of the Private Placement to part finance[1] the acquisition of 50.0% interest in Farnborough Business Park.

Issuance of S$60.0 million five-year senior unsecured notes due 2023 with a fixed rate of 3.185% per annum (Series 005 Notes) under the S$1.0 billion Multicurrency Medium Term Note Programme (MTN Programme). Moody's Investor Service (Moody's) assigned a rating of Baa2 for the Series 005 Notes. The entire proceeds from the notes issuance was used to part finance the acquisition of 50.0% interest in Farnborough Business Park[2].

1,038,661 new Units were issued as full payment of acquisition fee payable to the Manager in relation to the acquisition of 50.0% interest in Farnborough Business Park.

March 2018

1,072,299 new Units were allotted and issued pursuant to the DRP for the distribution declared for the financial period from 1 October 2017 to 31 December 2017.

April 2018

Distribution of 1.6000 cents per Unit was declared for the financial period from 1 February 2018 to 31 March 2018 and the DRP was applied. The total distribution for the financial period from 1 January 2018 to 31 March 2018, including the Advanced Distribution, was 2.4000 cents per Unit.

Obtained an unsecured multi-currency revolving credit facility for an amount of up to S$50.0 million for general corporate purposes.

May 2018

1,104,998 new Units were allotted and issued pursuant to the DRP for the distribution declared for the financial period from 1 February 2018 to 31 March 2018.

June 2018

The A$135.0 million term loan facility due in September 2018 was refinanced with a new term loan of the same amount due in June 2022.

The new 13,300 sq ft amenity hub at Alexandra Technopark, which is part of a S$45 million AEI being carried out at the property, received its Temporary Occupation Permit.

July 2018

Entered into a property sale agreement to divest 55 Market Street in Singapore to an unrelated party for an aggregate sale consideration of S$216.8 million.

A distribution of 2.4000 cents per Unit was declared for the financial period from 1 April 2018 to 30 June 2018 and the DRP was applied.

August 2018

2,461,827 new Units were allotted and issued pursuant to the DRP for the distribution declared for the financial period from 1 April 2018 to 30 June 2018.

The divestment of 55 Market Street was completed.

September 2018

Fully repaid the S$40.0 million transferable term loan facility which matured in September 2018 and fully prepaid the remaining S$156.6 million of the S$365.0 million transferable term loan facility maturing in FY2019. The foregoing loan repayments were funded with the proceeds from the divestment of 55 Market Street.

771,200 new Units were issued as full payment of divestment fee payable to the Manager in relation to the divestment of 55 Market Street.

1 The proceeds were used to partially repay the £88.0 million transferable term loan facility that was used to fund the acquisition initially and payment of professional and other fees and expenses in relation to the Private Placement.

2 The proceeds were used to partially repay the £88.0 million transferable term loan facility that was used to fund the acquisition initially.

Board of Directors

Mr Bobby Chin Yoke Choong, 66
Chairman, Non-Executive and Independent Director

Date of appointment as Director:
01 August 2017
Length of service as Director (as at 30 September 2018):
1 year 02 months

Board committees served on
- Audit, Risk and Compliance Committee
- Nominating and Remuneration Committee

Academic & Professional Qualifications
- Bachelor of Accountancy, University of Singapore
- Associate Member, Institute of Chartered Accountants in England and Wales

Present Directorships in other companies as at 30 September 2018
Listed companies
- AVJennings Limited
- Ho Bee Land Limited
- Singapore Telecommunications Limited
- Yeo Hiap Seng Limited

Listed REITs
- Nil

Others
- Housing and Development Board (Chairman)
- NTUC Fairprice Co-operative Ltd (Chairman)
- NTUC Fairprice Foundation Ltd (Chairman)
- NTUC Enterprise Co-operative Limited (Deputy Chairman)
- Singapore Labour Foundation
- Temasek Holdings (Private) Limited

Major appointments (other than Directorships)
- Council of Presidential Advisers (Member)

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2015 to 30 September 2018)
- Sembcorp Industries Limited
- Frasers Centrepoint Asset Management Ltd, manager of Frasers Centrepoint Trust

Past major appointments
- Managing Partner of KPMG Singapore
- Chairman of Urban Redevelopment Authority
- Chairman of Singapore Totalisator Board

Others
- Nil

Mr Chang Tou Chen, 49
Non-Executive and Independent Director

Date of appointment as Director:
01 March 2017
Length of service as Director (as at 30 September 2018):
1 year 07 months

Board committees served on
- Nominating and Remuneration Committee (Chairman)
- Audit, Risk and Compliance Committee

Academic & Professional Qualifications
- History of Medicine and Basic Medical Sciences (First Class Honours), University College London

Present Directorships in other companies as at 30 September 2018
Listed companies or REITs
- Nil

Major appointments (other than Directorships)
- Nil

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2015 to 30 September 2018)
- Nil

Past major appointments
- Managing Director, Head of Banking South East Asia, The Hongkong & Shanghai Banking Corporation Ltd

Others
- Nil

Mr Chay Wai Chuen, 68
Non-Executive and Independent Director

Date of appointment as Director:
29 July 2010
Length of service as Director (as at 30 September 2018):
8 years 03 months

Board committees served on
- Audit, Risk and Compliance Committee (Chairman)
- Nominating and Remuneration Committee

Academic & Professional Qualifications
- Bachelor of Arts, University of Singapore
- Bachelor of Social Science (Honours), University of Singapore
- Master of Social Science, University of Singapore
- Master of Arts, University of Sussex
- Graduate of the Singapore Command and Staff College
- Advanced Management Program, Harvard Business School

Present Directorships in other companies as at 30 September 2018
Listed companies or REITs
- Nil

Major appointments (other than Directorships)
- Singapore's Non-Resident Ambassador to the Slovak Republic

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2015 to 30 September 2018)
- Nil

Past major appointments
- Member of Parliament in Singapore
- Member of the Public Accounts Committee of Parliament
- Chairman of the Government Parliamentary Committee in Transport
- Chairman of the Tanjong Pagar Town Council
- Chief Financial Officer and Director for Supply Chain and Logistics, NTUC Fairprice Cooperative Ltd
- Singapore's Non-resident High Commissioner to Sri Lanka
- Director of the Singapore Corporation of Rehabilitative Enterprises (SCORE)
- Chairman of Investment and Finance Committee (SCORE)
- Council Member, National University of Singapore

Others
- Awarded Public Service Star, BBM

Board of Directors

Mr Chia Khong Shoong, 47
Non-Executive and Non-Independent Director

Date of appointment as Director:
01 September 2009
Length of service as Director (as at 30 September 2018):
9 years 01 month

Board committees served on
- Nil

Academic & Professional Qualifications
- Bachelor of Commerce (Accounting and Finance) (First Class Honours), University of Western Australia
- Master of Philosophy (Management Studies), Cambridge University

Present Directorships in other companies as at 30 September 2018
Listed companies or REITs
- Nil

Major appointments (other than Directorships)
- Group Chief Corporate Officer, Frasers Property Limited

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2015 to 30 September 2018)
Listed companies
- Nil

Listed REITs
- Frasers Centrepoint Asset Management Ltd, manager of Frasers Centrepoint Trust

Past major appointments
- Group Chief Financial Officer, Frasers Property Limited
- Chief Executive Officer, Australia, New Zealand and United Kingdom, Frasers Property Limited
- Director, Investment Banking, The Hongkong & Shanghai Banking Corporation Ltd

Others
- Nil

Mr Low Chee Wah, 53
Non-Executive and Non-Independent Director

Date of appointment as Director:
14 August 2008
Length of service as Director (as at 30 September 2018):
10 years 02 months

Board committees served on
- Nil

Academic & Professional Qualifications
- Bachelor of Economics, Monash University
- Bachelor of Laws, Monash University
- Fellow of CPA Australia
- Fellow of Chartered Accountant of Singapore

Present Directorships in other companies as at 30 September 2018
Listed companies or REITs
- Nil

Others
- Dover Park Hospice (Council Member)
- Real Estate Investment Trust Association of Singapore (Vice President)
- Singapore River One Limited (Board Member)

Major appointments (other than Directorships)
- Head of Retail and Commercial Division, Frasers Property Limited

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2015 to 30 September 2018)
- Nil

Past major appointments
- Chief Executive Officer of Frasers Commercial Asset Management Ltd, manager of Frasers Commercial Trust
- Chief Executive Officer of BNP Paribas Peregrine (Singapore) Ltd, investment banking arm of BNP Paribas Singapore

Others
- Nil

Mr Christopher Tang Kok Kai, 57
Non-Executive and Non-Independent Director

Date of appointment as Director:
14 August 2008
Length of service as Director (as at 30 September 2018):
10 years 02 months

Board committees served on
- Nominating and Remuneration Committee

Academic & Professional Qualifications
- Bachelor of Science, National University of Singapore
- Master of Business Administration, National University of Singapore

Present Directorships in other companies as at 30 September 2018
Listed companies
- Nil

Listed REITs
- Frasers Centrepoint Asset Management Ltd, Manager of Frasers Centrepoint Trust

Others
- Republic Polytechnic (Member of Board of Governors)

Major appointments (other than Directorships)
- Chief Executive Officer, Singapore, Frasers Property Limited

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2015 to 30 September 2018)
Listed companies
- Nil

Listed REITs
- Hektar Asset Management Sdn Bhd, manager of Hektar REIT

Past major appointments
- Chief Executive Officer, Frasers Centrepoint Commercial, Frasers Property Limited
- Chief Executive Officer, China, Frasers Property Limited
- Chief Executive Officer, Frasers Centrepoint Asset Management Ltd, manager of Frasers Centrepoint Trust

Others
- Previously worked with DBS Bank, DBS Land and British Petroleum

Management Team

Mr Jack Lam
Chief Executive Officer

Jack works with the Board to determine the overall business and investment strategies of FCOT. He is also responsible for the day-to-day management of FCOT and works closely with the management team to ensure that FCOT's finance, investment, asset management, investor relations and other plans and initiatives are executed integrally and successfully.

Jack has approximately 25 years of experience in the real estate industry, spanning the areas of investment, business development, asset management, advisory and research, among others. He has also been involved in REIT management since 2002. Before joining the Manager in January 2017, Jack had held several senior positions in the Group over a 10-year period, including Deputy CEO and Head, Investment of Frasers Centrepoint Asset Management Ltd. (the manager of Frasers Centrepoint Trust).

Jack holds an MBA in Finance (with Distinction) from the University of Leeds, United Kingdom, and a Bachelor of Civil Engineering degree from the National University of Singapore.

Ms Tricia Yeo
Chief Financial Officer

Tricia leads the finance team and is responsible for overseeing all aspects of finance, taxation, capital management and treasury function for FCOT. Her team also provides support for compliance matters for FCOT.

Tricia has more than 17 years of experience in the finance industry including audit, advisory and banking. She started her career as an auditor with a Big Four accounting firm, and subsequently moved into real estate investment banking with various international banks. Prior to joining the Manager, she headed the real estate sector coverage at the investment banking arm of an Asian regional bank.

Tricia graduated from the Nanyang Technological University of Singapore with a Bachelor of Accountancy degree and holds an MBA from INSEAD. She is a Singapore Chartered Accountant with the Institute of Singapore Chartered Accountants and a Chartered Financial Analyst.

Mr Wong Soon Yean
Senior Vice President and Head, Investment

Soon Yean leads the investment team and is responsible for sourcing, evaluating and executing acquisition and divestment transactions for FCOT.

Soon Yean has more than 27 years of experience in investment, development, property management, leasing and sales, spanning different real estate asset classes, including retail, industrial, office and residential developments. Prior to joining the Manager, he was with a Singapore-listed property company where he undertook investment, asset management and business development work in Singapore and Malaysia.

Soon Yean holds a Bachelor of Science (Honours) in Estate Management from the National University of Singapore and an Executive Master of Science in Finance from the Zicklin School of Business, Baruch College, City University of New York.

Mr Vincent Lee
Senior Vice President, Asset Management

Vincent is responsible for the asset management of FCOT's UK properties. He works closely with the property managers and other service providers to drive business plans and strategic initiatives to enhance the performances of the properties.

Vincent has more than 22 years of experience in the real estate industry spanning across various functions including asset management, investment analysis, research and consulting, principal and agency

Seated (from left to right): Ms Tricia Yeo, Mr Jack Lam and Ms Cheah Yoke Lan
Standing (from left to right): Ms Wang Mei Ling, Mr Vincent Lee, Mr Wong Soon Yean and Ms Janet Soh

leasing and project marketing and sales, covering a wide spectrum of asset classes.

Vincent holds a Bachelor of Commerce in Urban Land Economics from the University of British Columbia, Canada, a Master of Real Estate from the University of New South Wales, Australia, and a Master of Applied Finance from the University of Adelaide, Australia.

Ms Cheah Yoke Lan
Vice President,
Asset Management

Yoke Lan is responsible for the asset management of FCOT's Australia portfolio. She works closely with the property managers and other service providers to drive business plans and strategic initiatives to enhance the performances of the properties.

Yoke Lan has more than 26 years of valuation and asset management experience for commercial and retail properties in Australia, Malaysia and Singapore. She holds a Bachelor of Property Management (Honours) from University Technology, Malaysia and an MBA from Heriot Watt University, United Kingdom. She is a British Council Scholar and holds property management, valuation and estate agent's licences issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

Ms Janet Soh
Vice President,
Asset Management

Janet is responsible for the asset management of FCOT's Singapore portfolio. She works closely with the property managers and other service providers to drive business plans and strategic initiatives to enhance the performances of the properties.

Janet has more than 22 years of asset management, leasing and marketing experience in office and other commercial properties in Singapore. Prior to joining the Manager, she had worked for major commercial landlords and occupiers in Singapore. She graduated from the Royal Melbourne Institute of Technology, Australia with a Bachelor of Applied Science in Construction Management.

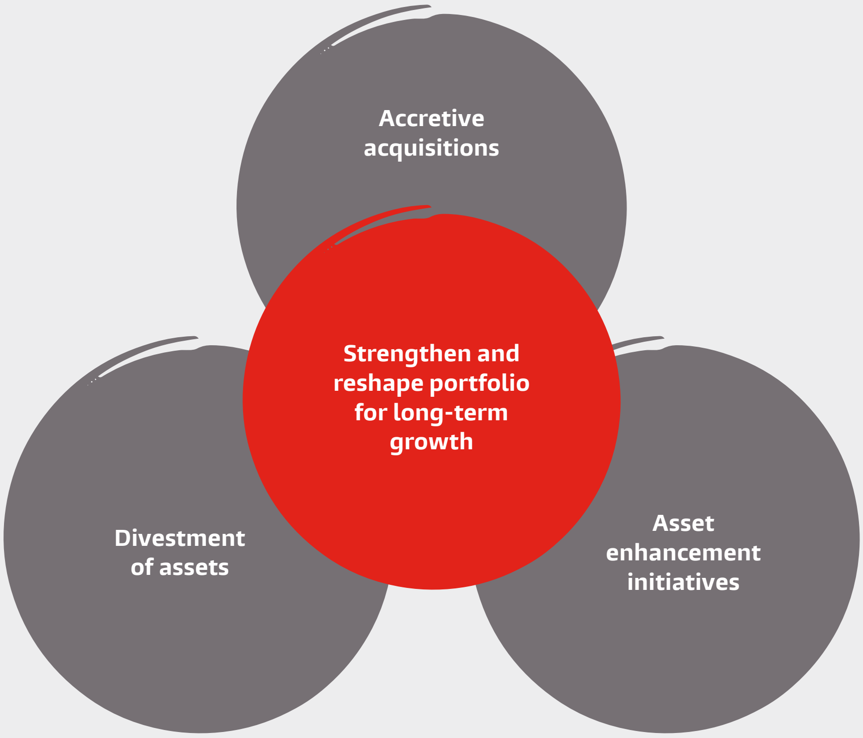
Ms Wang Mei Ling
Vice President and Head,
Investor Relations

Mei Ling is responsible for managing investor relations activities and initiatives for FCOT, including communications with Unitholders, analysts and the media.

Prior to joining the Manager, Mei Ling had more than 11 years of experience in the finance industry. Her previous roles include fund management in alternative assets, investment banking and auditing with a Big Four accounting firm. Mei Ling graduated from the University of Manchester, United Kingdom, with a Bachelor of Arts in Economic and Social Studies (Accounting & Finance). She is a Fellow of the Institute of Chartered Accountants in England and Wales.

Operational Overview

Reshaping and strengthening the portfolio for long-term growth



Accretive Acquisitions

- Expanded investment mandate to Europe (including the UK) in January 2018 to enhance ability to provide portfolio diversification and long-term growth.
- Enhanced alignment with Frasers Property's top three geographical markets of Singapore, Australia and Europe.
- Completed income-accretive acquisition of 50.0% interest in Farnborough Business Park on 29 January 2018.

Divestment of Assets

- Create opportunity to recycle capital for higher-yielding investments and other growth opportunities.
- Divested 55 Market Street on 31 August 2018 and realised a net gain of approximately S$75.7 million[a].

Asset Enhancement Initiatives

- Enhance performance and long-term competitiveness of properties.
- Elevate tenants' and visitors' experiences.
- Repositioned Alexandra Technopark 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.

a Based on the net book value of S$139.9 million and net of transaction expenses and fees.

The Manager carried out several major initiatives in FY2018 to reshape and strengthen the portfolio for long-term growth.

In January 2018, FCOT's investment mandate was expanded to Europe[1], with an initial focus on the UK, which enhanced FCOT's ability to achieve portfolio diversification and long-term growth.

On 29 January 2018, FCOT completed the acquisition of a 50.0% interest in HEREF Farnborough Limited (now renamed as Farnborough Business Park Ltd) for £87.3 million[2] from HEREF Farnborough Holdco Limited (an unrelated third-party). HEREF Farnborough Limited held the beneficial and legal title of Farnborough Business Park located in Farnborough, Thames Valley, the UK. Farnborough Business Park was valued at £175.05 million[3] as at 11 December 2017 by an independent valuer, BNP Paribas Real Estate Advisory & Property Management UK Limited, using the investment approach. This income-accretive acquisition was made via a 50:50 joint venture with Frasers Property International Pte Ltd, a wholly-owned subsidiary of Frasers Property, to acquire 100.0% interest in HEREF Farnborough Limited.

On 31 August 2018, the property sale of 55 Market Street in Singapore to Central Capital Holdings Pte Ltd (an unrelated third-party) for S$216.8 million, was completed. The divestment consideration was equivalent to S$3,020 per sq ft based on the property's net lettable area (NLA)[4] and implied an attractive exit NPI yield of 1.6%[5]. The property was valued at S$150.0 million as at 1 July 2018 by an independent valuer, Jones Lang LaSalle Property Consultants Pte Ltd, using the discounted cash flow approach and direct capitalisation method. 55 Market Street was the smallest property in FCOT's portfolio. The divestment almost tripled the original purchase price of S$72.5 million in 2006 and unlocked significant value.

At Alexandra Technopark, the S$45 million AEI which commenced in 1Q 2017 is nearing full completion and has received positive feedback from tenants, Unitholders and other stakeholders. The property has been transformed and repositioned to a contemporary and vibrant business campus that offers an engaging, green and spacious environment augmented by a multitude of food and beverage, social and wellness amenities. One of the new additions as part of Alexandra Technopark's transformation is a new 13,300 sq ft 3-storey amenity hub which houses a wide array of food and beverage, social and communal amenities. The AEI has greatly improved tenants' and visitors' experiences at the property.

At China Square Central, a S$38 million AEI to rejuvenate and reposition the retail podium at 18 Cross Street commenced in 1Q 2018 and is expected to complete in the second half of 2019. The project aims to create an exciting retail destination focusing on food and beverage, wellness and services. The NLA of the retail podium is expected to increase from 64,000 sq ft to approximately 78,000 sq ft[6], which will add to its income-generating potential. The retail podium is also expected to benefit from increased visitor numbers to China Square Central that can be envisaged with the expected opening of the new 304-room Capri by Fraser, China Square hotel[7] in March 2019[8].

1 Announced expansion of investment mandate to include real estate assets located in Europe, including the UK, used for commercial purposes (comprising primarily office, business space and/or business park purpose) on 14 December 2017.
2 FCOT's share of 50.0% of the adjusted NAV of HEREF Farnborough Limited, comprising Farnborough Business Park based on an agreed property value of £175.0 million and working capital.
3 100.0% basis.
4 Based on the NLA of 71,796 sq ft.
5 Based on the annualised NPI of 55 Market Street for 3QFY2018.
6 Based on provisional scheme and may be subject to change.
7 Refer to the Circular to Unitholders dated 3 June 2015 for details.
8 Refer to Frasers Property's announcement dated 10 April 2018.

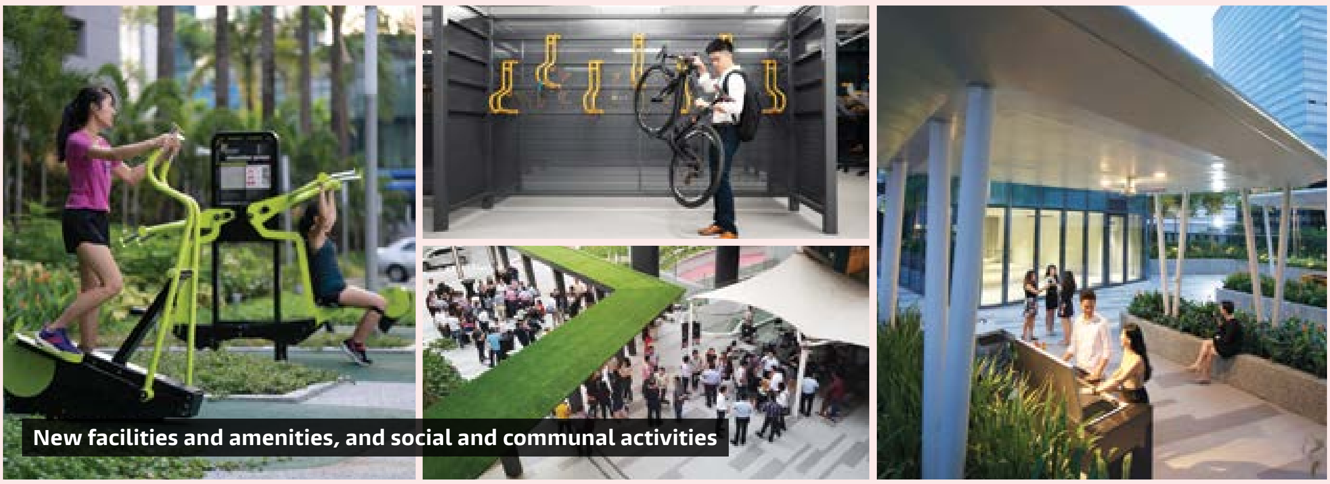
Operational Overview

Asset Enhancement Initiatives

Alexandra Technopark |
Repositioned as a contemporary, vibrant and engaging business campus

The Hub, a new amenity hub at Alexandra Technopark | Singapore

Details	• The S$45 million AEI has transformed and repositioned Alexandra Technopark into a contemporary, vibrant and engaging business campus. • Provides a well-balanced work environment with various lifestyle and wellness amenities, complemented by the regular hosting of social and wellness activities. • Added a new 13,300 sq ft 3-storey amenity hub which houses a wide array of food and beverage, social and other amenities.
Benefits	Uplifted the market profile, leasing appeal and long-term competitiveness of Alexandra Technopark and elevated tenants' and visitors' experiences.



New facilities and amenities, and social and communal activities

Asset Enhancement Initiatives

Retail podium of 18 Cross Street, China Square Central | Rejuvenating the asset and improving retail offering and shopper experience

Artist's impression of the upgraded retail podium of 18 Cross Street, China Square Central | Singapore

Details	• S$38 million[a] AEI to rejuvenate and reposition the retail podium as an exciting destination focusing on food and beverage, wellness and services. • Increase leasable area by around 22% to approximately 78,000 sq ft[a].
Benefits	• Expected to boost the market positioning, leasing appeal and long-term income generating potential of the retail podium. • Capitalise on the expected increase in visitor traffic when the new 304-room Capri by Fraser hotel within China Square Central opens in March 2019[b].
Timeline	Commenced in 1Q 2018 and expected to complete in the second half of 2019[a].

a Based on provisional scheme and may be subject to change.
b Refer to Frasers Property's announcement dated 10 April 2018.

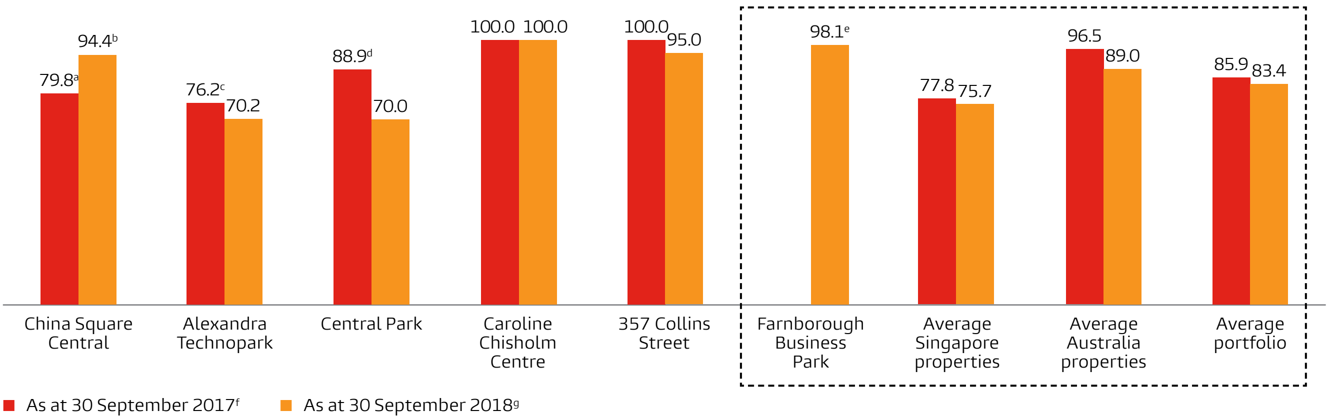
Operational Overview

Portfolio Occupancy

As at 30 September 2018, average portfolio occupancy was 83.4% including pre-committed leases in Singapore. The average occupancy rates for the Singapore properties (including pre-committed leases), the Australian properties and Farnborough Business Park were 75.7%, 89.0% and 98.1%, respectively.

Alexandra Technopark and Central Park were impacted by higher vacancies in the wake of lease expiries for key tenants including Hewlett-Packard Singapore Pte Ltd and Hewlett-Packard Enterprise Singapore Pte Ltd at the former and BHP Billiton Iron Ore Pty Ltd at the latter. The Manager will continue to carry out proactive leasing and asset management measures to normalise and improve the occupancy rates of the properties as soon as possible.

Occupancy Rates
(%)



a Includes planned vacancies for certain units affected by the construction works for the Hotel and Commercial Projects (refer to the Circular dated 3 June 2015 for details). Affected units are mainly retail units at 18 Cross Street and certain units at the shophouses at 20 and 22 Cross Street.

b Excluding 18 Cross Street retail podium (NLA of approximately 64,000 sq ft) which is currently closed for asset enhancement works.

c Adjusted to reflect 17.1% which was not renewed by Hewlett-Packard Enterprise Singapore Pte Ltd upon lease expirations on 30 September 2017 and 30 November 2017, as announced on 22 September 2017. Actual occupancy as at 30 September 2017 was 90.8%. A further 3.6% was not renewed by Hewlett-Packard Singapore Pte Ltd upon lease expiration on 30 November 2017, as announced on 3 November 2017.

d Adjusted for the space committed by an entity of Rio Tinto Limited on a new 12-year lease from FY2018, among others. Actual occupancy as at 30 September 2017 was 69.6%. Includes 11.8% of space to be relinquished by an entity of Rio Tinto Limited in FY2018 as part of its shift into new premises in Central Park under the new lease.

e No comparable data available for FY2017 as the acquisition of 50.0% interest in Farnborough Business Park was completed on 29 January 2018.

f Committed occupancies as at 30 September 2017 for all properties, except for Caroline Chisholm Centre and 357 Collins Street, which were actual occupancies as at 30 September 2017.

g Committed occupancies as at 30 September 2018 for China Square Central and Alexandra Technopark, and actual occupancies for the rest of the properties. The actual occupancies for China Square Central (excluding the retail podium at 18 Cross Street that was closed for asset enhancement works) and Alexandra Technopark were 90.7% and 60.8%, respectively.

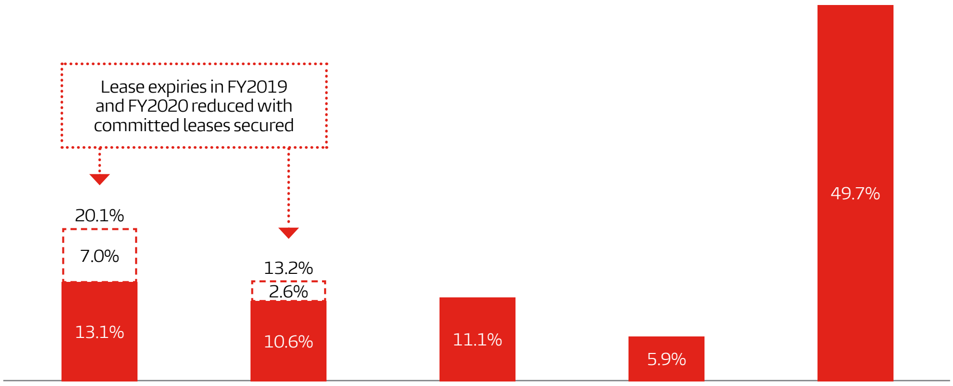
Central Park | Perth, Australia

Well-Spread Lease Expiry Profile and Proactive Management of Leases

The portfolio had a large and diversified tenant base of 184 tenants under 241 leases as at 30 September 2018[9], and leasing activities were overall healthy during the financial year.

The portfolio has a lease expiry profile that is well-spread. As at 30 September 2018, almost half of leases weighted by gross rental income (GRI)[10] had expiry dates beyond FY2022, providing income stability to the portfolio. The Manager markets the properties proactively, including actively engaging with existing tenants for forward renewals, and have secured forward renewals and commitments for a number of leases that are expiring in FY2019 and FY2020. Taking into account these forward renewals and commitments, leases expiring in FY2019 and FY2020 have been reduced respectively by 7.0 percentage points and 2.6 percentage points as at 30 September 2018, providing greater income stability to the portfolio.

Portfolio Lease Expiry by GRI
(as at 30 September 2018)



Portfolio lease expiry by GRI	FY2019	FY2020	FY2021	FY2022	FY2023 and beyond
Number of leases expiring	67	40	38	15	81
NLA (sq ft) expiring	422,933	267,606	221,978	132,179	1,141,312
Expiries as % total NLA[a]	15.4%	9.8%	8.1%	4.8%	41.6%
Expiries as % total GRI	20.1%	13.2%	11.1%	5.9%	49.7%

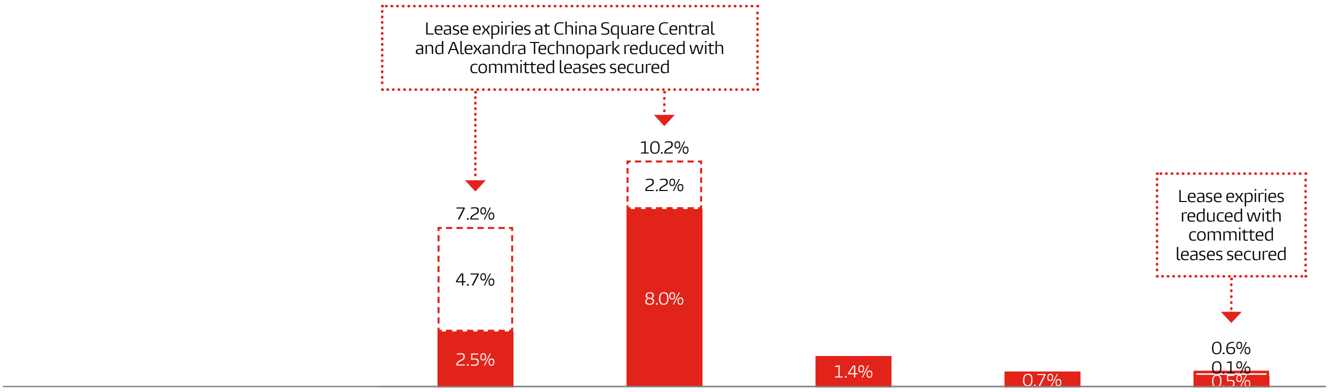
Data as at 30 September 2018. Excluded lease incentives and retail turnover rents, if any. For Farnborough Business Park, GRI included reimbursements of lease incentives, rent guarantees for certain unlet units and other commercial arrangements performed by the vendor, in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details).

a The total NLA of the portfolio used in the computation above has excluded 18 Cross Street retail podium (NLA of approximately 64,000 sq ft) which is currently closed for asset enhancement works. In addition, Central Park's and Farnborough Business Park's NLAs are included on 50.0% weightage to reflect FCOT's proportionate interests in these two properties.

9 Excluding pre-committed leases with commencement dates after 30 September 2018.
10 All references to portfolio GRI are inclusive of FCOT's attributable share of 50.0% GRI for Farnborough Business Park which 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).

Operational Overview

Property Lease Expiries in FY2019 as a Proportion of Portfolio GRI
(as at 30 September 2018)



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

a Adjusted for pre-committed leases secured.
b Excluded lease incentives and retail turnover rents, if any. Figures for Singapore properties are on a gross rent per sq ft per month basis, figures for Australia properties are on net face rent per sq m per annum basis, and the figure for Farnborough Business Park is on net rent per sq ft per annum basis.
c Data is in respect of a single lease, which may not be reflective of leases generally in the property.

As at 30 September 2018, 13.1%[11] of leases by portfolio GRI will be expiring in FY2019, after taking into account forward lease renewals and pre-commitments secured at China Square Central, Alexandra Technopark and Farnborough Business Park. For Alexandra Technopark, of the remaining 8.0% of leases by portfolio GRI that will be expiring in FY2019, 3.8% is in relation to the lease of Hewlett-Packard Singapore Pte Ltd which will be expiring in December 2018. The $45 million AEI at Alexandra Technopark is expected to boost the market profile, leasing appeal and long-term competitiveness of the property. The Manager will continue to carry out proactive leasing and asset management strategies to normalise and improve occupancy at the property as soon as possible.

Healthy Weighted Average Lease Expiry

The portfolio weighted average lease expiry (WALE) by GRI based on committed occupancy as at 30 September 2018 was 4.7 years[12]. The portfolio WALE was anchored by Caroline Chisholm Centre's long WALE of 6.8 years as at 30 September 2018. The portfolio WALE and income stability also benefitted from Rio Tinto Shared Services Pty Ltd's new 12-year lease at Central Park which commenced in FY2018.

Wale of New and Renewed Leases Entered into in FY2018 and the Proportion of Revenue Attributed to those Leases

The Manager markets the properties proactively, including actively engaging with existing tenants for forward renewals. In FY2018, 68 new and renewal leases across 590,600 sq ft of space were signed, representing 21.0% of the portfolio NLA. These leases have an average WALE of 5.9 years as at 30 September 2018 and aggregate rental revenue of approximately S$36.2 million per annum.

New and renewed leases entered into in FY2018	Number of leases	NLA (sq ft) (based on FCOT's proportionate interests in the respective properties)	% of portfolio NLA (based on FCOT's proportionate interests in the respective properties)	WALE as at 30 September 2018 (years)	Rental per annum (S$ million)
Renewals	32	267,676	9.5	2.1	15.2
New leases	36	322,924	11.5	8.8	21.0
Total	**68**	**590,600**	**21.0**	**5.9**	**36.2**

11 Adjusted for forward lease renewals and commitments secured.
12 Excluded 18 Cross Street retail podium (NLA of approximately 64,000 sq ft) which is currently closed for asset enhancement works, and lease incentives and retail turnover rents, if any. For Farnborough Business Park, GRI 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 corresponding portfolio weighted average lease to break (WALB), calculated on GRI basis and reflecting contracted rights for tenants to pre-terminate leases, if any, was 4.3 years as at 30 September 2018.

Portfolio Income Contribution and NLA Mix
(as at 30 September 2018)

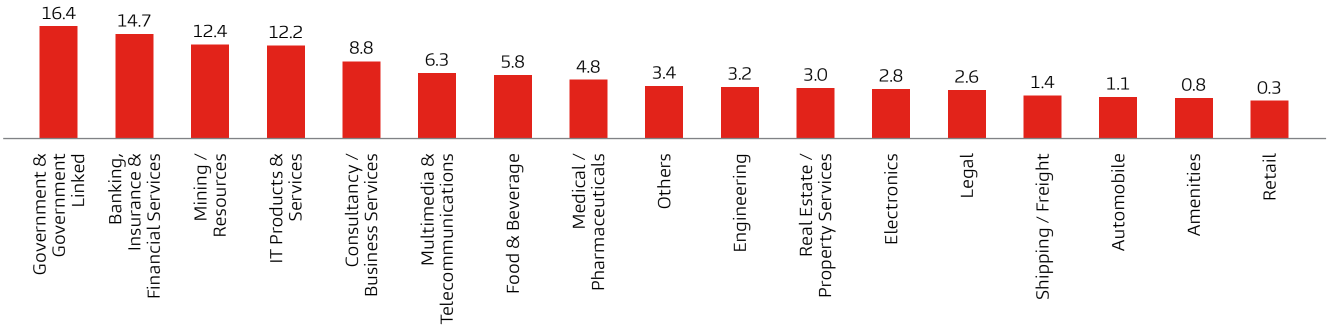
Portfolio GRI Contribution
(%)

NLA
(%)
(adjusted for FCOT's proportionate interests in each property)

Diverse Trade Sector Mix

As at 30 September 2018, the portfolio is well-diversified with a large tenant base of 184 office, business space, retail and other leases across various industry sectors. No single industry sector accounted for more than 17.0% of portfolio GRI, thereby limiting concentration risk.

Trade sector mix by GRI
(as at 30 September 2018)
(%)



Top 10 Tenants by GRI

As at 30 September 2018, the top ten tenants by GRI accounted for 53.3% of portfolio GRI and occupied 44.3% of the portfolio NLA[13]. The top tenant by GRI in the portfolio is the Commonwealth Government of Australia, whose lease at Caroline Chisholm Centre expires in July 2025.

The WALE of the top ten tenants as at 30 September 2018 was 5.7 years[14].

Top 10 tenants	Property	Sector	Lease Expiry	% of portfolio GRI[a]
Commonwealth of Australia	Caroline Chisholm Centre	Government	July 2025	16.4
Rio Tinto Shared Services Pty Ltd	Central Park	Mining / Resources	June 2030	9.0
Commonwealth Bank of Australia	357 Collins Street	Banking, Insurance & Financial Services	December 2022	6.8
Hewlett-Packard Singapore Pte Ltd	Alexandra Technopark	IT Products & Services	December 2018	3.8
GroupM Singapore Pte Ltd	China Square Central	Consultancy / Business Services	July 2023	3.5
Service Stream Ltd	357 Collins Street	Multimedia & Telecommunications	December 2024	3.5
Microsoft Operations Pte Ltd	Alexandra Technopark	IT Products / Services	January 2022	3.0
Fluor Limited	Farnborough Business Park	Engineering	May 2019[b] to June 2025	2.9
Suntory Beverage & Food Asia Pte Ltd	China Square Central	Food & Beverage	May 2020	2.3
Nokia Solutions and Networks (S) Pte Ltd	Alexandra Technopark	Multimedia & Telecommunications	February 2021/ June 2021	2.1
Total				**53.3**

a Data as at 30 September 2018 and excluded lease incentives and retail turnover rents, if any. For Farnborough Business Park, GRI 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).

b 0.1% of portfolio GRI.

13 For this purpose, portfolio NLA comprises NLAs of individual properties adjusted by FCOT's proportionate interest in each property and excluded 18 Cross Street retail podium (NLA of approximately 64,000 sq ft) which is currently closed for asset enhancement works.

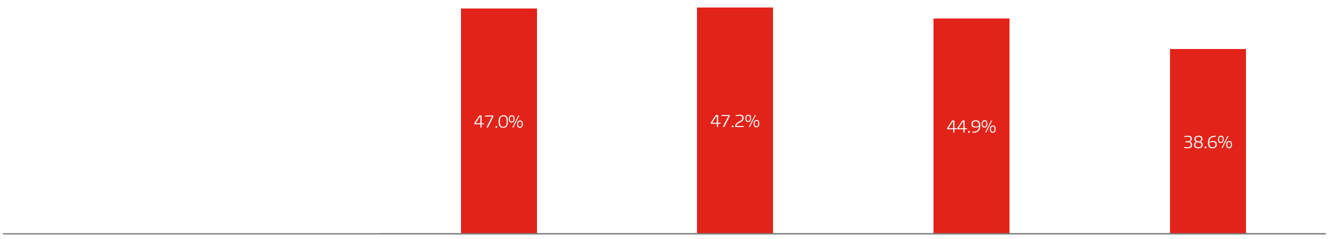
14 The corresponding WALB calculated on GRI basis and reflecting contracted rights for tenants to pre-terminate leases, if any, was 4.3 years as at 30 September 2018.

Operational Overview

Step-up Rents and Rent Reviews for Organic Growth
Rents during a lease term may be subject to periodic fixed escalations, market reviews or inflation adjustments. This is particularly the case for the Australian properties due to local market practices. These rent adjustments provide organic rental growth potential.

In FY2019, 47.0% of portfolio GRI as at 30 September 2018 will enjoy a weighted average fixed rent step-up of 2.6% per annum. In addition to this, certain leases in Central Park and Farnborough Business Park, constituting 0.8% of portfolio GRI, will be subject to rent reviews based on prevailing market rent or consumer price index (CPI) movements. All in, rents in respect of 1,065,109 sq ft[15] of space in the portfolio will be subject to fixed step-ups or the abovementioned reviews in FY2019.

Portfolio GRI with fixed Percentage Rent Step-ups in FY2019-FY2022
(as at 30 September 2018)



	FY2019	FY2020	FY2021	FY2022
Weighted average fixed step-ups (%)	2.6	2.7	2.5	2.4

Leases with Rent Step-ups and Other Periodic Rent Reviews
(as at 30 September 2018)

Property	Leases	Average step-up rent/ other reviews (%)	% of property GRI	% of portfolio GRI
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
Central Park	2	CPI	1.1	0.2
Farnborough Business Park	3	Market rent	5.7	0.6
Total	**72**			**47.8**

15 Based on the aggregate NLA of relevant leases adjusted by FCOT's proportionate interest in the respective property.

Financial Overview

FCOT declared full-year distributable income of S$82.7 million and stable DPU of 9.60 cents for FY2018. Gearing was at a healthy level of 28.3% as at 30 September 2018 and there is currently no major refinancing requirement until FY2020.

Financial Highlights	FY2017 (S$ million)	FY2018 (S$ million)	Increase/ (decrease) (%)
Gross revenue	156.6	133.3	(14.8)
Property operating expenses	(42.8)	(44.0)	3.1
NPI	113.8	89.3	(21.6)
NPI on cash basis[a]	114.9	88.7	(22.8)
Share of results of joint venture[b]	-	5.5	NM[c]
Distributable income to Unitholders	78.6	82.7	5.2
DPU (cents)	9.82	9.60	(2.2)

a Excluding the effects of recognising accounting income on a straight line basis over the terms of leases.
b In respect of FCOT's 50.0% interest in Farnborough Business Park for the period from 29 January 2018 (date of acquisition) to 30 September 2018.
c Not meaningful.

Gross Revenue and NPI

FY2018 portfolio gross revenue of S$133.3 million was 14.8% lower year-on-year, mainly due to lower occupancy rates for the Singapore properties, Central Park and 357 Collins Street, divestment of 55 Market Street on 31 August 2018, absence of a one-off payment in relation to a lease termination in Central Park in FY2017 and effects of the average weaker Australian Dollar compared to FY2017.

FY2018 portfolio NPI of S$89.3 million was 21.6% lower year-on-year mainly due to lower gross revenue for the portfolio and higher maintenance expenses for Caroline Chisholm Centre[1]. On a cash basis (excluding recognising accounting income on a straight line basis over the terms of leases), NPI was 22.8% lower year-on-year.

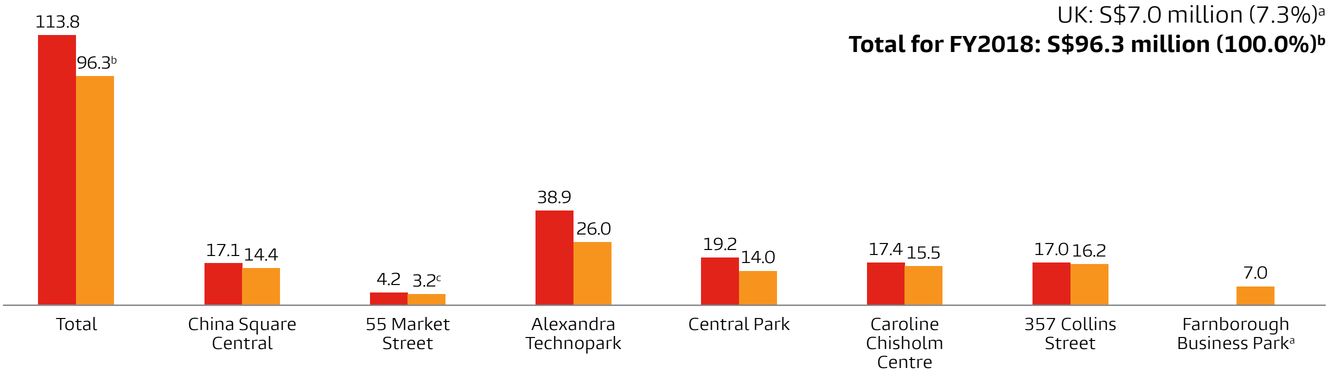
The foregoing FY2018 portfolio gross revenue and NPI are before contributions from FCOT's 50.0% interest in Farnborough Business Park which was acquired on 29 January 2018 and held as a joint venture and equity-accounted. The 50.0% interest in Farnborough Business Park was acquired on 29 January 2018 and the attributable gross revenue and NPI for FY2018 for the investment were S$9.8 million[2] and S$7.0 million[2], respectively.

1 Mainly due to progress payments amounting to S$1.9 million in FY2018 (FY2017: S$0.9 million) for re-flooring works. The re-flooring works were completed in 4QFY2018.
2 Amounts 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).

Financial Overview

Portfolio net property income
(S$ million)

Singapore: S$43.6 million (45.3%)
Australia: S$45.7 million (47.4%)
UK: S$7.0 million (7.3%)[a]
Total for FY2018: S$96.3 million (100.0%)[b]



a Refers to the attributable share of Farnborough Business Park's NPI for the period from 29 January 2018 (date of acquisition) to 30 September 2018. Farnborough Business Park is held as a joint venture and equity-accounted in the financial statements. The amount 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).
b Total portfolio NPI for FY2018 including attributable 50.0% share of NPI of Farnborough Business Park (which was acquired on 29 January 2018 and is held as a joint venture and equity-accounted in the financial statements).
c For the period from 1 October 2017 until its divestment on 31 August 2018.

Finance Costs and Exchange Differences

In FY2018, finance cost increased by 1.0% year-on-year mainly due to borrowings undertaken to part-finance the acquisition of 50.0% interest in Farnborough Business Park. This was partially offset by lower interest expenses resulting from the repayment of loan facilities (with the divestment proceeds from 55 Market Street), lower unamortised borrowing costs expensed off upon loan refinancing and lower amortisation of borrowing costs.

As at 30 September 2018, interest rates for approximately 81.2% of borrowings have either been fixed or hedged, providing certainty in interest cost and protecting FCOT from potential interest rate volatility.

Debt composition – floating versus fixed interest rates
(%)

Fixed	81.2
Floating	18.8

To manage the exposure to the Australian Dollar and Sterling Pound, net anticipated cash flows from the overseas properties are regularly hedged, and a portion of the investment in overseas assets are 'naturally hedged' with local currency denominated borrowings.

Share of Results of Joint Venture

Share of results of joint venture for FY2018 of S$5.5 million relates to the 50.0% interest in Farnborough Business Park for the period from 29 January 2018 (date of acquisition) to 30 September 2018.

Distributable Income and DPU

Distributable income to Unitholders increased 5.2% year-on-year to S$82.7 million in FY2018, which included the distribution from capital returns, payment of the Manager's management fee in Units in lieu of cash[3] and contribution from FCOT's 50.0% interest in Farnborough Business Park. FY2018 aggregate DPU of 9.60 cents was 2.2% lower than that of FY2017 as the higher distributable income was offset by the higher Unit base in FY2018[4].

3 In FY2018, 100.0% (FY2017: 7.5%) of the Manager's management fee was paid in Units.
4 Inclusive of 67,567,000 new Units issued pursuant to the Private Placement which was completed on 1 February 2018 to part-finance the acquisition of 50.0% interest in Farnborough Business Park. Refer to the announcement dated 1 February 2018 for details.

Distributable income to Unitholders for FY2018 included capital returns as shown below:

Distribution from capital returns	FY2017 (S$ million)	FY2018 (S$ million)
Gain on disposal of hotel development rights in respect of China Square Central in August 2015[a]	3.6	12.8
Reimbursement 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 of 50.0% interest in Farnborough Business Park[b]	–	2.1
Total	**3.6**	**14.9**
DPU equivalent (cents)	0.4446	1.7048

a Relates to a portion of the net consideration received from the disposal of the hotel development rights in respect of China Square Central in August 2015, which is classified as capital distribution from tax perspective. Refer to the Circular to Unitholders dated 3 June 2015 for details.
b Relates to distribution available to Unitholders arising from the return of capital. Refer to the announcement dated 14 December 2017 for details.

The Manager continued to pay out 100.0% of the income available for distribution to Unitholders in FY2018.

Divestment of 55 Market Street Unlocked Significant Value

On 31 August 2018, the Manager completed the property sale of 55 Market Street to Central Capital Holdings Pte Ltd, an unrelated third-party, for a sale consideration of S$216.8 million[5]. The sale consideration was almost three times the original purchase price of S$72.5 million for the property in 2006. Arising from the divestment, FCOT recognised a net gain of approximately S$75.7 million[6] over the property's book value of S$139.9 million.

Portfolio Value Increased 3.0%

Asset[a]	Local currency valuation as at 30 September 2018 (million)	Translated as at 30 September 2018 (S$ million)[b]	Local currency valuation per NLA[c]	Variance from 30 September 2017 (local currency value) (million)	(%)	Variance from 30 September 2017 (translated value) (S$ million)	(%)	Valuation capitalisation rate[d]
China Square Central	S$582.4[e]	582.4[e]	S$1,573[f]	17.4	3.1	17.4	3.1	
Alexandra Technopark	S$558.0	558.0	S$539	50.0	9.8	50.0	9.8	
Singapore Properties	**S$1,140.4**	**1,140.4**		**S$67.4**	**6.3**	**67.4**	**6.3**	**Office: 3.8% Retail: 4.5% Business space: 6.0%**
Central Park (50.0% interest)	A$291.0	288.2	A$8,804	A$18.5	6.8	(1.6)	(0.6)	
Caroline Chisholm Centre	A$252.0	249.6	A$6,262	A$2.0	0.8	(16.3)	(6.1)	
357 Collins Street	A$302.0	299.1	A$9,460	A$17.0	6.0	(4.0)	(1.3)	
Australia Properties	**A$845.0**	**836.9**		**A$37.5**	**4.6**	**(21.9)**	**(2.5)**	**Office: 5.0% - 7.0%**
Total Singapore and Australia		**1,977.3**						
Farnborough Business Park, UK (50.0% interest)[g]	£87.7	156.2	£319	NA[h]	NA[h]	NA[h]	NA[h]	**6.4%**
Total Portfolio		**2,133.5**				**62.6**	**3.0**	

a Portfolio as at 30 September 2018 included 50.0% interest in Farnborough Business Park (acquired on 29 January 2018) and excluded 55 Market Street (divested on 31 August 2018).
b Translated at A$1.00 = S$0.9904 or £1.00 = S$1.7809, as the case may be, being the exchange rates as at 30 September 2018.
c Expressed as per sq ft for Singapore and UK properties and per sq m for Australian properties.
d Based on the cash rental income, less non-recoverable property operating expenses.
e Includes the retail podium at 18 Cross Street which is currently undergoing asset enhancement and has been valued using the residual land value method.
f Based on the total NLA of the property of 370,231 sq ft including, among others, areas undergoing asset enhancement works.
g Farnborough Business Park is held as a joint venture and equity-accounted in the financial statements.
h Not applicable as the acquisition was completed on 29 January 2018.

5 Refer to the announcements dated 10 July 2018 and 31 August 2018 for details.
6 Net of transaction expenses and fees.

Financial Overview

Portfolio value increased to S$2.1 billion[7] based on independent valuations as at 30 September 2018, up 3.0% compared to a year ago. The increase in portfolio value was mainly attributed to the addition of 50.0% interest in Farnborough Business Park to the portfolio and the higher valuations for the Singapore properties, partially offset by the divestment of 55 Market Street and lower translated values of the Australian properties due to the effects of the weaker Australian Dollar compared to a year ago.

The two Singapore properties saw an average valuation increase of 6.3% year-on-year, while the three Australian properties reported an average valuation increase of 4.6% in Australian Dollar and a 2.5% decrease when translated to Singapore Dollar due to the weaker Australian Dollar compared to a year ago.

NAV and NAV Per Unit

As at 30 September 2018, FCOT's NAV grew 11.0% year-on-year to S$1.4 billion. NAV per Unit (excluding distributable income) as at 30 September 2018 increased marginally by 0.6% year-on-year to S$1.59, as the higher NAV was offset by the higher Unit base[8] in FY2018.

Debt and debt-related information

	30 September 2017	30 September 2018	Increase/ (decrease)
Debt	S$750.0 million	S$615.0 million	(18.0%)
Gearing[a]	34.7%	28.3%	(6.4%-points)
Unencumbered assets as a percentage of total assets	100.0%	100.0%	–
Borrowings on fixed rates as a % of total borrowings	80.7%	81.2%	0.5%-points
Weighted average tenure of debt to maturity	2.5 years	2.8 years	0.3 years
Average cost of debt	3.0%	3.0%	–
Interest cover[b]	4.1 times	4.0 times	NM[c]
Issuer rating by Moody's	Baa2	Baa2[d]	–

a Gross borrowings as a percentage of total assets.
b Figures are averages for the respective financial years. Calculated based on net income before changes in fair values of investment properties, interest expense and income, other investments and derivative instruments, income tax and distribution; and adding back certain non-recurring items/cash finance costs. The FY2018 interest cover calculation excluded the gain on divestment of 55 Market Street of S$75.7 million. Including the gain on divestment, the interest coverage ratio would be 7.3 times.
c Not meaningful.
d Refer to details in the main discussion on the right of this page.

FCOT's total debt is well-diversified across bank borrowings and fixed/floating rate notes. As at 30 September 2018, total debt of S$615.0 million comprised S$225.0 million in bank borrowings and S$390.0 million in notes. All debts are unsecured, which provides a high degree of financial flexibility.

As at 30 September 2018, the weighted average debt maturity was 2.8 years and gearing was 28.3%, well below the 45.0% limit for Singapore REITs set by the Monetary Authority of Singapore. Gearing reduced significantly from a year ago following the repayment of S$196.6 million of loan facilities with proceeds from the divestment of 55 Market Street. For FY2018, average interest coverage ratio continued to be healthy at 4.0 times[9] and the average cost of debt was 3.0% per annum.

Moody's affirmed FCOT's issuer rating of Baa2 with a negative outlook in its credit opinion issued in September 2018, mainly due to the phased exits of Hewlett-Packard Enterprise Singapore Pte Ltd[10] and Hewlett-Packard Singapore Pte Ltd[11] from Alexandra Technopark. Moody's was of the opinion that the divestment of 55 Market Street and the subsequent debt repayments from the said divestment proceeds had improved FCOT's credit metrics. Moody's also expected that the asset enhancement works at Alexandra Technopark, which was nearing full completion, would improve the ability of the property to attract new tenants and boost rental income for FCOT.

7 Portfolio as at 30 September 2018 included 50.0% interest in Farnborough Business Park (acquired on 29 January 2018) and excluded 55 Market Street (divested on 31 August 2018).
8 Inclusive of 67,567,000 new Units issued pursuant to the Private Placement completed on 1 February 2018 to part finance the acquisition of 50.0% interest in Farnborough Business Park. Refer to the announcement dated 1 February 2018 for details.
9 Excluding the gain on divestment of 55 Market Street of S$75.7 million. Including the gain on divestment, the interest coverage ratio would be 7.3 times.
10 Refer to the announcement dated 22 September 2017 for details.
11 Refer to the announcement dated 3 November 2017 for details.

Prudent and Proactive Capital Management

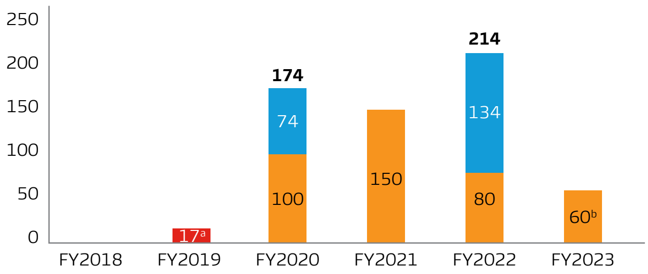
The Manager continued to take a prudent and proactive approach towards capital management.

In February 2018, FCOT issued S$60.0 million[12] five-year senior unsecured notes due in 2023 with a fixed interest rate of 3.185% per annum (Series 005 Notes) under the S$1.0 billion Multicurrency MTN Programme established in 2013. The entire proceeds from the notes issuance was used as part of the long-term financing for the acquisition of 50.0% interest in Farnborough Business Park[13].

In June 2018, a A$135.0 million term loan facility due in September 2018 was refinanced with a new facility due in FY2022. In September 2018, a S$40.0 million transferable term loan facility which matured in September 2018 was fully repaid and the remaining S$156.6 million of a S$365.0 million transferable term loan facility maturing in FY2019 was fully prepaid. The foregoing loan repayments were funded with the proceeds from the divestment of 55 Market Street.

Well-spread Debt Maturity Profile

Debt maturity profile as at 30 September 2018
(S$ million)



Percentage of debt maturing (%)					
–	2.8	28.3	24.4	34.8	9.7

■ SGD bank borrowings ■ SGD MTN ■ AUD bank borrowings

a SGD revolving facility drawn down as interim funding for asset enhancement works.
b S$60.0 million senior unsecured notes issued in February 2018 and swapped into Sterling Pound.

As at 30 September 2018, FCOT's debts comprised the following facilities and notes:

Debt	Amount (million)	Maturity
Borrowings (all unsecured)		
SGD revolving credit facility	S$17.0	28 November 2018
AUD term loan facility	A$75.0	14 August 2020
AUD term loan facility	A$135.0	20 June 2022
Notes		
S$100.0 million five-year senior unsecured notes due in 2021 with a fixed interest rate of 2.835% per annum (Series 001 Notes)	S$100.0	11 August 2021
S$100.0 million three-year senior unsecured notes due in 2020 with a fixed interest rate of 2.625% per annum (Series 002 Notes)	S$100.0	28 February 2020
S$50.0 million four-year senior unsecured notes due in 2021 with a fixed interest rate of 2.783% per annum (Series 003 Notes)	S$50.0	15 March 2021
S$80.0 million five-year senior unsecured notes due in 2022 with a floating interest rate of the prevailing 6-month Singapore Dollar swap offer rate plus a spread of 0.88% per annum (Series 004 Notes)	S$80.0	3 May 2022
S$60.0 million five-year senior unsecured notes due in 2023 with a fixed interest rate of 3.185% per annum (Series 005 Notes)[12]	S$60.0	28 February 2023

The debt maturities are well-spread out and there is currently no major debt maturing until February 2020. The Manager intends to continue to maintain a well-spread debt maturity profile for FCOT.

12 Subsequently swapped into Sterling Pound.
13 The proceeds were used to partially repay the £88.0 million transferable term loan facility that was used to fund the acquisition initially.

Financial Overview

Private Placement and Use of Proceeds

In February 2018, the Manager raised gross proceeds of approximately S$100.0 million from a Private Placement of 67,567,000 new Units at a price of S$1.48 per Unit. The Private Placement was initially launched based on 55,556,000 Units and was upsized by 12,011,000 Units following good demand from investors. The Private Placement was carried out under the general mandate granted to the Manager at the 9th AGM held on 22 January 2018. The gross proceeds of approximately S$100.0 million have been fully deployed with S$98.5 million being deployed towards the long-term financing for the acquisition of 50.0% interest in Farnborough Business Park[14] and the balance S$1.5 million being used to pay the fees and expenses incurred in connection with the Private Placement. The use of proceeds from the Private Placement was in line with the stated use as set out in the announcement dated 23 January 2018.

Foreign Exchange Risk Management

Besides borrowings denominated in Australian Dollar and borrowings swapped into Sterling Pound to provide 'natural hedges' for FCOT's investments in Australia and the UK, respectively, derivative financial instruments are used to manage FCOT's foreign currency exposure. The Manager hedges anticipated net cash flow from the overseas properties generally around six to nine months forward to help provide certainty of the anticipated net cash flow from overseas in Singapore Dollar terms. The Manager continuously monitors the market and may, where appropriate, use derivative financial instruments or other financial products to limit FCOT's exposure to adverse movements in the foreign exchange rates.

DRP for Distributions Declared for FY2018

The DRP was applied for the distributions declared in FY2018. The DRP provided Unitholders with the option to receive their distributions declared, either in the form of Units or cash or a combination of both. Participation in the DRP is voluntary and Unitholders may elect to participate in respect of all or part of the Units that they hold. The DRP enables Unitholders to acquire new Units without incurring transaction and other related costs. Cash retained and Units issued under the DRP will enlarge FCOT's capital base, strengthen its working capital reserves and improve the liquidity of the Units. In FY2018, 7.7 million new Units for an aggregate value of S$10.7 million were issued pursuant to the DRP.

Acquisition and Divestment Fees Received by the Manager

In February 2018, the Manager received 1.04 million Units as full payment of the acquisition fee of S$1.6 million in relation to FCOT's acquisition of 50.0% interest in Farnborough Business Park. In September 2018, the Manager received 0.77 million Units as full payment of the divestment fee of S$1.1 million in relation to FCOT's divestment of 55 Market Street. The payments of acquisition and divestment fees in Units are provided for in the Trust Deed constituting FCOT dated 12 September 2005 (as amended and restated).

Sensitivity Analysis – Exchange Rate and Interest rate

For FY2018, 47.4% and 7.3% of the portfolio NPI[15] were derived from the properties in Australia and the UK, respectively. As such, the distributable income of FCOT is subject to fluctuations in the exchange rates between the Singapore Dollar and the Australian Dollar/ Sterling Pound. In this respect, a 5% strengthening of the Singapore Dollar against the Australian Dollar would result in a pro-forma decrease of approximately S$2.3 million or 2.8% in the FY2018 distributable income. A 5% strengthening of the Singapore Dollar against the Sterling Pound would result in a pro-forma decrease of approximately S$0.4 million or 0.4% in the FY2018 distributable income.

FCOT is also subject to interest rate fluctuations, mainly in respect of its interest-earning financial assets and interest-bearing borrowings which are not on fixed or hedged rates. A 1.0 percentage point increase in interest cost on the portion of the borrowings that are not on fixed or hedged rates, with all other variables held constant, would correspondingly decrease FY2018 distributable income by S$1.2 million or 1.4%.

14 To partially repay the £88.0 million transferable term loan facility that was used to fund the acquisition initially.
15 Inclusive of attributable 50.0% share of NPI for the period from 29 January 2018 (date of acquisition) to 30 September 2018 for Farnborough Business Park which is held as a joint venture and equity-accounted in the financial statements. The amount 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).

Investor Relations Overview

Providing Information Beyond Statutory Compliance Requirements

The Manager is committed to maintaining open, proactive and continuous communications with the investment community. The Manager places strong emphasis on providing timely and accurate information and being accessible to all. Beyond statutory compliance requirements, the Manager provides material information regarding the performance, outlook, plans and strategies of FCOT to the investment community to keep them updated and for them to make informed decisions. The deed of trust constituting FCOT is also available for inspection upon request at the Manager's office[1].

The Manager regularly engages with the investment community through various channels including the FCOT website (www.fraserscommercialtrust.com), announcements, press releases, analysts' briefings, conferences, roadshows, investor meetings and property tours. In conjunction with the rebranding of the Group in February 2018, the FCOT website was refreshed.

In FY2018, the Manager met with more than 100 investors and analysts regionally and participated in 19 conferences, conference calls, meetings and non-deal roadshows in Singapore, Bangkok, Hong Kong and Seoul. The Manager also participated in the SGX-REITAS Education Series and the 2018 Singapore REITs Symposium (both held in Singapore) which targeted retail investors. Analysts' briefings and investors' luncheons were conducted after the announcements of FY2018 half year and full year results in April 2018 and October 2018, respectively.

The 9th AGM was held on 22 January 2018. All the Board members including the Chairman, CEO and Senior Management of the Manager, as well as the Trustee and certain professional consultants (including auditors, valuers and legal advisors), were present at the AGM to address feedback and queries from Unitholders. Voting for all the AGM resolutions were conducted via polls and tabulated based on procedures disclosed to Unitholders at the beginning of the AGM. The results of the polls, including the number of votes cast for and against each resolution, were counted and validated by an independent scrutineer and announced during the AGM, as well as released on SGX-ST on the same day.

Timely Communication and Webcasts

Various information and materials regarding FCOT, including annual reports, circular to Unitholders, quarterly results, investor presentations, announcements, press releases, asset details and profiles of the Board and Senior Management team of the Manager, are publicly available on the FCOT website (www.fraserscommercialtrust.com).

FCOT's quarterly results are released within one month after the end of each financial quarter and posted on the FCOT website. Webcasts of the Manager's presentations of FCOT's half year and full year results are available on the FCOT website on the day of release of the respective results.

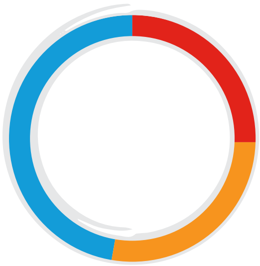
1 Prior appointment with the Manager is appreciated.

Investor Relations Overview

FCOT Unitholders

The profile of FCOT Unitholders by unitholder type and geographical location as at 30 September 2018 are as follows:

Unitholders by type (%)



Frasers Property (through its subsidiaries)	25.2
Institutional investors	27.8
Retail investors	47.0

Unitholders by geography (%)

Singapore	45.9
North America	7.1
Europe	5.1
Asia (ex-Singapore)	5.1
Others/unallocated	36.8

Investor Relations Calendar in FY2018

Activities	Month
1st Quarter FY2018 (1 October 2017 – 31 December 2017)	
Analysts' Briefing on FY2017 full year results	October
Post-results investors' luncheon	October
2nd Quarter FY2018 (1 January 2018 – 31 March 2018)	
Non-deal roadshows in Singapore and Hong Kong	January
3rd Quarter FY2018 (1 April 2018 – 30 June 2018)	
Frasers Day in Seoul	April
Analysts' Briefing on FY2018 first half results	April
Post-results investors' luncheon	April
dbAccess Asia Conference in Singapore	May
SREITs Symposium in Singapore	May
Frasers Day in Bangkok	June
4th Quarter FY2018 (1 July 2018 – 30 September 2018)	
Citi-REITAS-SGX C-Suite Singapore REITs and Sponsors Forum in Singapore	August
SGX-REITAS Education Series in Singapore	August
Analysts' Briefing on Alexandra Technopark AEI	September

Analyst Coverage

FCOT is currently covered by the following research houses:

1. CIMB Research
2. Daiwa Institute of Research
3. DBS Vickers Research
4. OCBC Investment Research
5. RHB Research

To promote open and transparent communication, the Manager values and welcomes feedback from Unitholders and other stakeholders, which may be made via the following channels:

Telephone: +65 6276 4882
Facsimile: +65 6276 8942
Email: fcot@frasersproperty.com

Distributions

FCOT applied the DRP for the distributions in FY2018, save for the Advanced Distribution for the period from 1 January 2018 to 31 January 2018 which was paid out in cash. A summary of FY2018 distributions is as follows:

Financial Quarter	Financial Period	Distribution	Distribution Per Unit (cents)
FY2018 First Quarter	1 October 2017 to 31 December 2017	Taxable[1]	1.5983
		Tax-exempt[2]	0.3831
		Capital[3]	0.4186
		Total[4]	**2.4000**
		Payment date	**1 March 2018**
FY2018 Second Quarter[5]	1 January 2018 to 31 January 2018 (Advanced Distribution)[6]	Taxable[1]	0.5327
		Tax-exempt[2]	0.1277
		Capital[3]	0.1396
		Advanced Distribution	**0.8000**
		Payment date[6]	**12 March 2018**
	1 February 2018 to 31 March 2018 (Unitholders' distribution)	Taxable[1]	0.7592
		Tax-exempt[2]	0.4090
		Capital[3]	0.4318
		Unitholders' Distribution[4]	**1.6000**
		Payment date	**30 May 2018**
	Total[5]	Taxable[1]	1.2919
		Tax-exempt[2]	0.5367
		Capital[3]	0.5714
		Total for Second Quarter[5]	**2.4000**
FY2018 Third Quarter	1 April 2018 to 30 June 2018	Taxable[1]	1.1767
		Tax-exempt[2]	0.3510
		Capital[3]	0.8723
		Total[4]	**2.4000**
		Payment date	**29 August 2018**
FY2018 Fourth Quarter	1 July 2018 to 30 September 2018	Taxable[1]	1.2585
		Tax-exempt[2]	0.5685
		Capital[3]	0.5730
		Total[4]	**2.4000**
		Payment date	**29 November 2018**

Notes:

1 Taxable income distribution – qualifying investors and individuals (other than those who hold their Units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10.0%. All other investors will receive their distributions after deduction of tax at the rate of 17.0%.

2 Tax-exempt income distribution is exempt from tax in the hands of all Unitholders.

3 Capital distribution represents a return of capital to Unitholders for tax purposes and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units. No tax will be deducted at source from this component.

4 The tax treatment as described above will also apply to Unitholders electing to receive distributions in Units under the DRP.

5 Comprise (a) Advanced Distribution of 0.8000 cents per Unit declared for the period from 1 January 2018 to 31 January 2018; and (b) Unitholders' Distribution of 1.6000 cents per Unit for the period from 1 February 2018 to 31 March 2018.

6 Advanced Distribution declared in relation to the Private Placement. The 67,567,000 new Units issued on 1 February 2018 under the Private Placement were not entitled to the Advanced Distribution.

Calendar of Financial Events FY2019

(subject to changes by the Manager without prior notice)

January 2019
- 10th AGM
- Release of FY2019 First Quarter Results

March 2019
- Payment of distribution for FY2019 First Quarter

April 2019
- Release of FY2019 Second Quarter Results

May 2019
- Payment of distribution for FY2019 Second Quarter

July 2019
- Release of FY2019 Third Quarter Results

August 2019
- Payment of distribution for FY2019 Third Quarter

October 2019
- Release of FY2019 Full Year Results

November 2019
- Payment of distribution for FY2019 Fourth Quarter

Market Overview Singapore

1 The Singapore Economy

According to the Ministry of Trade and Industry, the Singapore economy expanded by 2.2% year-on-year (Y-o-Y) in 3Q 2018, easing from the 4.1% growth in 2Q 2018. 3Q 2018 growth was led by the finance and insurance and information and communications sectors which registered 5.6% and 4.7% Y-o-Y expansion, respectively. The manufacturing sector grew by 3.5% Y-o-Y in 3Q 2018. With the exception of the general manufacturing cluster, all remaining manufacturing clusters recorded an expansion in the quarter. The construction sector contracted by 2.3% Y-o-Y in 3Q 2018, primarily due to continued weakness in public sector construction activities. Underpinned by growth in finance and insurance and information and communications sectors, the services-producing industries expanded by 2.4% Y-o-Y in 3Q 2018.

Economic growth is expected to moderate for the remaining quarter of 2018. Growth is projected to be driven by externally-driven sectors such as manufacturing and finance and insurance sectors. The government has forecasted the 2018 gross domestic product (GDP) full-year growth at 3.0% to 3.5%.

2 The Office Market

2.1 Existing Office Supply

Singapore office market stock stood at 60.4 million sq ft as at 3Q 2018. According to CBRE's classification, 14.4 million sq ft are Grade A office space while 35.0 million sq ft are classified as Grade B office stock. Approximately 50.4% of the total office space in the CBRE basket is located in the Core CBD submarket which consists of Raffles Place, Marina Bay, Marina Centre and Shenton Way.

The Raffles Place micro-market accounted for around 37.2% of the Core CBD office stock as at 3Q 2018. There was no new office addition to the Raffles Place micro-market stock between the period of 4Q 2017 and 3Q 2018 as it remained at approximately 11.3 million sq ft. Of this, 31.9% of the Raffles Place office stock is classified as Grade A space while 68.1% is Grade B space. While China Square Central is part of the Grade B stock in the Raffles Place micro-market, it has finishes and amenities comparable with some Grade A office buildings.

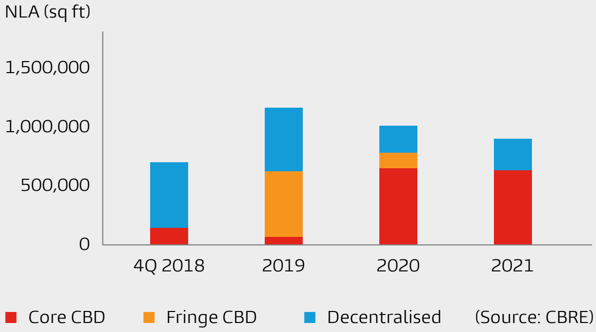
Major office developments and refurbishments completed in 2018 consisted of Frasers Tower (0.7 million sq ft) and ARC 380 (0.1 million sq ft) in the CBD Core and Decentralised submarkets, respectively.

2.2 Future Office Supply

Based on CBRE estimates, around 3.8 million sq ft of office space will be completed over the next three years (4Q 2018 – 4Q 2021 inclusive). The Decentralised submarket will make up the largest pipeline supply at 41.8%. The remaining 40.0% and 18.2% of new office space will be located in the Core CBD and Fringe CBD submarkets, respectively. The bulk (30.9%) of the future office supply are expected to be completed in 2019.

Within the Core CBD submarket, approximately 72,000 sq ft of new supply will be completed in 2019, with HD 139 being the only expected completion for the year. New supply in 2020 will come from Afro-Asia I-Mark (154,000 sq ft) and ASB Tower (500,000 sq ft). CapitaSpring (the redevelopment of the former Golden Shoe Car Park) will inject a further 635,000 sq ft of office space to the Core CBD submarket in 2021.

Chart 2.1: Future Office Supply



2.3 Office Demand and Occupancy

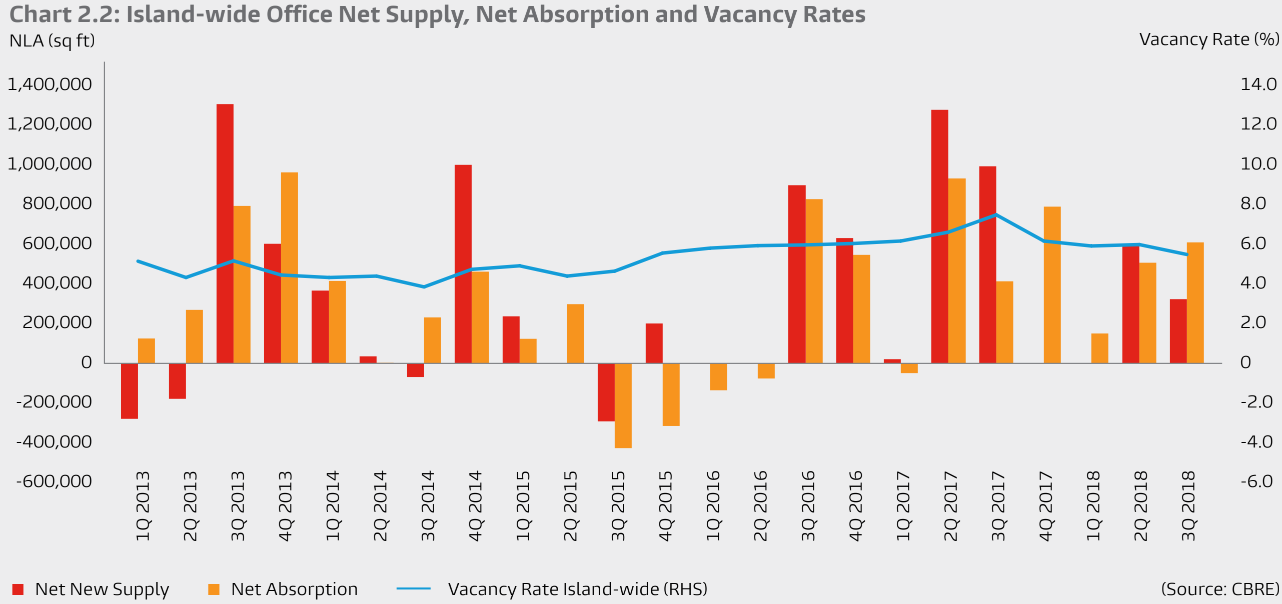
The total island-wide office net absorption was 1.3 million sq ft between 1Q to 3Q 2018. Leasing transactions in 2018 were driven by a relatively diverse range of industries including technology, financial services, fund management, insurance and co-working spaces. It is noted that two co-working space operators, WeWork and JustCo, are tenants of China Square Central.

It has been observed that the tenant profiles for Grade A and Grade B offices are quite distinct. The Grade A office market continues to attract tenants looking for prestige and the efficiency of large floor plates, such as the global financial institutions, infocomm media firms, as well as the larger fund management and insurance firms.

In contrast, Grade B offices tend to attract tenants who are usually more cost-conscious and do not have large floor plate requirements. These are usually tenants from business services, information technology, professional services and smaller fund management firms.

Offices well-served by amenities, such as having a good variety of food and beverage options nearby, will create a more compelling offer for prospective tenants. The retail podium of China Square Central is currently undergoing a S$38 million asset enhancement initiative to rejuvenate and reposition the retail podium to create an exciting retail destination focusing on food and beverage, wellness and services. Expected to be completed in 2H 2019, the retail podium has secured pre-commitment of around 40.0%[1]. Coupled with the development of the new 304-room Capri by Fraser Hotel[2] in March 2019[3], we expect greater footfall and vibrancy to be injected into the development.

Chart 2.2: Island-wide Office Net Supply, Net Absorption and Vacancy Rates



1 Refer to FCOT's announcement dated 19 October 2018 for details.
2 Refer to FCOT's circular to Unitholders dated 3 June 2015 for details.
3 Refer to Frasers Property's announcement dated 10 April 2018 for details.

2.4 Office Vacancy Rates

Island-wide office vacancy tightened by around 0.5%-point over the quarter to 5.5% in 3Q 2018. Compared with the same period last year (3Q 2017), the island-wide office vacancy rate has reduced by around 2.0%-point.

Vacancy rate for the Raffles Place micro-market tightened by around 0.2%-point quarter-on-quarter (Q-o-Q) to 5.7% in 3Q 2018. The average vacancy rates for Grade A and Grade B offices in the Raffles Place micro-market were approximately 3.3% and 6.8%, respectively.

Generally, there is a diversity of Grade B buildings within the Grade B spectrum in the Raffles Place micro-market. While most Grade B offices tend to fall short on location and sometimes quality, Grade B buildings in more favourable locations and of better quality will continue to lead the Grade B market with healthier occupancy rates.

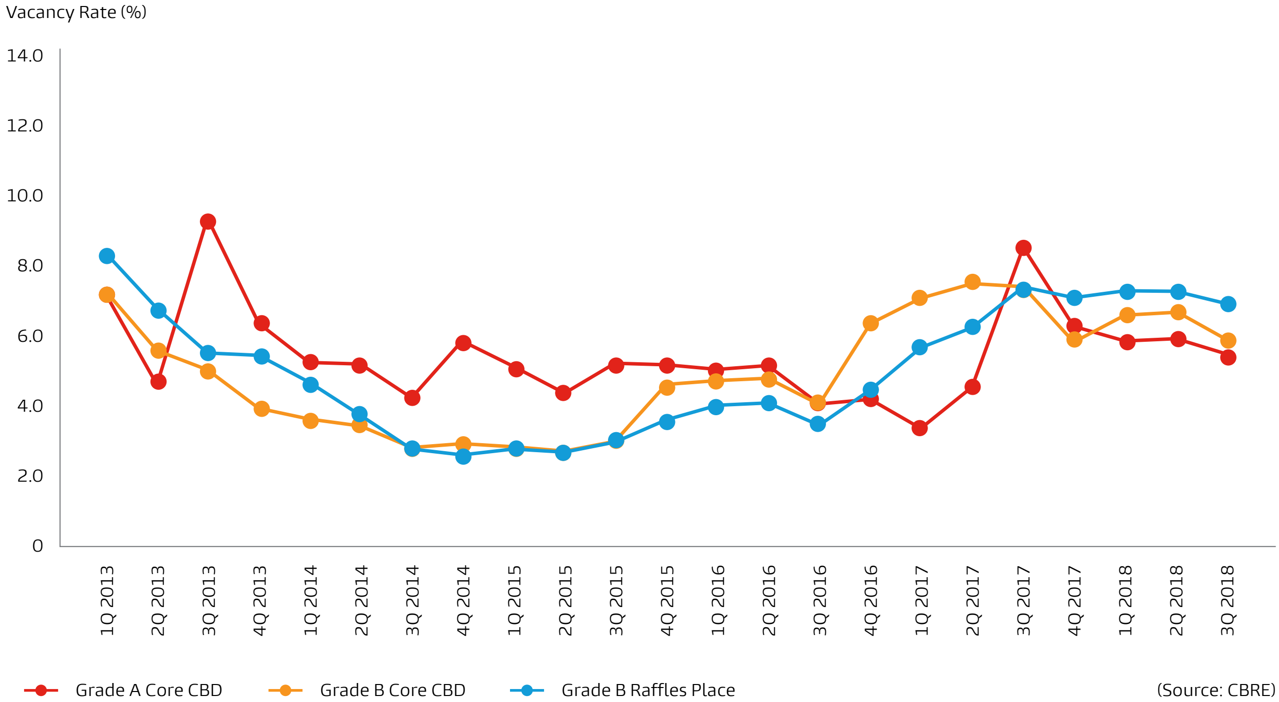
The vacancy rates of Grade B offices are also relatively more stable than Grade A offices due to a limited exposure to global financial institutions and relatively competitive rents.

2.5 Office Rents

Office monthly rents trended upwards in 3Q 2018 as landlords revised their rental expectations amid a fairly tight vacancy environment. Grade A Core CBD average rent increased the most, rising by 14.8% Y-o-Y (3.5% Q-o-Q) to S$10.45 per sq ft per month in 3Q 2018. Over the same period, the pace of increase for Grade B Core CBD office was slower at 9.6% Y-o-Y (2.6% Q-o-Q), to average S$8.00 per sq ft per month. Specifically, the Grade B average office rent in Raffles Place grew in similar fashion to S$8.11 per sq ft per month in 3Q 2018. In general, rents in the Raffles Place micro-market are supported by relatively healthy vacancy rates and limited new supply.

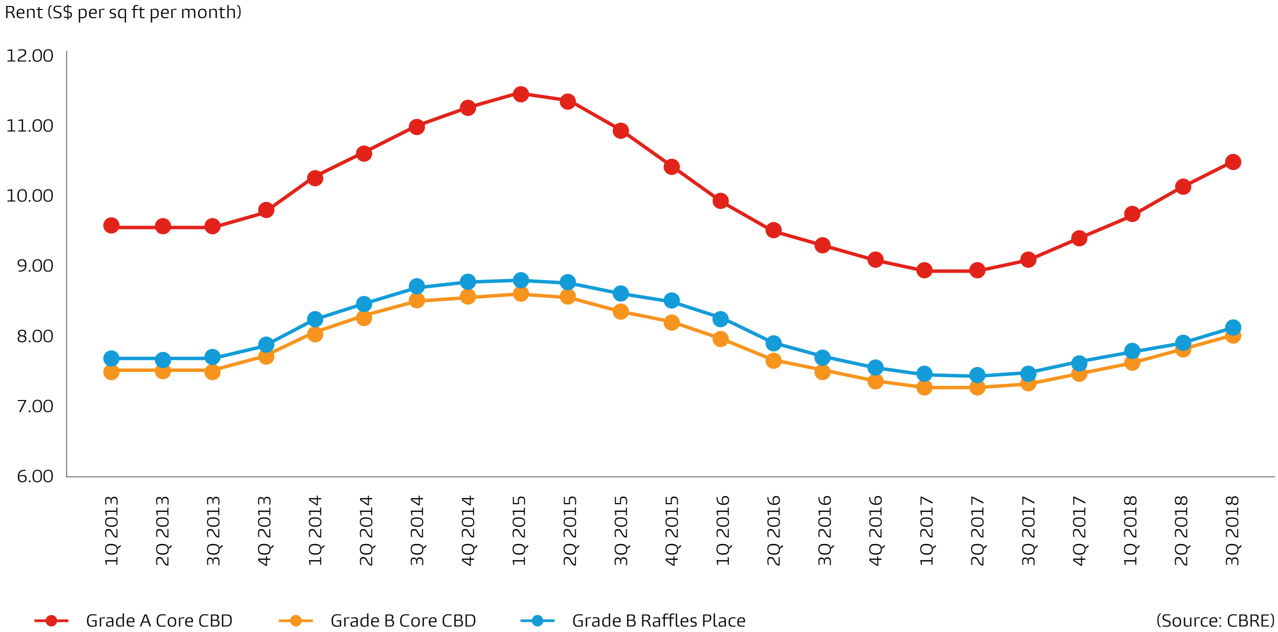
Demand for good-quality Grade B office space is likely to increase steadily given the considerably tightening of Grade A space availability and an easing pipeline of quality office supply in the near term. It was observed that some landlords have recently increased rental expectations for Grade B office.

Chart 2.3: Office Vacancy Rates



(Source: CBRE)

Chart 2.4: Office Rents in the Raffles Place Micro-market



(Source: CBRE)

Table 2.1: Average Office Rents as at 3Q 2018

	3Q 2018 S$ per sq ft per month	Y-o-Y (%)	Q-o-Q (%)
Grade A Core CBD[4]	10.45	14.8	3.5
Grade B Core CBD	8.00	9.6	2.6
Grade B Raffles Place	8.11	8.6	2.8

(Source: CBRE)

2.6 Office Investment Market and Capital Values

Investment volume for the office sector increased by 24.2% Q-o-Q to S$1.3 billion in 3Q 2018. The total investment value amounted to S$2.9 billion for the first three quarters of 2018. The largest office transaction year-to-date is the sale of office components of OUE Downtown 1 and 2 to OUE Commercial Trust for S$908 million (S$1,713 per sq ft on NLA). Another significant office deal transacted this year was the sale of Twenty Anson by CapitaLand Commercial Trust for S$516 million (S$2,503 per sq ft on NLA) to a private equity fund. FCOT completed the divestment of 55 Market Street in August 2018 for around S$217 million[5].

The capitalisation rate for CBD office transactions in the first three quarters of 2018 was generally between 3.0% and 3.5%. Investor interest remains strong for this sector due to the stability of Singapore's long-term economic fundamentals, which is especially attractive given the uncertainty surrounding the global economy. Quality office buildings in prime locations are key beneficiaries as they are highly desired by foreign investors looking for a safe haven.

Over the past year, a number of office deals have been concluded against a backdrop of limited existing supply, pushing capital values upwards. The average Grade A Core CBD office capital value rose from S$2,850 per sq ft in 2Q 2018 to S$2,900 in 3Q 2018.

4 CBRE defines Grade A Core CBD office as new or redeveloped offices located in Raffles Place, Marina Centre and Marina Bay with high specifications and commanding top rents. CBRE does not publish micro-market data for Grade A offices.
5 Refer to FCOT's announcement dated 31 August 2018 for details.

Market Overview
Singapore

2.7 Office Market Outlook

The underlying fundamentals of the office market have improved since 2017. Against the backdrop of a strong economic performance in the first half of 2018 and a moderating supply pipeline, office demand is projected to stay resilient. Leasing demand is predicted to be driven mainly by banking and finance, co-working, technology and shipping firms.

The rental outlook remains positive particularly for the Grade A office space in the near term. Tightening availability of quality space in 2019 is likely to translate into stronger rental performance. Grade B office space is also expected to experience rental improvement albeit at a slower pace.

3 The Hi-Specs and Business Park Markets

The Hi-Specs business space market typically refers to light and clean industrial premises that are equipped with higher-grade and more comprehensive building specifications compared to conventional industrial premises. Such specifications usually consist of central air-conditioning, smart building automation system, security features, high ceiling height clearance, wide column span, higher grade electrical power loading and the provision of premises fittings including suspended ceilings and lightings.

Hi-Specs business space developments typically attract value-conscious industrialists in the high technology, information technology, infocomm and electronics sectors, as well as back-end functions of cost-conscious financial institutions and other corporates. While the occupier profiles of Hi-Specs Business Space developments may resemble that of Business Parks, they tend to gravitate towards more cost-conscious industrialists who are able to conform to usage requirements and restrictions stipulated by the Government for properties under its "Business 1" and "Business 2" land use zonings.

In contrast, Business Parks tend to be larger campus-style developments occupying at least five hectares of land with modern office-like specifications. As such, tenants occupying Business Park spaces tend to be more image conscious industrialists who meet the permissible usage requirements to occupy Business Park space. Business Park tenants are typically less cost-sensitive as compared to Hi-Specs Business Space tenants.

Alexandra Technopark is a Hi-Specs business space development with a land area of 4.8 hectares. Following a S$45 million asset enhancement which is nearing full completion, Alexandra Technopark has been transformed to a business campus with spacious campus-like environment with communal spaces for collaborative activities and a multitude of lifestyle, wellness, sports and social amenities for work-life balance. These attributes, including large floor plates and flexible space configuration, are commonly found in a Business Park environment.

3.1 Hi-Specs and Business Park Existing Supply

As at 3Q 2018, there was approximately 14.2 million sq ft of Hi-Specs business space island-wide. Most Hi-Specs business spaces are located in Central Singapore (40.5%), followed by North-Eastern Singapore (25.9%), and Western Singapore (17.5%). A notable completion in 2018 would be 30A Kallang Place by Mapletree Industrial Trust with an estimated NLA of 280,000 sq ft.

Alexandra Technopark is located in the Alexandra micro-market, which is part of the City Fringe region. This micro-market has a limited supply of Hi-Specs space at 1.9 million sq ft.

There were no notable new Business Park completions in the first three quarters of 2018. As such, the total stock of Business Park space monitored by CBRE remained at 19.7 million sq ft. According to JTC Corporation, the majority of Business Park space are located in the Central Region (57.5%) of Singapore, which comprises of one-north, Singapore Science Park and Mapletree Business City (MBC). This is followed by the Eastern Region (24.7%) with the key anchor being Changi Business Park. The Western Region is the smallest submarket (17.8%) with International Business Park. Following the completion of MBC II in 2016, the Alexandra micro-market consists of close to 2.4 million sq ft of Business Park space.

CBRE

3.2 Hi-Specs and Business Park Future Supply

CBRE estimates that total island-wide Hi-Specs business space and Business Park space stock will increase by 1.9 million sq ft over the next three years (4Q 2018 – 4Q 2021 inclusive). This consists of 587,000 sq ft and 1.3 million sq ft of Hi-Specs business space and Business Park space, respectively. 62.2% of the pipeline supply will come from Central Singapore with the remaining 37.8% in the Western Region of Singapore.

Chart 3.1: Future Supply of Hi-Specs and Business Park Space by Area

Proportion (%)

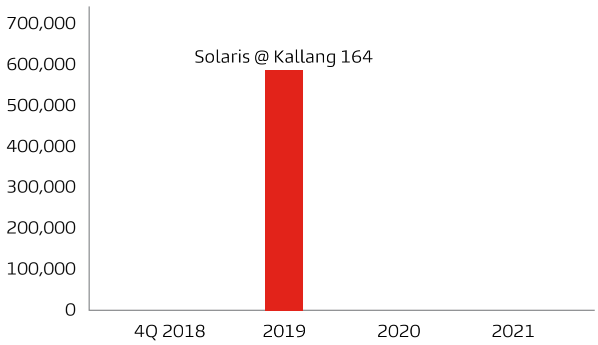
Central Region	62.2
Western Region	37.8

(Source: CBRE)

Expected to be completed in 2019, Solaris @ Kallang 164 (587,000 sq ft) by Soilbuild located along 164 Kallang Way is the only Hi-Specs Business Space supply in the near term. There is currently no known new Hi-Specs business space development located in the Alexandra micro-market.

Chart 3.2: Future Supply of Hi-Specs Business Space

NLA (sq ft)



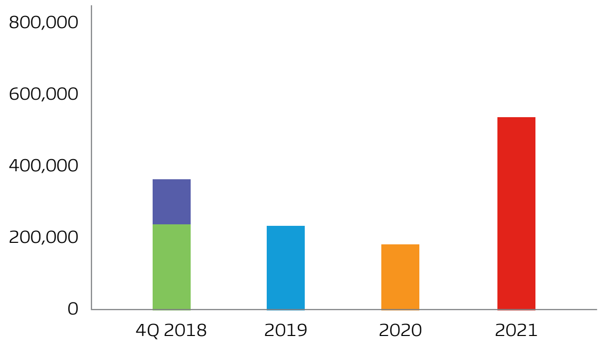
(Source: CBRE)

The Business Park pipeline supply over the next three years (4Q 2018 – 4Q 2021 inclusive) totalled 1.3 million sq ft as at 3Q 2018 with approximately 27.6% of the supply coming on-stream in by 2018. Over half (54.6%) of the Business Park future supply will be located in the Western Region while the remaining are in the Central Region.

The largest new Business Park development would be JTC's Cleantech Three in the Western Region. It is a multi-tenanted facility that will cater to firms engaging in clean technology-related research and development activities. Cleantech Three will also be the biggest project in Cleantech Park to date, with a net floor area of approximately 538,000 sq ft, amounting to the combined size of both Cleantech One and Cleantech Two.

Chart 3.3: Future Business Park Supply

NLA (sq ft)



- Alice@Mediapolis
- Business Park Development (FM Global)
- Ascent 5
- Reconstruction of 13 IBP
- JTC Cleantech Three

(Source: CBRE)

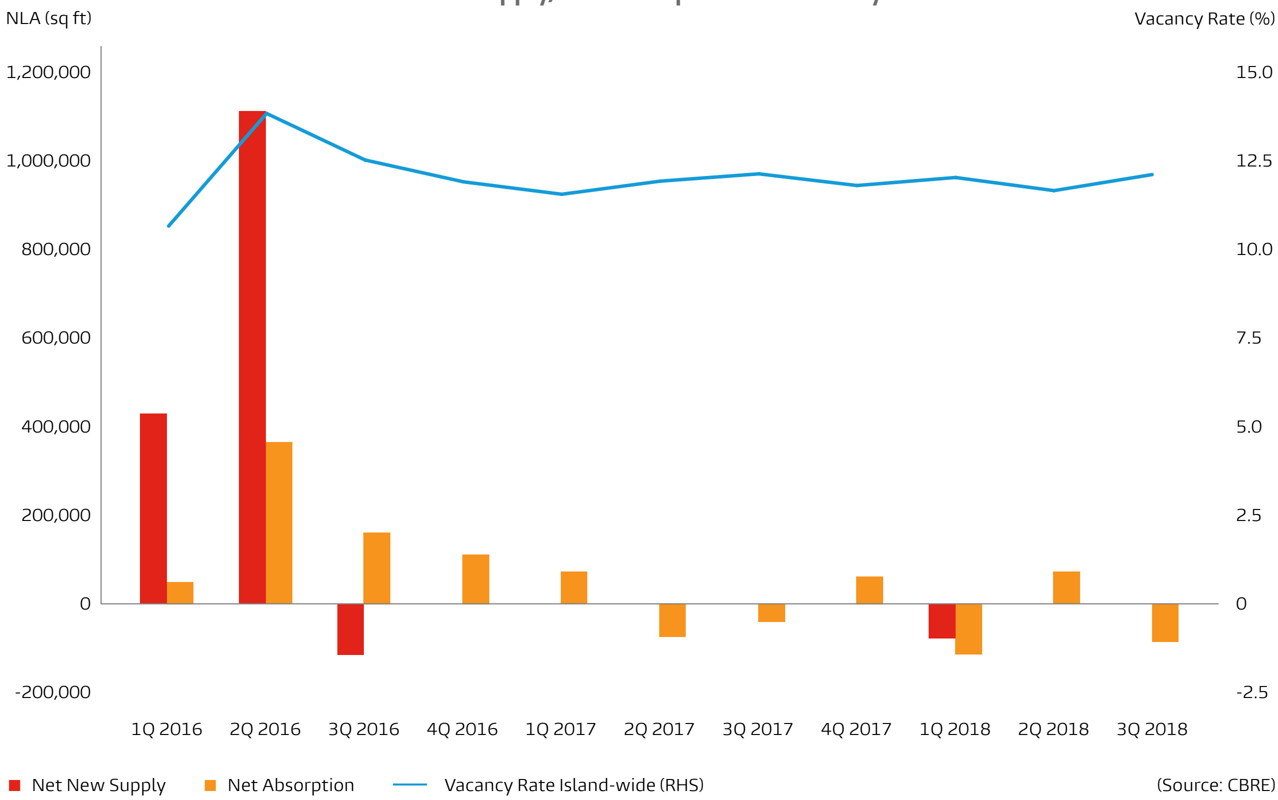
3.3 Hi-Specs and Business Park Demand and Vacancy

Between 1Q to 3Q 2018, the total island-wide net absorption for Hi-Specs business space was 320,000 sq ft. The ongoing restructuring of Singapore's economy had led to increased emphasis on higher value-add and productivity activities which will fundamentally increase demand for Hi-Specs space in the medium to long term at the expense of more traditional, basic and lower-grade industrial facilities. Island-wide vacancy rate for Hi-Specs business space in 3Q 2018 stood at 14.9%. Given the limited pipeline supply of Hi-Specs space, it is likely that occupancy rate will progressively trend upwards.

The Business Park market performance was relatively subdued in 3Q 2018 after witnessing stronger interests and activities in the previous quarter. Net absorption reversed to -85,000 sq ft in 3Q 2018. Improvement in occupancies in the City Fringe submarket was counteracted by weaker leasing activity in Changi Business Park and Science Park precincts. Consequently, island-wide vacancy rate rose from 11.6% in 2Q 2018 to 12.1% in 3Q 2018.

Hi-Specs and Business Park developments with good accessibility and amenities will continue to appeal to tenants. Alexandra Technopark's repositioning to a business campus following the asset enhancement which is nearing full completion is expected to enhance the property's long-term market positioning and competitiveness.

Chart 3.4: Island-wide Business Park Net Supply, Net Absorption and Vacancy Rates

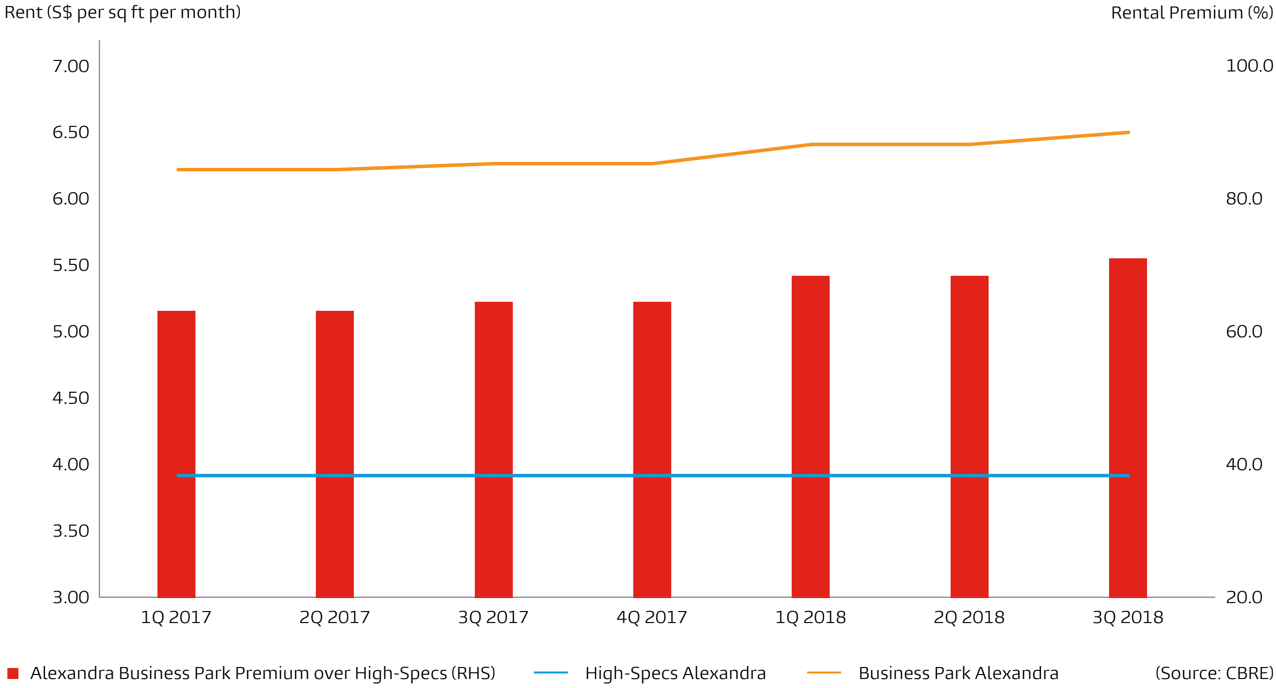


(Source: CBRE)

3.4 Hi-Specs and Business Park Rents

The average island-wide rent for Hi-Specs business space remained unchanged at S$3.80 per sq ft per month in 3Q 2018. For Business Parks, rents have generally been very resilient. Rents for City Fringe Business Parks rose 1.8% over the quarter to S$5.80 per sq ft per month in 3Q 2018. Meanwhile, rents in the Rest of Island submarket increased at a slower pace of 1.3% Q-o-Q to S$3.80 per sq ft per month in the same quarter. Business Park rents in the Alexandra micro-market increased to S$6.50 per sq ft per month in 3Q 2018, commanding a rental premium of 71.0% over Hi-Specs spaces in the micro-market. In general, the Alexandra micro-market enjoys good locational attributes which is expected to keep demand healthy, resulting in rental premiums of around 50.0% over the island-wide Business Park market rent.

Chart 3.5: High-Specs and Business Park Rents



(Source: CBRE)

3.5 Hi-Specs and Business Park Outlook

Hi-Specs and Business Park spaces remain favourable options for qualified tenants seeking longer term rental stability. Active tenants in these spaces include incubators, infocomm technology and fintech firms. Leasing transactions in 2018 so far are found to be broad-based across several locations such as Changi Business Park, International Business Park and the Alexandra precinct. Tenants are mostly from the finance-related and technology sectors.

The disparity in performances between the City Fringe and Rest of Island submarkets reflect clear locational advantages of the former. Hi-Specs and Business Park spaces in City Fringe remain the de-facto choices for most tenants due to their higher quality and better locations. Leasing appeal for Alexandra Technopark is expected to improve following its asset enhancement initiative.

Limited new supply will support the Hi-Specs and Business Park markets over the short term as only a handful of projects are able to offer meaningful leasable spaces. Furthermore, a strengthening office rental market should lead to a widening of the rental gap between the office sector and Hi-Specs and Business Parks sectors, pushing occupiers to consider Hi-Specs and Business Park spaces as viable alternatives to more expensive office space.

Prospects for the Business Park sector currently look stable. Qualifying tenants may consider Business Park space amidst a rising office rental environment. Business Park space in City Fringe continue to remain as the preferred option, with interest potentially spilling to Business Parks in the Rest of Island market. Consequently, rental upside is expected for City Fringe spaces.

The Hi-Specs market is expected to improve as it builds on stronger demand over the past few quarters. Robust expansion in the manufacturing sector was led by the high-tech industries, providing support for demand in Hi-Specs space.

This report is dated 30 November 2018.

Market Overview Singapore

Qualifying Clause
This report is subject to the following limiting conditions:

1. The content of this report is for information only and should not be relied upon as a substitute for professional advice, which should be sought from CBRE prior to acting in reliance upon any such information.

2. The opinions, estimates and information given herein or otherwise in relation hereto are made by CBRE and affiliated companies in their best judgment, in the utmost good faith and are as far as possible based on data or sources which they believe to be reliable in the context hereto.

3. Where it is stated in the report that information has been supplied to CBRE's by another party, this information is believed to be reliable by CBRE. Other information is derived from sources which we believe to be reliable to the best of our ability. We can accept no responsibility if this should prove not to be so.

4. Notwithstanding this, CBRE disclaims any liability in respect of any claim that may arise from any errors or omissions, or from providing such advice, opinion, judgment or information.

5.

China Square Central | Singapore

Market Overview Melbourne, Australia

Overview
The state of Victoria has remained in a period of strong economic growth with state final demand[1] up 5.3% in the 12 months ended June 2018, a continuation on the strong growth of 4.7% recorded for the 12 months ended June 2017. The economic growth in Victoria was the second highest among all other states and was mainly due to increased public consumption followed by private investment.

The Victorian unemployment rate of 4.8% as of August 2018 was the lowest level since 2011. The Victorian white-collar employment grew 3.8% year-on-year as at June 2018, mainly driven by the professional, science and technical services sector. The public administration and safety sectors are set to be the largest contributor of white-collar jobs growth both in the short term (next 12 months) and long term (next 5 years). Victorian white-collar employment is forecast to grow by 2.7% from June 2018 to June 2019.

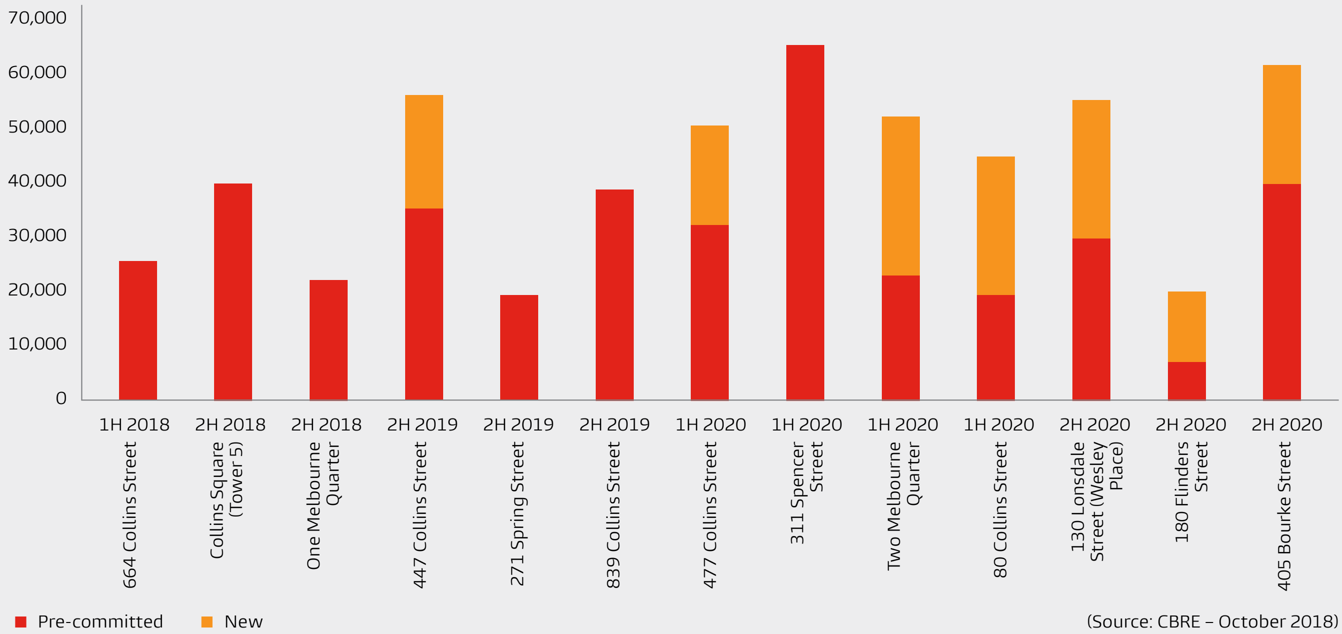
Melbourne CBD Office Supply and Additions
2017 saw subdued supply additions to the Melbourne CBD. The only 2017 new completion was the Rialto Regeneration Project, adding 8,000 sq m of office NLA to the complex through the addition of new low-rise buildings to the Collins Street and King Street frontages.

The supply pipeline for 2018 and beyond is set out on the right. Although higher than in 2017, 2018 new supply additions remain modest, with three new projects contributing to a total NLA of 88,500 sq m either completed or reaching completion. 664 Collins Street delivered 26,000 sq m of new office space in the first half of 2018, whilst Collins Square (Tower 5) and One Melbourne Quarter will be delivering 40,000 sq m and 22,500 sq m of space respectively upon completion in the second half of 2018. All of these buildings are fully committed, indicating the current strength of the office market.

The forecast new supply is set to deliver approximately 463,600 sq m of new space over 2019-2020 inclusive. A significant amount of this supply is set to be delivered across 2019 and 2020. Of the office space to be delivered over this time, three buildings have been fully pre-committed, including the largest addition 311 Spencer Street, as well as 839 Collins Street and 271 Spring Street.

1 Estimate obtained by summing government final consumption expenditure, household final consumption expenditure, private gross fixed capital formation and the gross fixed capital formation of public corporations and general government. Source: Australian Bureau of Statistics.

Melbourne CBD New Known Supply
(sq m)



(Source: CBRE – October 2018)

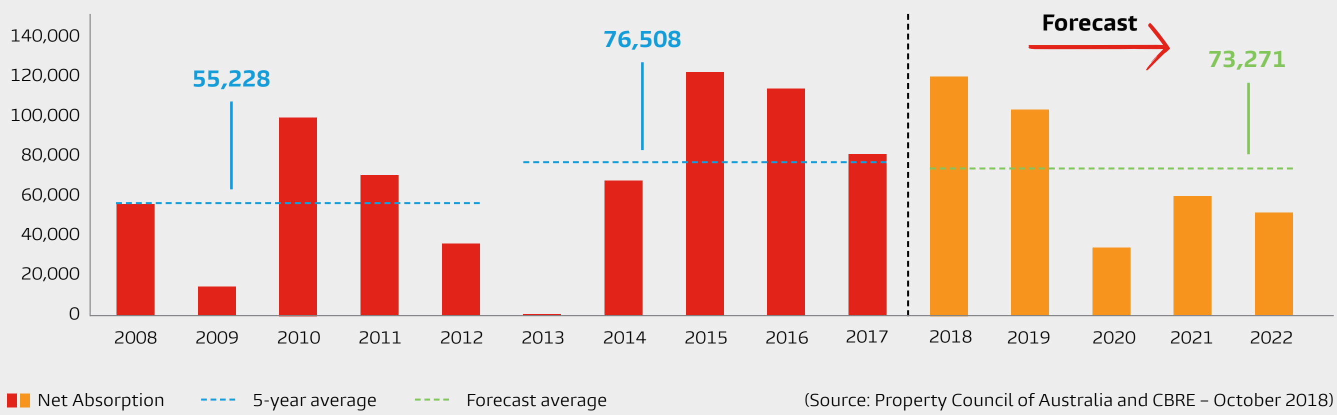
Most of the new stock to be developed in the period 2019-2020 have either been pre-committed or negotiations are underway with prospective tenants. There will be a wave of backfill space entering the market arising from spaces vacated by tenants to occupy the new office stock. This is expected to increase vacancy rate and may impact on leasing market conditions depending on the timing when the backfill space re-enters the market after refurbishment, and whether tenant demand continues to be strong.

Net Absorption Outlook

Approximately 122,144 sq m of net absorption was recorded in the 12 months to July 2018. Prime stock (Premium and A Grade) recorded positive net absorption of 93,644 sq m, mainly driven by net absorption in A Grade stock (77,181 sq m).

Net absorption is forecast to remain positive given strong white-collar employment growth and lower unemployment in the CBD. In the 12 months to June 2018, CBRE have witnessed strongest enquiry for space from the professional services and information technology sectors.

Melbourne CBD Net Absorption
(sq m)



(Source: Property Council of Australia and CBRE – October 2018)

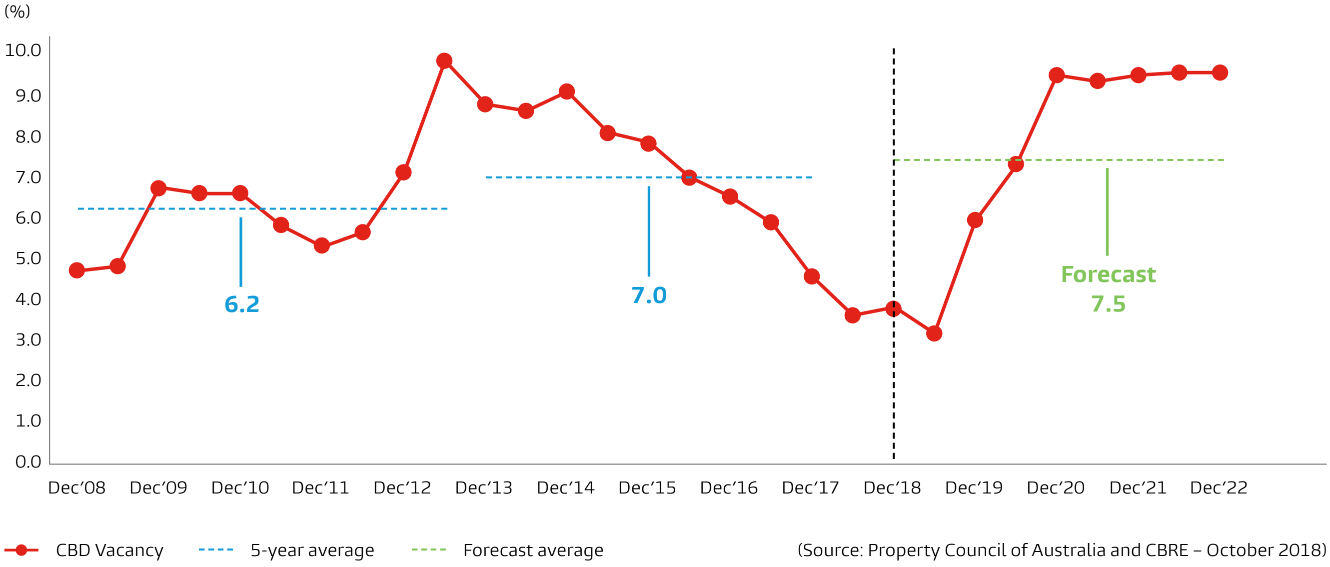
Market Overview
Melbourne, Australia

Melbourne CBD Office Vacancy

According to the Property Council of Australia, the Melbourne CBD office total vacancy as at July 2018 was 3.6%, an improvement from 5.9% as at July 2017, and the lowest level recorded in the past 10 years.

The vacancy rate is expected to decline further before increasing due to the amount of supply forecast to be delivered in late-2019 and beyond. CBRE Research forecast the total CBD vacancy rate to fall to 3.1% in mid-2019 before rising again as new supply enters the market in late-2019.

Melbourne CBD Office Vacancy



(Source: Property Council of Australia and CBRE – October 2018)

Office Market Rental and Incentive Projections

Low vacancy continues to drive growth in effective rents, with A Grade effective rents as at 3Q 2018 up 5.7% quarter-on-quarter and up 11.2% year-on-year. As at 3Q 2018, A Grade net face rents average A$569 per sq m per annum with incentives around 28%.

Effective rents are forecast to continue to grow over the next 12 months, but growth may be slowed when new office stock enters the market being a reprieve from the current low vacancy environment.

Melbourne CBD Yields

Prime CBD office yields have compressed 15 basis points year-on-year. As at September 2018, prime CBD office yields averaged 4.9%.

Investment activity for prime commercial office assets continues to be very strong with a weight of capital competing for limited investment options, falling office vacancy rate, increasing effective rentals and a low interest rate environment driving demand. CBRE is also witnessing strong demand for assets with vacancies or which require re-positioning from value-add investors and a trend of yield spread narrowing between prime and secondary stock.

This report is dated 30 November 2018.

Market Overview Perth, Australia

CBRE

Overview

Overall business confidence and outlook in the Western Australia (WA) economy have turned positive, following several years of weak market conditions from 2013 onwards in the wake of the State's mining boom. General positivity has begun to emerge in the WA economy, with renewed activity in the resource sector, growth in labour markets, new project announcements and forecast population growth increases over 2018. Forecasts show this growth to continue, albeit slowly, over the medium to long term. Over the five years from 2019 to 2023 population growth is forecast to be around 1.0% to 1.4% per annum, while gross state product and state final demand are forecast to grow between 2.6% to 3.1% and 2.3% to 3.9% respectively. State final demand is notable as this comprises the final consumption of goods and services, and excludes exports which are accounted for in the gross state product. The forecast growth will have a positive impact on the general sentiment in the Perth office market.

The resource sector has been boosted by relative stability in the iron ore prices over 2017 and 2018, having improved materially from lows experienced in 2016. Approximately 50 new and expansion projects have been announced in the State since June 2016, including 'mega projects' such as the A$5.1 billion expansion of the Gorgon liquified natural gas project in the north of WA off Barrow Island.

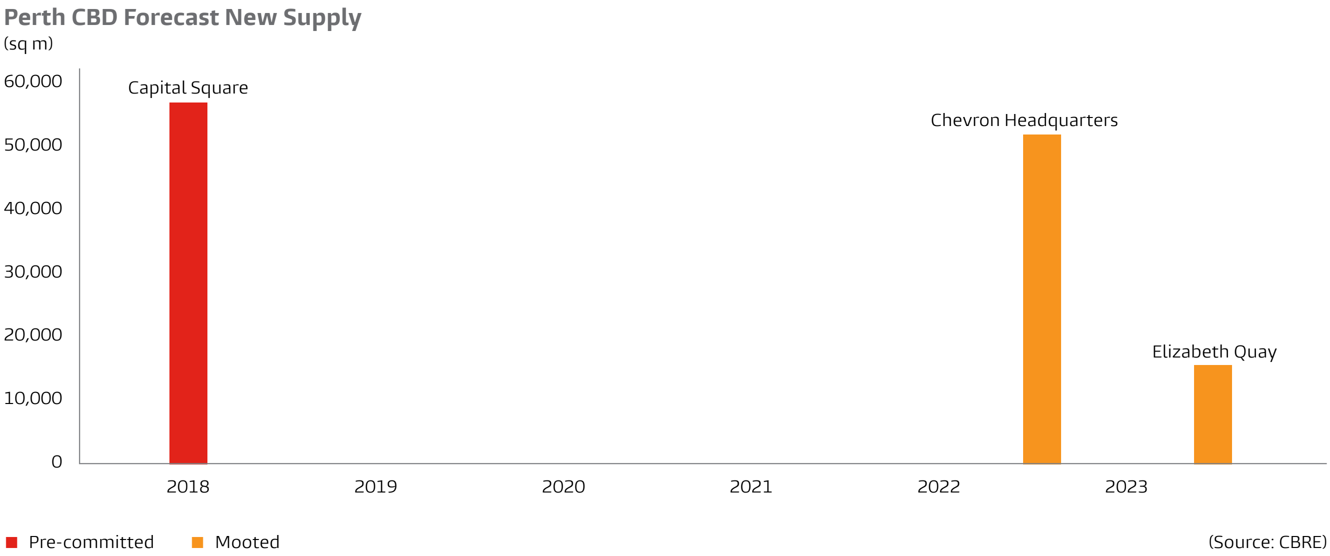
The historical low interest rate environment has helped reduce some of the risks surrounding the transitioning economy, and the lower Australian Dollar is also having positive effects on the WA economy, aiding long-term growth and stability in Perth's property market and increasing the attractiveness of the State's assets to foreign investors. The CBD market is also benefitting from a flight-to-quality and flight-to-city as non-CBD tenants take advantage of attractive effective rentals to upgrade their space to accommodation they could previously not afford, which is expected to benefit Premium Grade offices such as Central Park.

Perth CBD Office Supply and Additions

One of the factors contributing to the recovery of the Perth CBD office market is the lack of new supply entering the market over the coming years. The last significant supply additions were in 2015/16 and the only major new supply currently is Woodside's new headquarters at Capital Square. The building is physically completed and tenant fitout works have progressed over the second half of 2018. Capital Square's office accommodation is fully leased to Woodside.

Beyond 2018 there is no forecast office supply additions until 2023, when Brookfield's mixed-use Elizabeth Quay development, which will be built on a speculative basis with an office space of 15,000 sq m, is expected to complete. 2023 will also likely see the completion of the 52,000 sq m Chevron Headquarters at Elizabeth Quay.

Market Overview
Perth, Australia

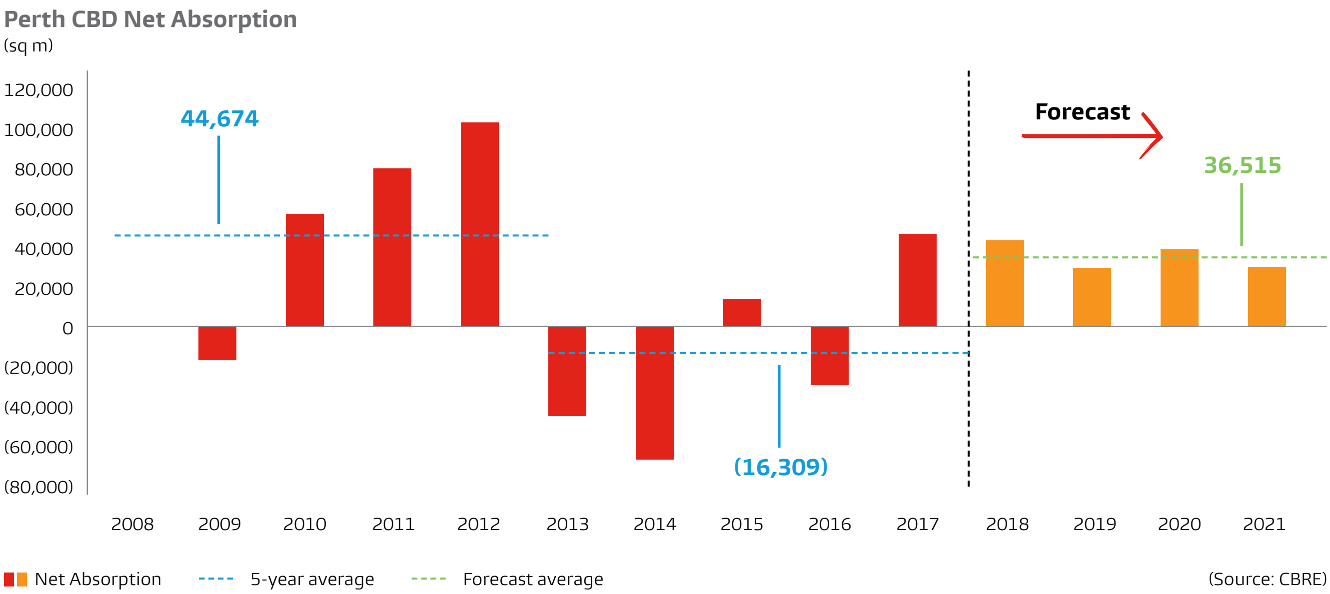


Net Absorption Outlook

Net absorption in the Perth CBD office market over the past 12 months to July 2018 was positive 30,759 sq m, with most of the absorption occurring in the Premium and Grade A segments. Premium and Grade A absorption over this period was positive 37,938 sq m. Secondary absorption over this period was negative 7,179 sq m.

White-collar employment is forecast to strengthen by between 2.0% and 3.0% per annum over the medium term, which is expected to lead to continued positive net absorption in office space for the coming years.

The periods of tenant contractions in the Perth CBD appears to have ended for Premium and Grade A space, mainly due to the renewed activity in the resource sector, with several tenants withdrawing space from the sublease market in anticipation of future expansions.



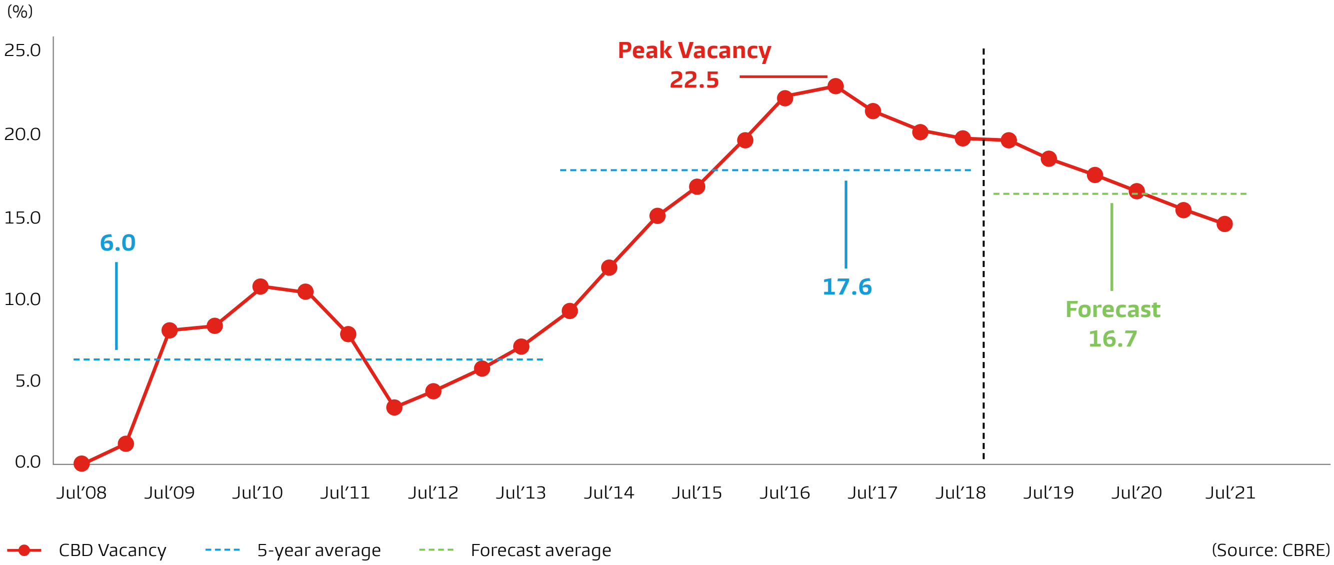
Perth CBD Office Vacancy

The overall Perth office CBD vacancy as at July 2018 was 19.4%, a notable improvement from its peak of 22.5% as at January 2017. CBRE believes this is the beginning of the market turnaround, and anticipates continued decreases. CBD vacancy is forecast to fall below 15.0% by July 2021.

Premium vacancy decreased significantly from 6.3% as at January 2018 to 4.1% as at July 2018, highlighting the ongoing flight-to-quality trend that has been in evidence in the CBD over the past 18 months. This contraction is largely considered to reflect current positive signs within the broader economy, along with flight-to-city from non-CBD tenants coupled with medium size non-mining corporate tenants signing longer leases at superior premises, taking advantage of attractive effective rentals.

Looking forward, total CBD office vacancy is now believed to be in sustained but modest decline. CBRE expects this vacancy to trend downwards, mainly due to expectations of increased absorption of Premium and Grade A space and on the back of moderately positive forecast absorption as the market adjusts.

Perth CBD Office Vacancy



(Source: CBRE)

Perth CBD Office Market Rental and Incentive Projections

As at June 2018, Premium Grade office net face rent in the Perth CBD was approximately A$650 per sq m per annum. Incentives typically range between 45% and 55%.

The Perth CBD, particularly Premium and Grade A offices, have benefited from a flight-to-quality trend as tenants relocate from fringe and suburban locations, and secondary space in the Perth CBD, to take advantage of current attractive face rents and high incentives. This has led to an increase in the level of transactions being done in the CBD. Prime rents and incentives have stabilised and are not forecast to weaken any further, and face rental growth is not expected until around 2020.

Perth CBD Yields

There was evidence of overall moderate yield compression in 2018 with several Grade A and Grade B transactions occurring throughout the year. Grade A offices with long leases have shown strong compression with yields in the range of 5.75% to 6.75%. The reported sale of Exchange Tower was the only Premium Grade transaction in the WA market year to-date. CBRE is of the opinion that the current Premium grade yield range to be approximately 5.75% to 6.50%. Investment activity for Premium and Grade A offices continues to be very strong with a weight of capital, limited investment options and low interest rate environment driving demand.

This report is dated 30 November 2018.

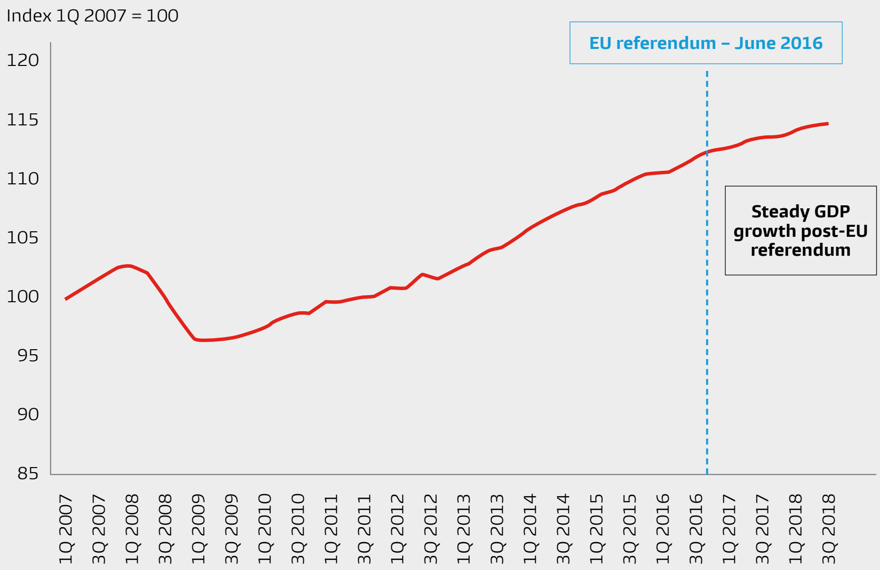
Market Overview Thames Valley and Farnborough Area, UK

Economic Overview of the UK
The UK is the world's fifth largest economy in terms of GDP. In the last five years to 2017, the UK's GDP growth of approximately 2.2% per annum was well ahead of other large developed economies[1]. The UK economy grew by 0.6% Q-o-Q in 3Q 2018, double the growth of the Eurozone economy for the same period. The UK's forecast economic growth over the next five years (2018-2023) of around 1.8% per annum[2] is ranked second globally, driven by the UK's robust economic fundamentals. Growth is expected to be supported by continued expansion in the labour market and the UK's strong leading position in key service industries such as finance, media and technology. Forecasts indicate that 2018 and 2019 will slightly underperform recent trends with growth rates of 1.3% and 1.4% respectively, before bouncing back to 2.0% and 2.2% in 2020 and 2021 respectively.

The unemployment rate of 4.0% as at August 2018 was the lowest level in over 40 years.

Impact of Brexit[3]
Following the UK's decision to hold a referendum in June 2016, uncertainties led to a slowdown in the economy in the run up to the vote, which resulted in quarterly growth slowing in the first 6 months of 2016 (0.3% in 1Q 2016 and 0.2% in 2Q 2016 compared to a quarterly average of 0.5% in 2015). However, the overall economic performance has since recovered and has been one of steady growth (see Figure 1). From the period immediately post the EU referendum to June 2018, the economy has expanded by 3.2%. Currency depreciation over the same period has been supportive of inward investment.

Figure 1: UK GDP (Seasonally Adjusted)



(Source: Office for National Statistics)

1 Developed economies including the United States of America, France and Germany. Economic forecasts are provided by Oxford Economics.
2 Source: Oxford Economics.
3 As at 30 November 2018.

In the Bank of England's Monetary Policy Committee meeting held on 31 October 2018, the monetary policy was set to meet the inflation target of around 2.0% and to sustain economic and employment growth, taking into consideration the UK's planned withdrawal from the EU in March 2019.

Sectors which are expected to be negatively impacted by the post-Brexit environment are mainly traditional manufacturing and financial services[4].

In mid-November 2018, the UK government secured a draft withdrawal agreement with the EU, which requires the approvals of both the UK and EU Parliaments. Although the draft withdrawal agreement is unlikely to be passed at first reading, but given the risks of the UK leaving the EU without reaching formal agreement for future relationships (no-deal), a possible alternative will be an extension to the Article 50[5] period. This will allow the UK to attempt a renegotiation or to pursue other options such as a membership of the European Economic Area which allows the extension of the EU's single market to non-EU members.

Oxford Economics is currently indicating a 20% probability to a no-deal outcome. A true no-deal Brexit is unlikely as the EU and UK would on balance prefer to secure alternative agreements to ensure minimal disruption to trade and regulations. In the event of a no-deal outcome, the UK would have to quickly put in place World Trade Organization terms and tariffs for its trading arrangements, and economic growth would be expected to slow in the short term.

Thames Valley, with limited exposure to traditional manufacturing and financial services, looks less vulnerable to a 'cliff edge'[6] Brexit than many other locations. Farnborough Business Park is located in Thames Valley. It is noted that Farnborough Business Park has strong fundamentals, including a high-quality tenant base, long WALE of 7.5 years and with over 85% of leases expiring around four years after the UK's planned withdrawal from the EU in March 2019[7].

Should the UK leave the EU with a formal agreement and the planned withdrawal from the EU materialises in March 2019, it will move into a 21-month transition period, where the final details of Brexit are likely to become more evident. In the longer term, Brexit could offer significant opportunities for the UK to develop a more competitive regulatory system and advance its trade relationships with fast-growing economies globally.

Overview of Thames Valley and Farnborough Area[8]

Outside Central London, the major office market is the South East region, which includes both suburban West London markets and Thames Valley. The South East office market includes offices located in both town centres and business parks[9]. Situated to the west of Greater London and bounded by the M3 motorway to the south and M40 to the north, Thames Valley grew into a substantial office market as a result of decentralisation from London in the 1960s and 1970s. Today, it is home to a significant number of information technology (IT) firms and is regarded as the principal high-tech region in the UK.

Thames Valley has become a location of choice for many businesses, mainly due to its good connectivity; presence of key business clusters, such as manufacturing, IT, high-tech, telecommunication and multimedia (TMT) and aerospace; access to quality workforce and talent pool as well as being a cost-efficient alternative compared to regional CBD or Central London locations. As such, Thames Valley has become home to high quality business clusters, boasting over 200 of the UK's top 300 companies[10].

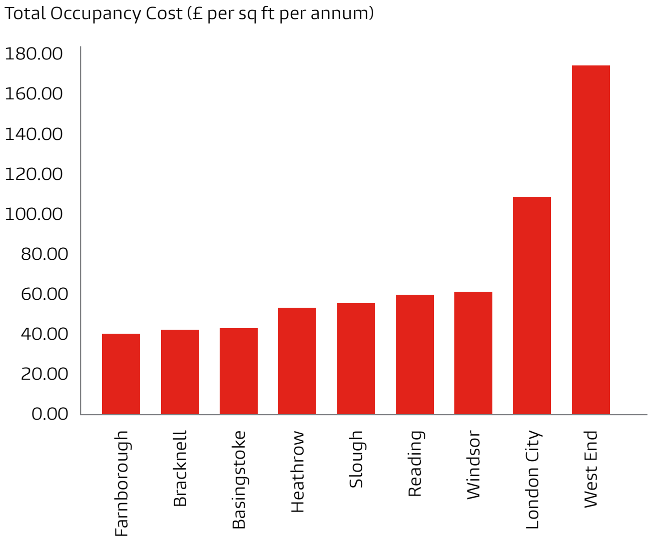
The population of Thames Valley is around 2 million and is forecast to steadily grow by 0.5% per annum over the next five years. The region has a highly educated workforce, especially in research and development, and has been at the forefront of IT sector locations in the UK for both traditional IT companies such as Microsoft, Oracle and Samsung and emerging technology sectors such as battery and vehicle technology. The IT sector employs around 270,000 people. The highly skilled workforce in Thames Valley continues to attract major companies to the region, owing to the proximity to talent and the agglomeration of knowledge intensive sectors. As a result of the strong demand for labour, unemployment is currently at historic low levels and stands at just 1.3% as at August 2018 for the wider South East region. Coupled with Thames Valley's close proximity to several top universities including Oxford University[11], these provide businesses with access to quality workforce and talent pool.

Besides easy access to Central London, Heathrow Airport, situated on the eastern fringe of Thames Valley, provides a global connectivity advantage for the area.

4 Post-Brexit, certain sub-sectors in financial services are expected to be negatively impacted. In the long-term, London is still expected to maintain its leading position globally for financial services, and access to finance is expected to continue attracting businesses from various sectors.
5 Article 50 of the Treaty on EU which sets out the steps to be taken by a country seeking to leave the EU voluntarily.
6 UK to be removed from the single market of the EU, losing privileges for free movement of goods, services, capital and people with the other member states of the EU.
7 As at 30 September 2018. Source: FCOT's financial results announcement dated 19 October 2018.
8 Includes both Farnborough and Camberley.
9 In the UK, business parks often comprise office space. For the purposes of this report the phrase *business park* refers generally to office space.
10 Source: MHA McIntyre Hudson.
11 Ranked first in the Times Higher Education World University Rankings 2018.
12 Including rents, property taxes and service charges.

Market Overview
Thames Valley and Farnborough Area, UK

Figure 2: Total Occupancy Costs in Key Thames Valley Locations Compared to Central London
(As at end-1H 2018)



(Source: JLL)

Thames Valley is also a cost-efficient alternative compared to the CBD and Central London locations. In the Farnborough area, for example, total occupancy costs[12] as at end-1H 2018 for office space are approximately £39.60 per sq ft per annum which is considerably lower compared to London City (£105.92 per sq ft per annum) and London West End (£169.99 per sq ft per annum) (see Figure 2).

Economic Overview of Thames Valley

The South East and Greater London regions account for 27% of the UK population but generate 39% of the gross value added (GVA[13]). The South East is predominantly a service sector-based economy.

Within Thames Valley, economic performance has been healthy with annual GVA growth over the past 5 years (2013–2017) of 2.1%, in line with the wider UK figure of 2.2% per annum. Looking ahead over the next 5 years (2018–2022), Thames Valley is set to see further robust GVA growth, outperforming the UK with GVA expected to expand by 2.4% per annum compared to 2.0% per annum in the UK.

Figure 3: Key Thames Valley Business Park Locations and Infrastructure
(Map includes four other business parks owned by Frasers Property)

1. Winnersh Triangle, Winnersh
2. Maxis, Bracknell
3. Watchmoor Park, Camberley
4. Farnborough Business Park, Farnborough
5. Chineham Park, Basingstoke

13 GVA measures the value of goods and services produced in a locality. It is often used as a proxy for local GDP which is a measure that is not available.

Figure 4: Top Ten Largest Thames Valley Business Parks by Area

City	Business park	Estimated built area (sq ft)	Ownership
Reading	Winnersh Triangle	1,500,000	Frasers Property
Reading	Green Park	1,300,000	Mapletree Investments
Slough	Slough Trading Estate	1,000,000	SEGRO
Basingstoke	Chineham Park	815,000	Frasers Property
Farnborough	Farnborough Business Park	550,726[a]	Frasers Property (50.0%) and FCOT (50.0%)
Theale	Arlington Business Park	435,000	Various - Majority Patron Capital / APAM
Reading	Thames Valley Park	400,000	Various - No clear majority
Reading	Reading International Business Park	400,000	Deutsche Bank - DAWM / EPF
Bracknell	Arlington Square	340,000	Various - Majority TPG
Maidenhead	Vanwall Business Park	300,000	Various - No clear majority

a Based on FCOT's announcement dated 19 October 2018.

(Source: JLL)

Thames Valley Business Park Market

Thames Valley is home to several best-in-class business parks in the UK as a result of decentralisation from London and an influx of US-based IT firms. As at end-September 2018, Thames Valley comprised 39 million sq ft of office space in both town centres and business parks.

Farnborough Business Park is the fifth largest business park in Thames Valley by area (see Figure 4).

Besides the strong economic and demographic fundamentals of Thames Valley as set out above, the key differentiators and success factors behind successful business parks, specifically in context of Farnborough Business Park, include the following factors:

(i) single ownership under the Group enables strategic decision making on park planning, marketing and lease management;
(ii) campus style environment creates opportunities for clustering of similar businesses, innovation and collaboration and a self-sufficient environment;
(iii) wide range of on-site amenities such as cafés, restaurants, a nursery and a hotel and successful place making;
(iv) good overall accessibility and proximity to other important developments such as the Farnborough TAG Airport and Farnborough International Exhibition & Convention Centre;
(v) high-quality buildings and built environment; and
(vi) other attractive attributes such as a wide range of unit and floor plate sizes and ample car parking space.

We also expect that Farnborough Business Park will benefit from synergistic network effects with other business parks in Thames Valley, namely Chineham Park, Maxis, Watchmoor Park and Winnersh Triangle owned by Frasers Property.

Take Up and Demand

Thames Valley leasing momentum continued into 2018, with take up exceeding 660,000 sq ft in 1H 2018, a 21.0% year-on-year increase from 1H 2017. Grade A space accounted for around 70.0% of all leasing transactions across the market in 1H 2018, highlighting occupier preference for good quality stock. Demand stemmed mainly from the life science/pharmaceutical sector followed by TMT companies. The Farnborough area had a good start in 2018 with 1H take up totalling 74,500 sq ft, albeit down on an exceptionally strong 1H 2017[14], it was 35.0% ahead of the 2016 annual take up volumes and 26.0% ahead of the 2015 annual take up volumes.

Office employment growth has been positive in Thames Valley, with expansion of 2.0% per annum seen over the past five years, which has helped to drive occupier demand via expansionary tenant activity. Oxford Economics expect future office-based employment growth[15] to be more muted in Thames Valley over the next five years (2018-2022), at 1.0% per annum, in line with the forecast of a slightly slower UK economy.

14 Mainly due to two large leasing deals in 1H 2017 (INC Research took up 49,000 sq ft in Pinehurst 1 and 2, Fowler Avenue at Farnborough Business Park and Fluor Limited took up 31,000 sq ft in Farnborough Aerospace Centre).
15 Business sectors used as a proxy for office employment: Information and Communication, Financial and Insurance, Real Estate related activities and Professional, Scientific and Technology.

Market Overview
Thames Valley and Farnborough Area, UK

Figure 5: Thames Valley Take Up and 5-year Average (2013-2017)

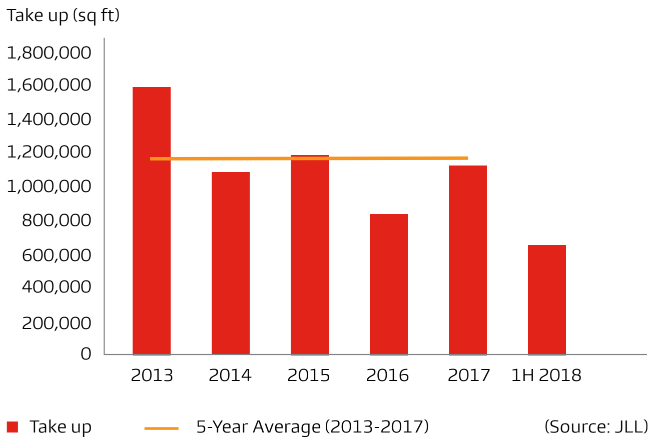
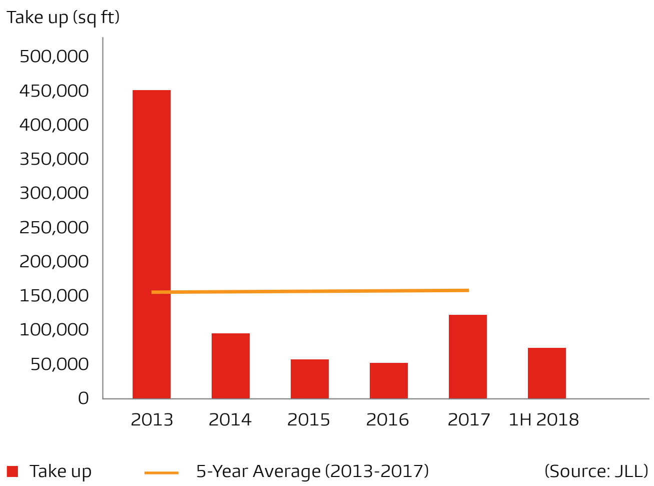


Figure 6: Farnborough Area Take Up and 5-year Average (2013-2017)



Supply and Vacancy Rates

Steady leasing activity has caused vacancy rates to decline across Thames Valley[16]. As at end-1H 2018, the vacancy rate stood at 13.0%, the lowest over the past two years, creating an increasingly competitive marketplace. Overall supply totals approximately 5 million sq ft as at end-1H 2018, a 35.0% decrease since 2014, when the total office stock was at its peak. Total office stock has since contracted due to the conversion of older and obsolete offices to residential use.

Supply and vacancy rates are at historic lows in the Farnborough area, at 382,000 sq ft and 5.1%, as at the end-1H 2018. It is noted that Farnborough Business Park has a high occupancy rate of 98.1% as at 30 September 2018. There is currently 194,000 sq ft of space under construction or refurbishment in the Farnborough area, of which 121,000 sq ft will be delivered by 4Q 2018 at Ascent 1 and 3, Farnborough Aerospace Centre.

Figure 7: Thames Valley Supply and Vacancy Rate

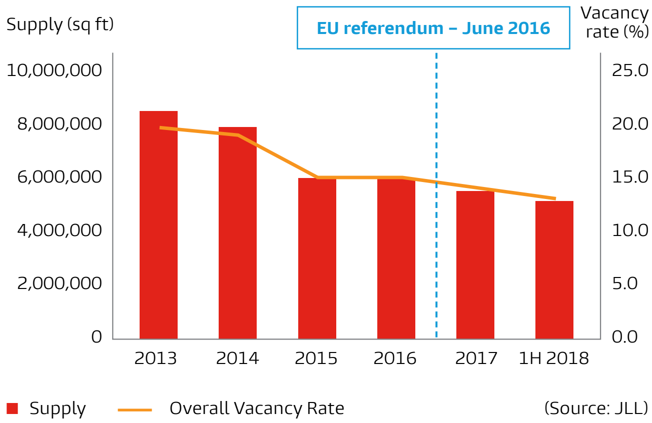
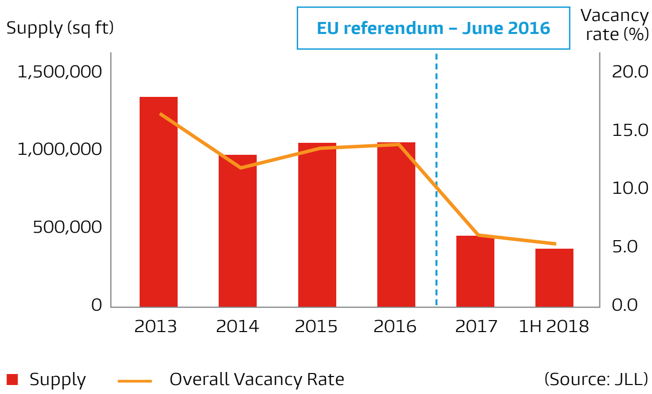


Figure 8: Farnborough Area Supply and Vacancy Rate



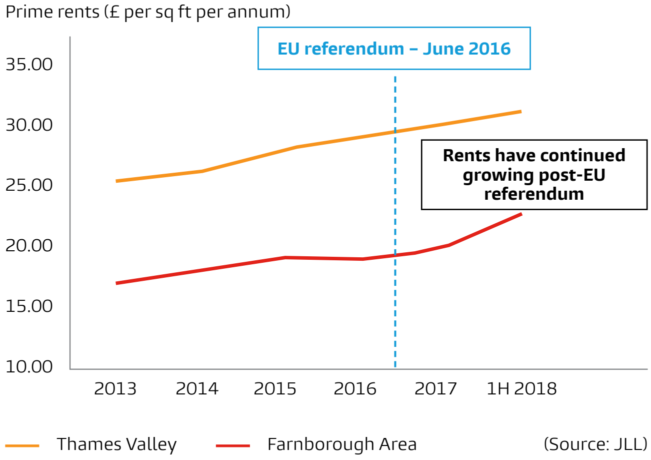
Rents and Outlook

Steady take up and diminishing supply have put rents under upward pressure in Thames Valley generally. Rents have continued growing since the EU referendum, implying the continued attractiveness of business parks in Thames Valley and the Farnborough area. As at end-1H 2018, average prime rents[17] in Thames Valley office market stood at £31.29 per sq ft per annum, an uplift of 19.0% over the last five years since 1H 2014, with incentives around 25% on a typical 10-year lease term, although the exact package will also depend on the location and quality of building. In the Farnborough area, average prime rents have grown around 25% over the last five years and are at £22.50 per sq ft per annum as at end-1H 2018, with incentives around 17.5% for a typical 10-year lease term.

16 Refers to the Thames Valley office market in town centres and business parks.
17 Prime rent 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.

The outlook for prime rents is positive with average rental growth of 1.4% per annum forecast over the next five years in Thames Valley. Occupier demand is expected to continue to focus on good quality space, while the level of current and future supply remains subdued.

Figure 9: Thames Valley and the Farnborough Area Prime Rents



(Source: JLL)

Investment Volume and Yields

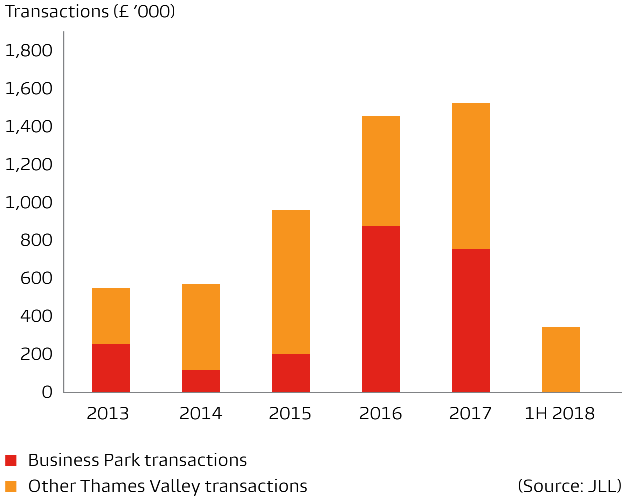
The UK is the second largest commercial real estate market globally. In 2017 alone, £36.5 billion of UK commercial real estate assets were purchased by overseas buyers, accounting for 58% of all transactions. 2H 2017 saw renewed activity for best-in-class business parks, with several significant transactions by foreign investors helping to boost annual volumes to £1.5 billion, including the business parks in Thames Valley acquired by the Group.

The investment market has been steadier in 1H 2018 with just over £345 million transacted in Thames Valley. Investors continue to focus on prime/core assets, seeking steady and predictable income streams. However, the availability of suitable product remains low and motivated sellers remain in short supply. The amount of off-market transactions has risen as a result.

There was some yield compression in 2H 2017 but prime yields held firm in 1H 2018 at 5.00%. Further yield movement is not expected over the rest of 2018.

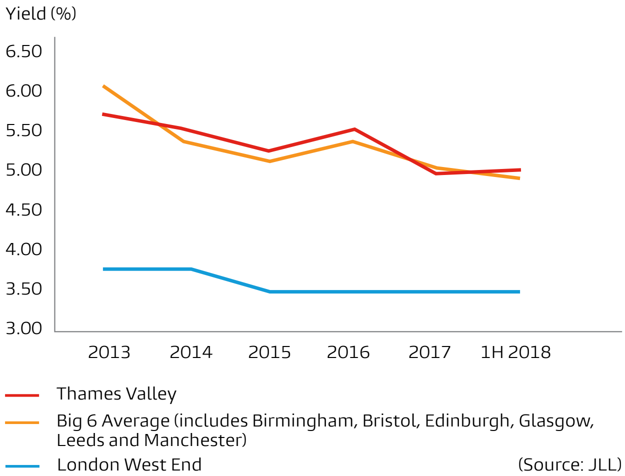
There is a notable spread of 150 basis points between yields in Thames Valley from those in London West End as at end-1H 2018. However, with the lack of motivated sellers, competition for well-located and sought-after business parks may attract tighter yields going forward.

Figure 10: Thames Valley Office and Business Park Transactions



(Source: JLL)

Figure 11: Thames Valley Net Initial Prime Yields



(Source: JLL)

Conclusion

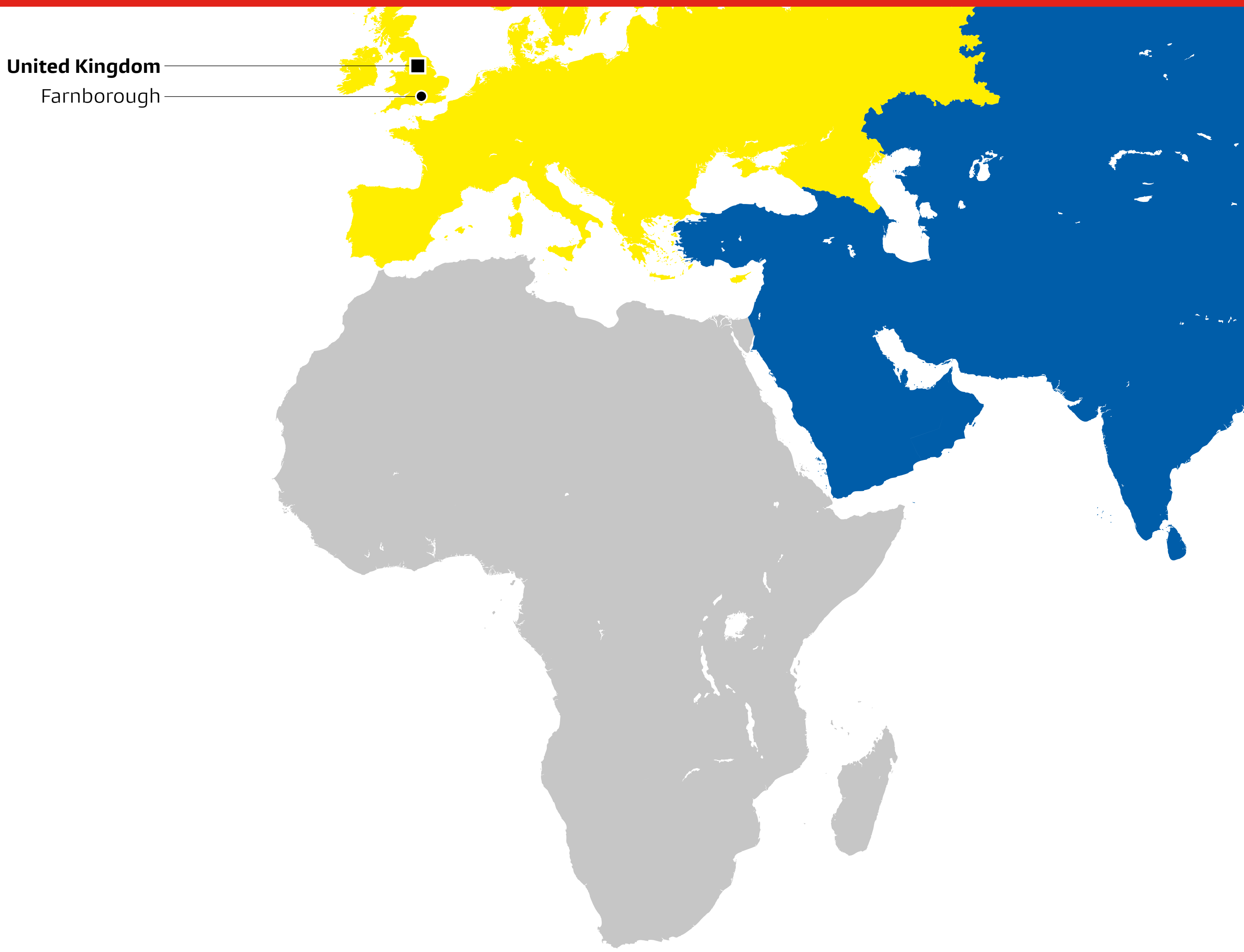
Office space in Thames Valley has proved very attractive to investors over recent years, often being the first location of choice after Central London. There has been renewed investment activity for best-in-class business parks. Overseas buyers have been attracted to the sector because of the robust long-term occupier fundamentals as well as the potential for positive investment returns. Thames Valley business parks are expected to see strong returns in rental and capital growth over the next five years (2018–2022) with average annual returns for the South East (6.4%–6.9% per annum) forecast to outperform both Central and Inner London (3.7% per annum) and the UK average (4.0% per annum).

This report is dated 30 November 2018.

Overview of Property Portfolio

Six well-located, high quality properties in Singapore, Australia and the UK

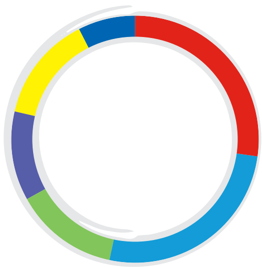
FCOT has a diversified portfolio spanning Singapore, Australia and the UK, comprising four office buildings, one business space property and a business park valued at an aggregate of S$2.1 billion as at 30 September 2018. The portfolio features a diverse tenant base across a wide spectrum of trade sectors. Our properties are of high quality and offer good amenities and green features.



	Properties	Asset values as at 30 September 2018	Net property income for FY2018	Net lettable area (sq ft) as at 30 September 2018
Singapore	1 office building 1 business space property	S$1,140.4 million (53.5%)	S$43.6 million[4] (45.3%)	1.34 million (39.6%)
Australia	3 office buildings	S$836.9 million[2,3] (39.2%)	S$45.7 million[3,5] (47.4%)	1.49 million[8] (44.1%)
UK	1 business park[1]	S$156.2 million[2,3] (7.3%)	S$7.0 million[3,5,6] (7.3%)	0.55 million[8] (16.3%)
Total	**4 office buildings 1 business space property 1 business park[1]**	**S$2,133.5 million**	**S$96.3 million[7]**	**3.38 million**

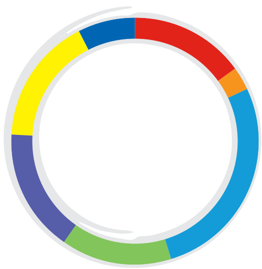
1 Refers to Farnborough Business Park which comprises 14 commercial buildings including nine office buildings, two car showrooms (one of which is under construction), an office-cum-industrial building and two cafés. The business park also contains five freehold reversions subject to long leaseholds and five listed heritage buildings relating to British aviation history. FCOT has 50.0% indirect interest in Farnborough Business Park, which is held as a joint venture and is equity-accounted in the financial statements.
2 Based on the 30 September 2018 exchange rate of A$1.00 = S$0.9904 or £1.00 = S$1.7809, as the case may be.
3 In respect of FCOT's 50.0% indirect interest in Central Park (Australia) or Farnborough Business Park (UK) (which is held as a joint venture and equity-accounted in the financial statements), as the case may be.
4 Inclusive of the NPI of 55 Market Street for the period from 1 October 2017 until its divestment on 31 August 2018.
5 Based on the average FY2018 exchange rate of A$1.00 = S$1.0183 or £1.00 = S$1.8072, as the case may be.
6 For the period from 29 January 2018 (completion of acquisition) to 30 September 2018 for 50.0% interest in Farnborough Business Park. The NPI for Farnborough Business Park 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).
7 Including attributable 50.0% share in the FY2018 NPI of Farnborough Business Park which is held as a joint venture and equity-accounted in the financial statements.
8 The NLAs of Central Park (Australia) or Farnborough Business Park (UK), as the case may be, are presented on a 100.0% basis in deriving this figure.

Asset Values as at 30 September 2018
(%)



China Square Central	27.3
55 Market Street	–[1]
Alexandra Technopark	26.2
Central Park	13.5[2]
Caroline Chisholm Centre	11.7
357 Collins Street	14.0
Farnborough Business Park	7.3[2]

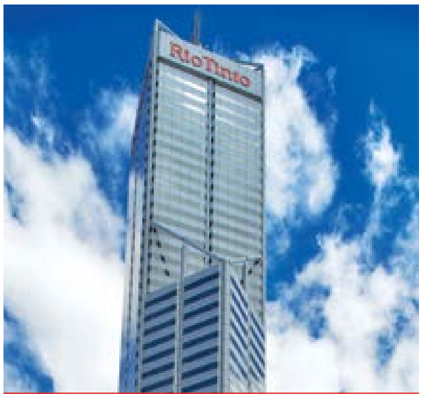
Net Property Income for FY2018
(%)



China Square Central	15.0
55 Market Street	3.3[3]
Alexandra Technopark	27.0
Central Park	14.5[2]
Caroline Chisholm Centre	16.1
357 Collins Street	16.8
Farnborough Business Park	7.3[2,4]

1 Divested on 31 August 2018.
2 In respect of FCOT's 50.0% indirect interest in Central Park (Australia) or Farnborough Business Park (UK) (which is held as a joint venture and equity-accounted in the financial statements), as the case may be.
3 For the period from 1 October 2017 until its divestment on 31 August 2018.
4 For the period from 29 January 2018 (completion of acquisition) to 30 September 2018. The NPI for Farnborough Business Park 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).

Portfolio Details



China Square Central	Alexandra Technopark	Central Park[3]
Address 18, 20 & 22 Cross Street, China Square Central Singapore 048423/2/1	**Address** 438A/B/C, Alexandra Road, Singapore 119967/68/76	**Address** 152-158 St Georges Terrace Perth WA 6000, Australia
Tenure Leasehold 99 years commencing February 1997	**Tenure** Leasehold 99 years commencing August 2009	**Tenure** Freehold
Ownership interest 100.0%	**Ownership interest** 100.0%	**Ownership interest** 50.0%
Net lettable area as at 30 September 2018 301,145 sq ft (27,977 sq m)[1]	**Net lettable area as at 30 September 2018** 1,035,299 sq ft (96,183 sq m)	**Net lettable area as at 30 September 2018** 711,564 sq ft (66,107 sq m)[4]
Carpark spaces as at 30 September 2018 394	**Carpark spaces as at 30 September 2018** 905	**Carpark spaces as at 30 September 2018** 421[4]
Purchase price S$390.0 million	**Purchase price** S$342.5 million	**Purchase price** A$190.0 million (S$234.6 million)[5]
Acquisition date 30 March 2006	**Acquisition date** 26 August 2009	**Acquisition date** 30 March 2006
Valuation as at 30 September 2018 S$582.4 million	**Valuation as at 30 September 2018** S$558.0 million	**Valuation as at 30 September 2018** A$291.0 million (S$288.2 million)[6]
Valuation premium over purchase price based on local currency valuation 49.3%	**Valuation premium over purchase price based on local currency valuation** 62.9%	**Valuation premium over purchase price based on local currency valuation** 53.2%
Number of tenants as at 30 September 2018, excluding pre-committed leases 52	**Number of tenants as at 30 September 2018, excluding pre-committed leases** 45	**Number of tenants as at 30 September 2018, excluding pre-committed leases** 23
Occupancy rate as at 30 September 2018 94.4%[1,2]	**Occupancy rate as at 30 September 2018** 70.2%[2]	**Occupancy rate as at 30 September 2018** 70.0%
FY2018 gross revenue S$23.3 million	**FY2018 gross revenue** S$38.7 million	**FY2018 gross revenue** S$23.4 million[7]
FY2018 net property income S$14.4 million	**FY2018 net property income** S$26.0 million	**FY2018 net property income** S$14.0 million[7]

1 Excluding 18 Cross Street retail podium (NLA of approximately 64,000 sq ft) which is currently closed for asset enhancement works.
2 Committed occupancy as at 30 September 2018.
3 All figures are in respect of FCOT's 50.0% indirect interest in the property unless otherwise stated. FCOT's 50.0% interest in Farnborough Business Park is held as a joint venture and equity-accounted in the financial statements.
4 Figure is on 100.0% basis. FCOT holds 50.0% indirect interest in the property.
5 Based on the exchange rate of A$1.00 = S$1.2347, being the rate at the time of acquisition.
6 Based on the exchange rate of A$1.00 = S$0.9904 as at 30 September 2018.
7 Based on the average FY2018 exchange rate of A$1.00 = S$1.0183.
8 Aggregate purchase price comprising A$108.8 million for 50.0% interest on 18 June 2007 and A$83.0 million for the remaining 50.0% interest on 13 April 2012.
9 Based on the exchange rate of A$1.00 = S$1.2533 and A$1.00 = S$1.3028, respectively, on 18 June 2007 and 13 April 2012.

Caroline Chisholm Centre

Address
Block 4 Section 13, Tuggeranong ACT 2900, Australia

Tenure
Leasehold 99 years commencing June 2002

Ownership interest
100.0%

Net lettable area as at 30 September 2018
433,182 sq ft (40,244 sq m)

Carpark spaces as at 30 September 2018
1,093

Purchase price
A$191.8 million[8] (S$244.4 million)[9]

Acquisition date
18 June 2007 and 13 April 2012[10]

Valuation as at 30 September 2018
A$252.0 million (S$249.6 million)[6]

Valuation premium over purchase price based on local currency valuation
31.4%

Number of tenants as at 30 September 2018, excluding pre-committed leases
1

Occupancy rate as at 30 September 2018
100.0%

FY2018 gross revenue
S$21.3 million[7]

FY2018 net property income
S$15.5 million[7]

357 Collins Street

Address
357 Collins Street, Melbourne Victoria 3000, Australia

Tenure
Freehold

Ownership interest
100.0%

Net lettable area as at 30 September 2018
343,616 sq ft (31,923 sq m)

Carpark spaces as at 30 September 2018
41

Purchase price
A$222.5 million (S$226.6 million)[11]

Acquisition date
18 August 2015

Valuation as at 30 September 2018
A$302.0 million (S$299.1 million)[6]

Valuation premium over purchase price based on local currency valuation
35.7%

Number of tenants as at 30 September 2018, excluding pre-committed leases
28

Occupancy rate as at 30 September 2018
95.0%

FY2018 gross revenue
S$21.8 million[7]

FY2018 net property income
S$16.2 million[7]

Farnborough Business Park[3]

Address
Farnborough Business Park, Farnborough, Hampshire GU14 7JP, United Kingdom

Tenure
Freehold

Ownership interest
50.0%

Net lettable area as at 30 September 2018
550,726 sq ft (51,164 sq m)[4]

Carpark spaces as at 30 September 2018
Approximately 1,600[4,12]

Purchase price
£87.5 million (S$161.5 million)[13]

Acquisition date
29 January 2018

Valuation as at 30 September 2018
£87.7 million (S$156.2 million)[14]

Valuation premium over purchase price based on local currency valuation
0.2%

Number of tenants as at 30 September 2018, excluding pre-committed leases
35

Occupancy rate as at 30 September 2018
98.1%

FY2018 gross revenue
S$9.8 million[15]

FY2018 net property income
S$7.0 million[15]

10 50.0% interest was acquired on 18 June 2007 and the remaining 50.0% interest was acquired on 13 April 2012.
11 Based on the exchange rate of A$1.00 = S$1.0186, being the rate at the time of acquisition.
12 Excluding approximately 800 car park spaces within car showroom facilities operated by tenants.
13 Based on FCOT's 50.0% share of the agreed property value of £175.0 million and the exchange rate of £1.00 = S$1.8453, being the rate at the time of acquisition.
14 Based on the exchange rate of £1.00 = S$1.7809 as at 30 September 2018.
15 In respect of FCOT's attributable 50.0% share for the period from 29 January 2018 (completion of acquisition) to 30 September 2018 and based on the average FY2018 exchange rate of £1.00 = S$1.8072. The property is held as a joint venture and equity-accounted in the financial statements. The amount 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).

Asset Profiles

China Square Central
Singapore

Address
18, 20 & 22 Cross Street, China Square Central, Singapore 048423/2/1

Tenure
Leasehold 99 years commencing February 1997

Total NLA[1]
301,145 sq ft

Office NLA
270,764 sq ft

Retail NLA[1]
30,381 sq ft

Number of tenants
52

Carpark lots
394

Acquisition price (30 March 2006)
S$390.0 million

Market valuation (30 September 2018)
S$582.4 million

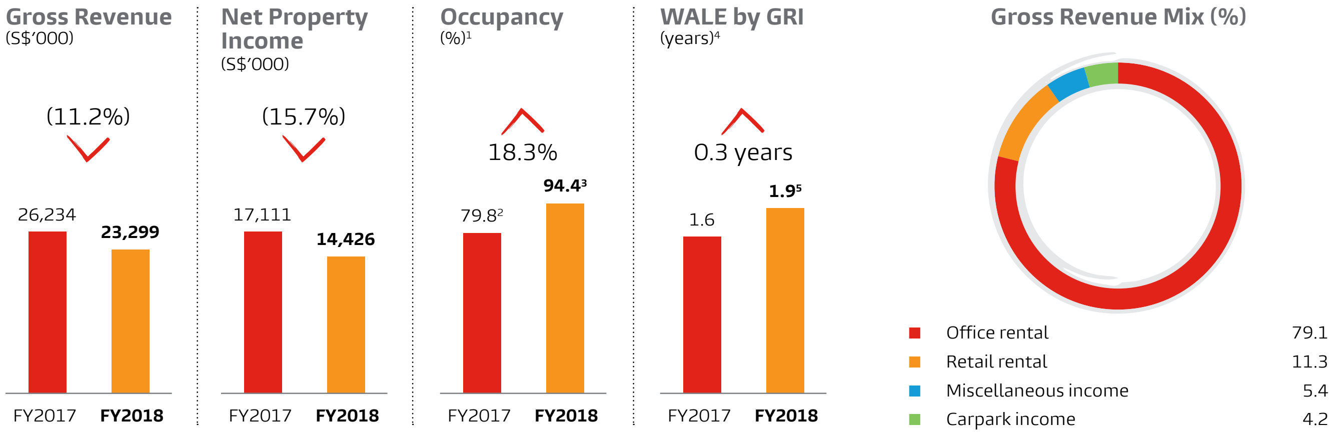
China Square Central is an office-cum-retail development located in the Central Business District. It comprises a 15-storey commercial office tower with a retail podium and two blocks of heritage shophouses. The heritage shophouses built during the Straits Settlements era accomodate a mix of offices, shops and restaurants.

The property is well connected to public transportation, including being located within 500 metres of the mass rapid transit (MRT) stations at Raffles Place, Telok Ayer and Chinatown.

A S$38 million AEI to rejuvenate and reposition the retail podium at 18 Cross Street (CSC Retail AEI) is currently underway. Expected to complete in the second half of 2019, the CSC Retail AEI aims to create an exciting destination that focuses on food and beverage, wellness and services. For safety reasons, the retail podium has been closed since 1Q 2018 to facilitate the asset enhancement works.

1 Excluding 18 Cross Street retail podium (NLA of approximately 64,000 sq ft) which is currently closed for asset enhancement works.

Operational Highlights



1 Committed occupancy as at the end of the respective financial year.
2 Including planned vacancies for certain units affected by the construction works for the Hotel and Commercial Projects at China Square Central. Affected units were mainly retail units at the shophouses along 20 and 22 Cross Street. Refer to Circular to Unitholders dated 3 June 2015 for further details.
3 Excluding 18 Cross Street retail podium (NLA of approximately 64,000 sq ft) which is currently closed for asset enhancement works.
4 The WALE is calculated on a GRI basis with respect to the unexpired lease terms of the existing tenants and is stated as at the end of the respective financial year.
5 The WALB calculated on a GRI basis reflecting contracted rights for tenants to pre-terminate leases, if any, was 1.9 years as at the end of the financial year.

Top 10 Tenants

As at 30 September 2018	NLA (sq ft)[1]	% of total NLA[1]
GroupM Singapore Pte Ltd	54,574	18.0
Suntory Beverage & Food Asia Pte Ltd	35,541	11.8
Equinix Asia Pacific Pte Ltd	18,108	6.0
WeWork Singapore Pte Ltd	16,845	5.6
OCBC Properties Services Pte Ltd	9,698	3.2
WT Partnership (S) Pte Ltd	7,739	2.6
Thoughtworks Pte Ltd	7,721	2.6
Grasshopper Pte Ltd	6,902	2.3
Sthree Pte Ltd	5,931	2.0
Coastal Oil Holdings Pte Ltd	5,590	1.9
Total	**168,649**	**56.0**

Lease Expiry Profile

As at 30 September 2018	FY2019	FY2020	FY2021	FY2022	FY2023 & beyond
Number of leases expiring	30	12	17	3	3
NLA (sq ft)	116,470	58,171	62,454	17,419	18,791
% of total NLA (office)	38.4	18.2	20.2	6.4	6.9
% of total NLA (retail)[1]	12.5	8.9	7.8	–	–
% of total GRI (office)	41.1	20.9	24.1	7.7	6.2
% of total GRI (retail)	40.4	25.9	33.7	–	–

Trade Sector Mix by GRI

Category	30 September 2017 %	30 September 2018 %
Consultancy / Business Services	31.4	38.2
Food & Beverage	26.0	23.4
Banking, Insurance & Financial Services	8.3	10.3
IT Products & Services	8.7	9.2
Real Estate / Property Services	7.1	7.1
Multimedia & Telecommunications	4.3	4.5
Legal	3.0	3.6
Shipping / Freight	2.1	2.2
Others	0.8	0.8
Medical / Pharmaceuticals	0.8	0.6
Retail	7.1	0.1
Travel	0.4	–
Total	**100.0**	**100.0**

1 Excluding 18 Cross Street retail podium (NLA of approximately 64,000 sq ft) which is currently closed for asset enhancement works.

Alexandra Technopark
Singapore

Address
438A/B/C, Alexandra Road, Singapore 119967/68/76

Tenure
Leasehold 99 years commencing August 2009

Total NLA
1,035,299 sq ft[1]

Business space NLA
1,035,299 sq ft[1]

Number of tenants
45

Carpark lots
905

Acquisition price (26 August 2009)
S$342.5 million

Market valuation (30 September 2018)
S$558.0 million

Alexandra Technopark, which comprises two high-specification business space blocks and an amenity hub in a campus environment, is located in the prominent Alexandra business corridor. The air-conditioned business space blocks are efficiently designed with large floor plates of up to 76,000 sq ft and complemented by three lift cores per block, allowing space to be easily configured to accommodate tenants' requirements.

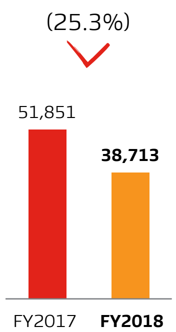
The newly completed 13,300 sq ft amenity hub, which is part of a S$45 million AEI that commenced in 1Q 2017 and nearing full completion, houses a variety of food and beverage offerings, services and many social and communal facilities including a landscaped roof garden, barbeque pits and a function room. Other amenities in Alexandra Technopark include an end-of-trip facility, shower rooms, futsal courts, fitness facilities and a childcare centre.

Located within a 15-minute drive away from the Central Business District, Alexandra Technopark is within walking distance to the Labrador Park MRT station on the Circle Line and is well-served by public buses linking the location to Queenstown, Redhill and HarbourFront MRT stations. The development is also adjacent to HortPark that further connects to Alexandra Green and the Southern Ridges Loop of the island's Park Connector Network.

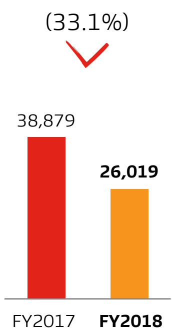
1 Includes amenity spaces that are leased out or are available for lease.

Operational Highlights

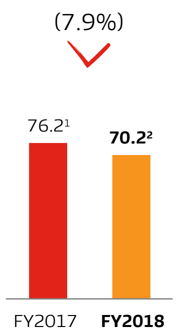
Gross Revenue
(S$'000)



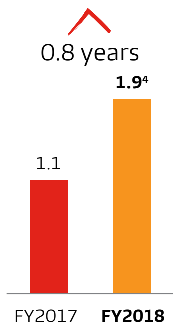
Net Property Income
(S$'000)



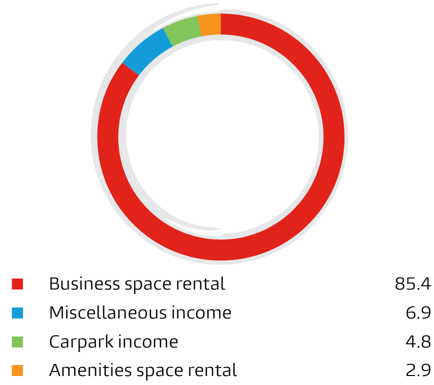
Occupancy
(%)



WALE
(years)[3]



Gross Revenue Mix (%)



1 Committed occupancy after adjusting for 17.1% which was not renewed by Hewlett-Packard Enterprise Singapore Pte Ltd upon lease expiration on 30 September 2017 and 30 November 2017 (refer to the announcement dated 22 September 2017 for details). Actual occupancy as at 30 September 2017 was 90.8%. A further 3.6% was not renewed by Hewlett-Packard Singapore Pte Ltd upon lease expiration on 30 November 2017 (refer to the announcement dated 3 November 2017 for details).
2 Committed occupancy as at 30 September 2018.
3 The WALE is calculated on a GRI basis with respect to the unexpired lease terms of the existing tenants and is stated as at the end of the respective financial year.
4 The WALB calculated on a GRI basis reflecting contracted rights for tenants to pre-terminate leases, if any, was 1.5 years as at the end of the financial year.

Top 10 Tenants

As at 30 September 2018	NLA (sq ft)	% of total NLA
Hewlett-Packard Singapore Pte Ltd	93,302	9.0
Microsoft Operations Pte Ltd	77,761	7.5
Nokia Solutions & Networks Singapore Pte Ltd	59,180	5.7
Olympus Singapore Pte Ltd	55,919	5.4
Omron Asia Pacific Pte Ltd	32,507	3.2
Air Liquide Singapore Private Limited (previously known as Singapore Oxygen Air Liquide Private Limited)	25,640	2.5
SAP Asia Pte Ltd	25,016	2.4
The Great Eastern Life Assurance Co Ltd	25,016	2.4
Sennheiser Electronic Asia Pte Ltd	18,310	1.8
American Bureau of Shipping	16,921	1.6
Total	**429,572**	**41.5**

Lease Expiry Profile

As at 30 September 2018	FY2019	FY2020	FY2021	FY2022	FY2023 & beyond
Number of leases expiring	19	12	15	5	4
NLA (sq ft)	263,546	82,495	119,179	98,525	65,305
% of total NLA	25.5	8.0	11.5	9.5	6.3
% of total GRI	42.8	13.1	18.6	16.0	9.5

Trade Sector Mix by GRI

Category	30 September 2017 %	30 September 2018 %
IT Products & Services	68.6	37.6
Medical / Pharmaceuticals	3.4	13.4
Electronics	7.7	11.9
Multimedia & Telecommunications	3.2	8.7
Others	3.5	7.7
Shipping / Freight	2.9	4.4
Mining / Resources	2.7	4.2
Banking, Insurance & Financial Services	2.5	3.8
Amenities	2.3	3.5
Consultancy / Business Services	2.1	3.2
Real Estate / Property Services	1.1	1.6
Total	**100.0**	**100.0**

Central Park[1]

Perth, Australia

Address
152-158 St Georges Terrace Perth WA 6000, Australia

Tenure
Freehold

Total NLA
711,564 sq ft

Office NLA
691,977 sq ft

Retail NLA
19,587 sq ft

Number of tenants
23

Carpark lots
421

Acquisition price (30 March 2006) (50.0% interest)
A$190.0 million (S$234.6 million)[2]

Market valuation (30 September 2018) (50.0% interest)
A$291.0 million (S$288.2 million)[3]

Central Park is an iconic landmark strategically located at the heart of Perth's Central Business District. The 47-storey premium grade office tower, which is the tallest office tower in the city, was constructed to high specifications and has a prominent frontage along St Georges Terrace, Perth's premier business address. Surrounded by 5,000 sq m of landscaped parkland, the higher levels of Central Park afford stunning panoramic views of the Swan River and the Perth cityscape.

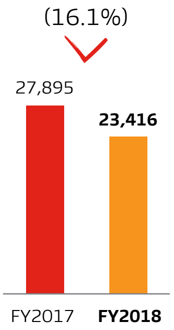
Central Park is equipped with a wide-range of facilities, including a 130-seat theatrette, seminar/meeting rooms, full audio-visual conferencing facilities, 24-hour security service, centralised mail facility, concierge services, on-site gymnasium and an end-of-trip facility for cyclists.

Central Park is easily accessed by road, rail and buses, with secure underground car parks.

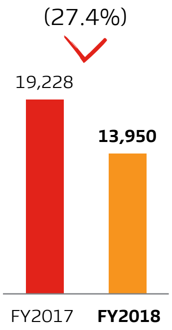
1 FCOT holds 50.0% indirect interest in the property.
2 Based on the exchange rate of A$1.00 = S$1.2347 being the exchange rate at the time of acquisition.
3 Based on the exchange rate of A$1.00 = S$0.9904 as at 30 September 2018.

Operational Highlights

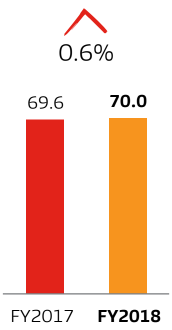
Gross Revenue
(S$'000)[1]
(50.0% interest)



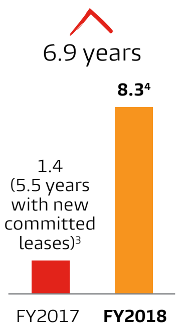
Net Property Income
(S$'000)[1]
(50.0% interest)



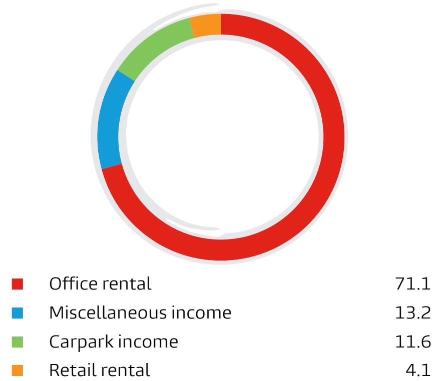
Occupancy
(%)



WALE
(years)[2]



Gross Revenue Mix (%)



1 Based on the average FY2018 exchange rate of A$1.00 = S$1.0183 (FY2017: A$1.00 = S$1.0628).
2 The WALE is calculated on a GRI basis with respect to the unexpired lease terms of the existing tenants and is stated as at the end of the respective financial year.
3 Adjusted for the space committed by an entity of Rio Tinto Limited on a new 12-year lease from FY2018 to FY2030, among others.
4 The WALB calculated on a GRI basis reflecting contracted rights for tenants to pre-terminate leases, if any, was 8.2 years as at the end of the financial year.

Top 10 Tenants

As at 30 September 2018	NLA (sq ft)	% of total NLA
Rio Tinto Shared Services Pty Ltd	314,804	44.2
PF Lawyers Pty Limited (DLA Piper)	28,420	4.0
IOOF Service Co Pty Ltd	22,868	3.2
Australian Energy Market Operator Limited	21,848	3.1
Grant Thornton Australia Limited	19,258	2.7
Japan Australia LNG (MIMI) Pty Ltd	17,510	2.5
Jones Lang LaSalle (WA) Pty Limited	14,218	2.0
Westpac Banking Corporation	12,022	1.7
Jones Day	9,982	1.4
St. George Bank Limited	7,636	1.1
Total	**468,566**	**65.9**

Lease Expiry Profile

As at 30 September 2018	FY2019	FY2020	FY2021	FY2022	FY2023 & beyond
Number of leases expiring	4	5	2	2	24
NLA (sq ft)	33,684	33,322	26,240	3,700	400,872
% of total NLA	4.7	4.7	3.7	0.5	56.3
% of total GRI	8.6	8.8	6.0	1.1	75.5

Trade Sector Mix by GRI

Category	30 September 2017	30 September 2018
	%	%
Mining / Resources	65.7	65.8
Banking, Insurance & Financial Services	16.0	18.1
Legal	9.2	9.5
Real Estate / Property Services	3.4	3.5
Food & Beverage	2.3	2.6
Retail	0.5	0.5
Government and Government-linked	2.9	–
Total	**100.0**	**100.0**

Caroline Chisholm Centre
Canberra, Australia

Address
Block 4 Section 13, Tuggeranong
ACT 2900, Australia

Tenure
Leasehold 99 years commencing
June 2002

Total NLA
433,182 sq ft

Number of tenants
1

Carpark lots
1,093

Acquisition price
A$191.8 million (S$244.4 million)[1]

Market valuation (30 September 2018)
A$252.0 million (S$249.6 million)[2]

Caroline Chisholm Centre is a 5-storey Grade A contemporary office complex located within the core of the Tuggeranong Town Centre in Canberra, Australia's capital city and the location of the Federal Parliament House. This property was designed as a cutting-edge energy efficient new generation building, with eco-friendly features such as grey and rainwater collection, solar panels and double-glazed windows.

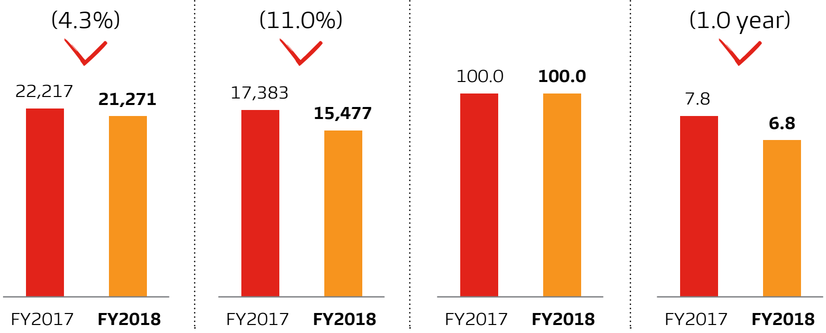
The property is equipped with a range of amenities such as conference facilities, an auditorium, an amphitheatre, a gymnasium and a café.

Caroline Chisholm Centre is fully-let to the Commonwealth Government of Australia for a lease term of 18 years that commenced on 5 July 2007, with 3% annual rent increment which provides a stable income stream and organic growth to FCOT.

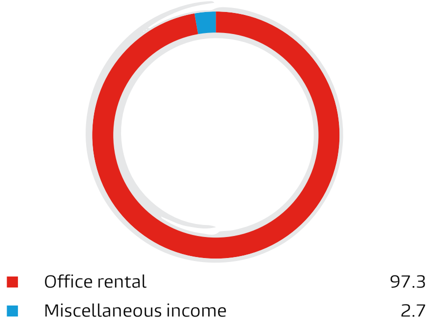
1 Aggregate purchase price comprising A$108.8 million for the initial 50.0% interest acquired on 18 June 2007 and A$83.0 million for the remaining 50.0% interest acquired on 13 April 2012, translated based on the then prevailing exchange rates of A$1.00 = S$1.2533 and A$1.00 = S$1.3028, respectively.
2 Based on the exchange rate of A$1.00 = S$0.9904 as at 30 September 2018.

Operational Highlights

Gross Revenue (S$'000)[1] | **Net Property Income** (S$'000)[1] | **Occupancy** (%) | **WALE** (years)[2]



Gross Revenue Mix (%)



1 Based on the average FY2018 exchange rate of A$1.00 = S$1.0183 (FY2017: A$1.00 = S$1.0628).
2 The WALE is calculated on a GRI basis with respect to the unexpired lease terms of the existing tenants and is stated as at the end of the respective financial year.

Tenant

As at 30 September 2018	NLA (sq ft)	% of total NLA
Commonwealth of Australia	433,182	100.0
Total	**433,182**	**100.0**

Lease Expiry Profile

As at 30 September 2018	FY2019	FY2020	FY2021	FY2022	FY2023 & beyond
Number of leases expiring	–	–	–	–	1
NLA (sq ft)	–	–	–	–	433,182
% of total NLA	–	–	–	–	100.0
% of total GRI	–	–	–	–	100.0

Trade Sector Mix by GRI

Category	30 September 2017 %	30 September 2018 %
Government and Government-linked	100.0	100.0
Total	**100.0**	**100.0**

357 Collins Street
Melbourne, Australia

Address
357 Collins Street, Melbourne
Victoria 3000, Australia

Tenure
Freehold

Total NLA
343,616 sq ft

Office NLA
323,972 sq ft

Retail NLA
19,644 sq ft

Number of tenants
28

Carpark lots
41

Acquisition price (18 August 2015)
A$222.5 million (S$226.6 million)[1]

Market valuation (30 September 2018)
A$302.0 million (S$299.1 million)[2]

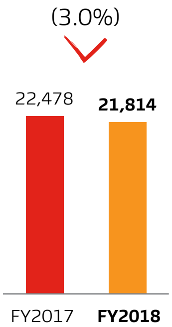
357 Collins Street is a 25-storey office building with Grade A specifications, strategically located in the heart of the Melbourne Central Business District. Collins Street is regarded as a prime office location in the city, occupying a central position within the financial precinct. 357 Collins Street is also close to Bourke Street Mall, Melbourne's retail hot spot.

357 Collins Street has good connectivity to pedestrian, vehicular and public transport linkages such as trams and railway stations. The property is within walking distances to Flinders Street Station, which serves the entire Melbourne metropolitan rail network, and the Southern Cross Station, which is the terminus of the Victoria State's regional railway network, suburban rail services and inter/intra-state coach services.

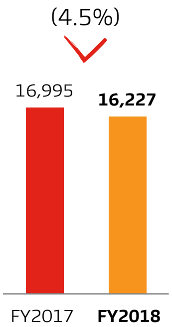
1 Based on the exchange rate of A$1.00 = S$1.0186, being the exchange rate at the time of acquisition.
2 Based on the exchange rate of A$1.00 = S$0.9904 as at 30 September 2018.

Operational Highlights

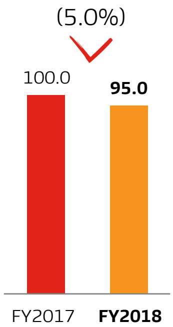
Gross Revenue
(S$'000)[1]



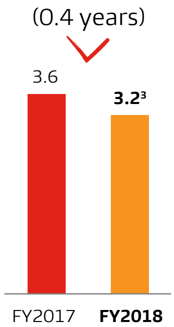
Net Property Income
(S$'000)[1]



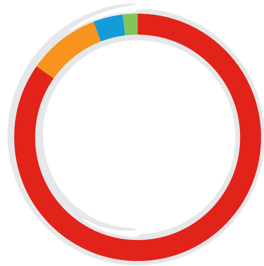
Occupancy
(%)



WALE
(years)[2]



Gross Revenue Mix (%)



1 Based on the average FY2018 exchange rate of A$1.00 = S$1.0183 (FY2017: A$1.00 = S$1.0628).
2 The WALE is calculated on a GRI basis with respect to the unexpired lease terms of the existing tenants and is stated as at the end of the respective financial year.
3 The WALB calculated on a GRI basis reflecting contracted rights for tenants to pre-terminate leases, if any, was 3.2 years as at the end of the financial year.

Top 10 Tenants

As at 30 September 2018	NLA (sq ft)	% of total NLA
Commonwealth Bank of Australia	145,775	42.4
Service Stream Limited	81,354	23.7
Orange Business Services Australia Pty Ltd	11,528	3.4
Meridian Lawyers Limited	9,418	2.7
VAP Victoria Pty Ltd	9,354	2.7
Infor Global Solutions (ANZ) Pty Limited	8,277	2.4
Meridian Energy Australia Pty Ltd	8,277	2.4
Oceana Gold Limited	7,406	2.2
Eureka International Group	6,093	1.8
Cue Energy Resources Limited	5,500	1.6
Total	**292,982**	**85.3**

Lease Expiry Profile

As at 30 September 2018	FY2019	FY2020	FY2021	FY2022	FY2023 & beyond
Number of leases expiring	3	7	3	2	17
NLA (sq ft)	12,002	104,259	17,707	11,786	180,640
% of total NLA	3.5	30.3	5.2	3.4	52.6
% of total GRI	4.2	29.4	5.8	3.7	56.9

Trade Sector Mix by GRI

Category	30 September 2017 %	30 September 2018 %
Banking, Insurance & Financial Services	49.1	48.7
Multimedia & Telecommunications	20.3	21.8
Food & Beverage	8.6	7.6
IT Products & Services	5.8	6.2
Mining / Resources	3.8	4.1
Consultancy / Business Services	3.1	3.3
Legal	2.8	3.0
Others	2.6	2.6
Real Estate / Property Services	2.6	1.4
Retail	1.3	1.3
Total	**100.0**	**100.0**

Farnborough Business Park[1]

Farnborough, UK

Address
Farnborough Business Park, Farnborough, Hampshire GU14 7JP, United Kingdom

Tenure
Freehold

Total NLA
550,726 sq ft

Number of tenants
35

Carpark lots
Approximately 1,600[2]

Acquisition price (29 January 2018) (50.0% interest)
£87.5 million (S$161.5 million)[3]

Market valuation (30 September 2018) (50.0% interest)
£87.7 million (S$156.2 million)[4]

Farnborough Business Park is a high-quality and award-winning business park located in Farnborough, Thames Valley west of London. Spanning 46.5 hectares, the freehold business park comprises of 14 commercial buildings, including nine office buildings, two car showrooms (one of which is under construction and expected to be completed in January 2019), an office-cum-industrial building and two cafés[5]. The business park is served by a nursery, a museum, a hotel with fitness facilities, food and beverage outlets, and a wide array of other amenities for tenants.

Farnborough Business Park has excellent connectivity, including direct connections to key motorways and a 34-minute direct train service from the nearby Farnborough town centre to Waterloo Station, London. The property is also adjacent to the TAG Farnborough Airport and the Farnborough International Exhibition & Convention Centre.

1 FCOT holds 50.0% indirect interest in the property (held as a joint venture and equity-accounted in the financial statements).
2 Excluding approximately 800 car park spaces within car showroom facilities operated by tenants.
3 Based on FCOT's 50.0% share of the agreed property value of £175.0 million and the exchange rate of £1.00 = S$1.8453 being the rate at the time of acquisition.
4 Based on the exchange rate of £1.00 = S$1.7809 as at 30 September 2018.
5 The property also includes five freehold reversions subject to long leaseholds and five listed heritage buildings relating to British aviation history.

Operational Highlights

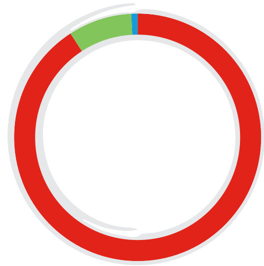
Gross Revenue
(S$'000)[1,2]
(50.0% interest)

Net Property Income
(S$'000)[1,2]
(50.0% interest)

Occupancy
(%)

WALE
(years)[1,4]

Gross Revenue Mix (%)



Office rental	90.9
Car showroom rental	8.3
Miscellaneous income	0.8

1 Includes reimbursements of lease incentives and rent guarantee 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).
2 Based on the average FY2018 exchange rate of £1.00 = S$1.8072.
3 No comparable data available for FY2017 as the acquisition of 50.0% interest in Farnborough Business Park was completed on 29 January 2018.
4 The WALE is calculated on a GRI basis with respect to the unexpired lease terms of the existing tenants and is stated as at the end of the financial year.
5 The WALB calculated on a GRI basis reflecting contracted rights for tenants to pre-terminate leases, if any, was 5.2 years as at the end of the financial year.

Top 10 Tenants

As at 30 September 2018	NLA (sq ft)	% of total NLA
Fluor Limited	154,482	28.1
Bolling Investments Limited	66,661	12.1
INC Research UK Ltd	63,830	11.6
Elms Automotive Limited	31,422	5.7
Aetna Global Benefits (UK) Ltd	30,257	5.5
TI Media Limited (previously known as Time Inc. (UK) Ltd)	29,873	5.4
Red Hat UK Limited	25,700	4.7
CapQuest Debt Recovery Ltd	20,027	3.6
Farnborough Business Park Centre Limited (a unit of Regus)	17,835	3.2
Fiscal Reps Limited	10,064	1.8
Total	**450,151**	**81.7**

Lease Expiry Profile

As at 30 September 2018	FY2019	FY2020	FY2021	FY2022	FY2023 & beyond
Number of leases expiring	11	4	2	3	32
NLA (sq ft)	28,148	12,040	19,426	5,198	485,914
% of total NLA	5.1	2.2	3.5	0.9	88.2
% of total GRI	6.1	2.5	4.4	1.2	85.8

Trade Sector Mix by GRI

Category	30 September 2018 %
Engineering	31.2
Medical / Pharmaceuticals	14.8
Banking, Insurance & Financial Services	12.7[a]
Automobile	10.3
Others	10.2
Consultancy / Business Services	7.7
IT Products & Services	6.7
Real Estate / Property Services	5.6
Food & Beverage	0.5
Mining / Resources	0.3
Total	**100.0**

a Comprised mainly of Insurance & Financial Services (11.8% of GRI).

Risk Management

Enterprise-wide Risk Management

Enterprise-wide risk management (ERM) is an integral part of the business activities of FCOT. The objectives of ERM are to identify key risks, put in place controls and allocate appropriate resources to proactively manage the identified risks. The Board is responsible for determining the overall risk strategy of FCOT and ensuring that the Manager implements sound risk management and internal control practices. The Board is supported by the Audit, Risk and Compliance Committee (ARC Committee) in this respect. The Manager maintains a risk management system to proactively manage risks to support the achievement of FCOT's business objectives.

Enterprise-wide risk reporting is facilitated through the Group's web-based Corporate Risk Scorecard system which enables the reporting of risks and risk status on a common platform in a consistent and cohesive manner. The ERM framework covers key areas including investment management, financial management and operating activities. Risks are reported and monitored using a Risk Scorecard which captures key risks, assessment of likelihood of occurrence, impact mitigating measures, timeline for action items and risk ratings. Where applicable, Key Risk Indicators (KRIs) are established to monitor risks. The Risk Scorecard and KRIs are presented in the form of a Key Risk Dashboard which is reviewed by the ARC Committee and the management team of the Manager on a regular basis.

The Board approves risk tolerance statements for FCOT which set out the nature and extent of significant risks which the Manager is prepared to take in achieving the strategic objectives of FCOT. The risk tolerance statements set out geographical balance and diversity for FCOT's property portfolio, limit for single-asset exposure, DPU-accretion criteria for new acquisitions, limit for debt exposure and guidelines for maintaining financial stability and flexibility, among other things. The risk tolerance statements are reviewed periodically to ensure that they remain relevant and appropriate.

At the end of each financial year, an annual ERM validation exercise is held where the management team provides assurance to the ARC Committee that the system of risk management is adequate and effective as at the end of the financial year, to address risks in certain key areas which are considered relevant and material to the operations.

Key Risks and Mitigation

Investment Risk

All investment proposals are evaluated against a comprehensive set of investment criteria and due diligence is carried out to mitigate potential investment risks. The evaluation process for all investment activities considers locational attributes, quality of tenants, building condition, environmental condition, competitive landscape, investment return, long-term sustainability and growth potential, among others.

Regulatory Risk

Processes are in place to monitor compliance with, and to mitigate non-compliance risks with applicable laws and regulations and any changes thereof. The management team of the Manager is updated regularly on latest developments in relevant laws and regulations through training, courses, regular engagements with professional advisors and industry talks and briefings.

Interest Rate Risk

The Manager proactively manages interest rate risk by fixing interest rates, where appropriate, for a portion of FCOT's outstanding borrowings via the use of derivative financial instruments or other suitable financial instruments. Interest rate derivative instruments are used for the purposes of hedging interest rate risk and managing the portfolio of fixed and floating rates.

Funding and Liquidity Risks

The Manager actively manages FCOT's capital structure. The Manager ensures that the gearing of FCOT is maintained at a prudent level and adheres to the gearing ratio requirements under the Property Fund Appendix of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and loan facility agreements (where applicable). Refinancing risk is also monitored, taking into account the maturity profile of debt facilities and available sources of funding. As far as possible, the maturities of debt facilities are spread out to reduce re-financing risks in any single financial year. In addition, a suitable level of working capital is maintained to meet the requirements of FCOT's operations.

Foreign Currency Risk

FCOT is subject to foreign exchange risk as a result of its investments in Australia and the UK. It is the Manager's policy to hedge FCOT's anticipated foreign currency income net of anticipated payments required in the same currency six to nine months forward in general, by using appropriate foreign currency financial instruments. The Manager uses these instruments solely for hedging actual underlying foreign exchange requirements in accordance with hedging limits set by the ARC Committee and the Board, and does not engage in the trading of foreign exchange derivatives. A portion of the investment in overseas assets is hedged naturally to the extent that borrowings taken up to finance the investments are denoted in the relevant foreign currency.

Operational Risk

The Manager has in place well-established standard operating procedures designed to identify, monitor, report and manage operational risks associated with the day-to-day management and operation of FCOT's properties. These include actively managing lease renewals and marketing of space to minimise rental voids, as well as actively monitoring and managing property expenses and rental arrears. The Manager practices prudent lease management to minimise disproportionate levels of lease expiration in any one financial year as far as possible, by staggering the terms of leases within FCOT's portfolio.

Insurances are in place to mitigate the impacts of property damage and business disruption resulting from unforeseen events. Property operating procedures and business continuity plans are also reviewed and tested regularly to ensure their continued relevance and effectiveness.

Credit Risk

Credit risk is the potential financial loss resulting from failure of tenants to fulfil their rent payment obligations. To mitigate credit risk, credit evaluations are performed on prospective tenants before lease agreements are entered into. Credit risk is also mitigated by the security deposits collected or bankers' guarantees or corporate guarantees received from tenants prior to the commencement of leases. Quarterly billing in advance for certain properties also reduces credit risk. Payments in arrears by tenants are actively monitored and acted upon on an ongoing basis.

Fraud Risk

Robust approval processes for purchasing and procurement and a whistle-blowing policy are in place to mitigate fraud risk. These are subject to regular internal audit reviews scheduled based on the internal audit work plans approved by the ARC Committee.

Information Technology Risk

The Group, of which the Manager is part of, places a high priority on information availability, information technology (IT) governance and IT security. Group-wide IT policies and procedures have been put in place to address evolving IT security threats, such as hacking, malware, privileged access, phishing, mobile threats and data-loss. Disaster recovery plans and incident management procedures are developed and tested annually. Measures and considerations have also been taken to enable effective privileged access monitoring, patch management, data security, data protection and prolonged service unavailability of critical IT systems. Periodic training is also conducted for new and existing employees to raise IT security awareness. External professional services are engaged to conduct independent vulnerability assessment and penetration tests to further strengthen the IT systems.

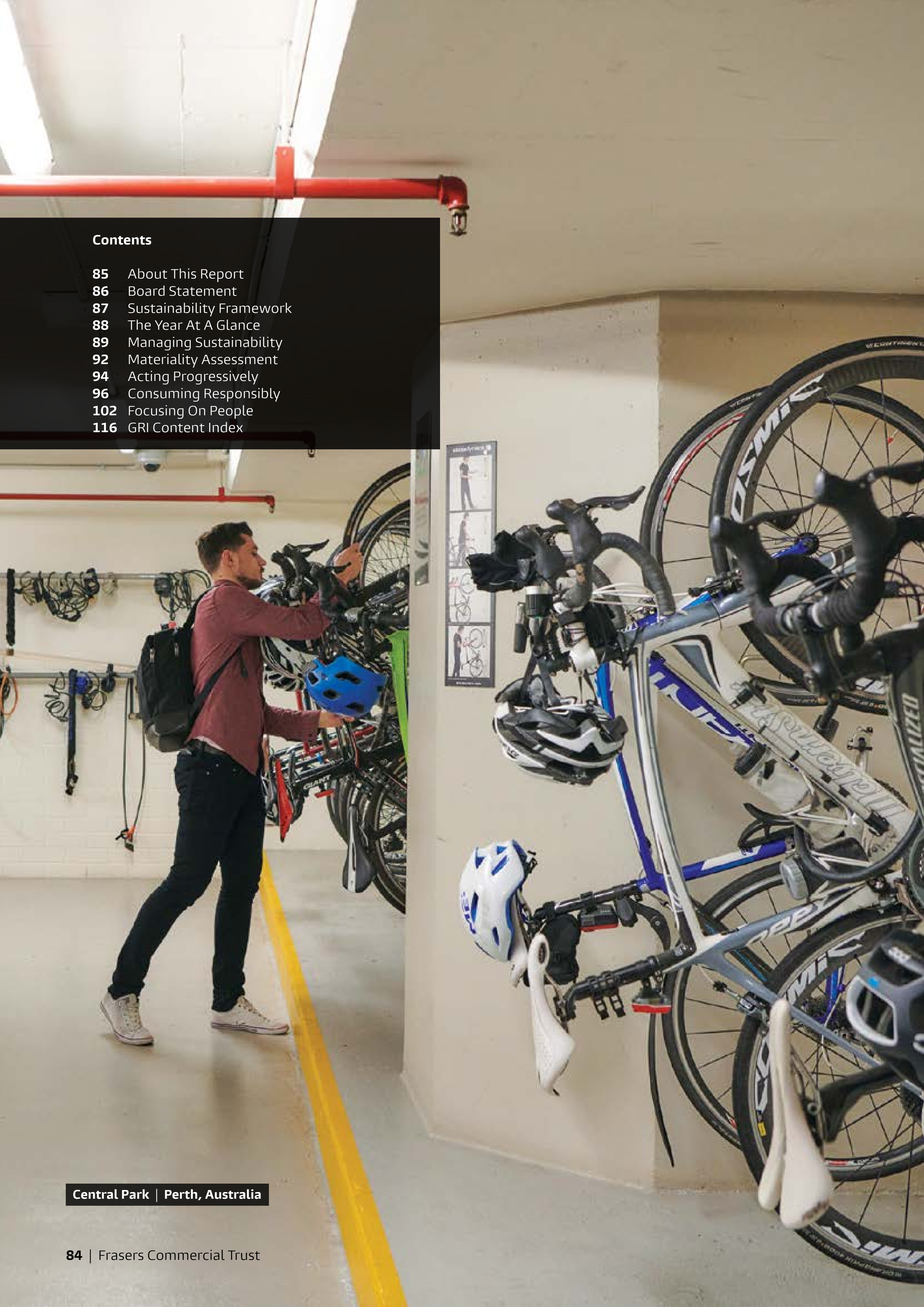
Human Capital Risk

The Manager has in place a career planning and development system for its staff, and conducts regular remuneration and benefits benchmarking to attract and retain appropriate talent for the business. Regular training and development opportunities are also provided to upgrade the skills and knowledge of the staff.

Sustainability Report


MAX HEIGHT 4.5M
ATP

Contents



Central Park | Perth, Australia

About this Report

This report covers the environment, social and governance (ESG) performances for all FCOT properties from 1 October 2017 to 30 September 2018, unless otherwise stated.

We have prepared this report in accordance with the standards issued by the Global Reporting Initiative's (GRI) Global Sustainability Standards Board, GRI Standards (2016): Core option and the sustainability reporting requirements of the SGX-ST Listing Manual (Rules 711A and 711B). All references to GRI in this Sustainability Report refers to the Global Reporting Initiative.

Report Scope

This Sustainability Report covers all properties owned by FCOT located in Singapore, Australia and the UK (the Properties). Information on the employees refers solely to the employees of the manager of the Trust, Frasers Commercial Asset Management Ltd. (the Manager)[1]. The Manager has general powers of management over the Properties, although the day-to-day management functions are undertaken by property managers. The Manager works closely with the property managers to improve and enhance overall operational and environmental performance of the Properties.

The property manager for the properties in Singapore is Frasers Property Management Services Pte Ltd. In Australia, the property manager for Central Park and 357 Collins Street are Jones Lang LaSalle (WA) Pty Ltd and Frasers Property Management Services Pty Limited, respectively. The facilities manager for Caroline Chisholm Centre is Brookfield Global Integrated Solutions Australia Pty Ltd. In the UK, the property manager for Farnborough Business Park is Ashdown Phillips & Partners Limited.

Our data is reported in good faith and to the best of our knowledge. Together with the other information set out in our Annual Report, this Sustainability Report plays a significant role in promoting communication and transparent reporting to our stakeholders.

FEEDBACK

We welcome your feedback as we seek to continuously improve our sustainability performance. Feedback on this report can be directed to fcot@ frasersproperty.com.

1 FCOT does not have any employees and is managed by the Manager.

Board Statement

We are pleased to present our fourth Sustainability Report that captures our overarching approach to sustainability and our practices and performance for the financial year ended 30 September 2018.

We believe that sustainability is one of the key aspects contributing to our aspiration of becoming a leading owner of quality commercial real estate properties and the preferred choice for businesses and investors. Demonstrating our commitment to sustainability, we were one of the first Singapore REITs (SREITs) to report on sustainability together with our sponsor, Frasers Property. Frasers Property has developed a Sustainability Framework (Framework) which sets out the Group's sustainability priorities until 2030, including developing strategies and action plans by FY2019. We will develop our sustainability strategies and action plans by FY2019 based on the three sustainability pillars and 13 corresponding ESG focus areas identified in the Framework. This will be undertaken with support from the Group's Sustainability Steering Committee (SSC) and Sustainability Working Committee (SWC). The SSC spearheads initiatives and strategies to drive sustainability, whereas SWC monitors sustainability performance, implement action plans and communicate and report to our stakeholders. The SSC and SWC comprise senior management and representatives from various business units across the Group. FCOT is represented on both the SSC and SWC.

The Board considers sustainability as part of FCOT's long-term business strategies, and this includes, among others, the management of the relevant ESG aspects. Our approach is aligned with Frasers Property, where sustainability is anchored on the unifying idea of 'Experience Matters' which centers on the 'experience' of the customer and employees of the Group. We are pleased to report that we have continued to make progress in our sustainability performance in FY2018.

We believe that sustainability will continue to be one of the key pillars in achieving our aspirations and to deliver long-term growth to our Unitholders.

Board of Directors
Frasers Commercial Asset Management Ltd.
(manager of Frasers Commercial Trust)

Sustainability Framework

As part of the Group, we align and adopt our Sponsor's approach towards sustainability. In FY2018, the Group developed a Framework which sets out the sustainability priorities up to 2030. Driven by three pillars, namely Acting Progressively, Consuming Responsibly and Focusing on People, these three pillars provide a multidisciplinary approach for 13 ESG aspects for the business and operations of FCOT. In FY2019, we will review our practices, policies, performances and targets for the ESG aspects which are relevant to our business as identified in the Framework.

Framework

Acting Progressively	Consuming Responsibly	Focusing on People
Focus Areas		
Innovation Fostering an innovation culture that creates value and strengthens our competitive edge	**Materials & Supply Chain** Achieving the sustainable management and efficient use of material along the supply chain	**Community Connectedness** Considering social value principles for communities
Resilient Properties Strengthening the resilience and climate adaptive capacity	**Biodiversity** Enhancing the environment and ecosystem through our developments	**Health & Wellbeing** Ensuring healthy and balanced work and community environments
Risk-Based Management Comprehensive assessment to address environmental, health and safety risks	**Energy & Carbon** Increasing substantially energy efficiency and renewable energy used	**Diversity & Inclusion** Empowering and promoting the social inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
Responsible Investment Incorporating social, environment and governance criteria in the evaluation process	**Waste** Reducing substantially waste generation through prevention, reduction, recycling and reuse	**Skills & Leadership** Developing skills and leadership programmes that support productive activities, creativity and innovation to deliver high-value
	Water Increasing substantially water efficiency and the recycling and safe reuse of water discharged	

The Year at a Glance

FY2018 Performance Highlights

Acting Progressively

- No known breaches of environmental laws and regulations
- No confirmed cases with regards to bribery and corruption reported
- No known incidents of non-compliance with regulations and voluntary codes in relation to marketing communications
- All FCOT properties in Singapore are BCA Green Mark certified
- All FCOT properties in Australia have National Australian Built Environment Rating System (NABERS) Energy base building rating of at least 5.0-star
- Farnborough Business Park won the prestigious Green Flag Award 2018 which recognises well-managed parks and green spaces globally
- FCOT is constituents of the iEdge Singapore ESG Leader and iEdge Singapore ESG Transparency indices[a]

Consuming Responsibly

- 11.1% year-on-year improvement in average building energy intensity
- 7.5% year-on-year improvement in greenhouse gas (GHG) emissions intensity
- 12.0% year-on-year improvement in average building water intensity
- 10.0% year-on-year decrease in building waste generated

Focusing on People

- 51.1 hours of training per employee, 27.8% higher than the target of 40.0 hours of training per employee
- No major safety incidents across our portfolio
- More than S$900,000 community investments donated and raised

a Source: SGX sustainability indices as at 30 September 2018.

Managing Sustainability

Sustainability Governance

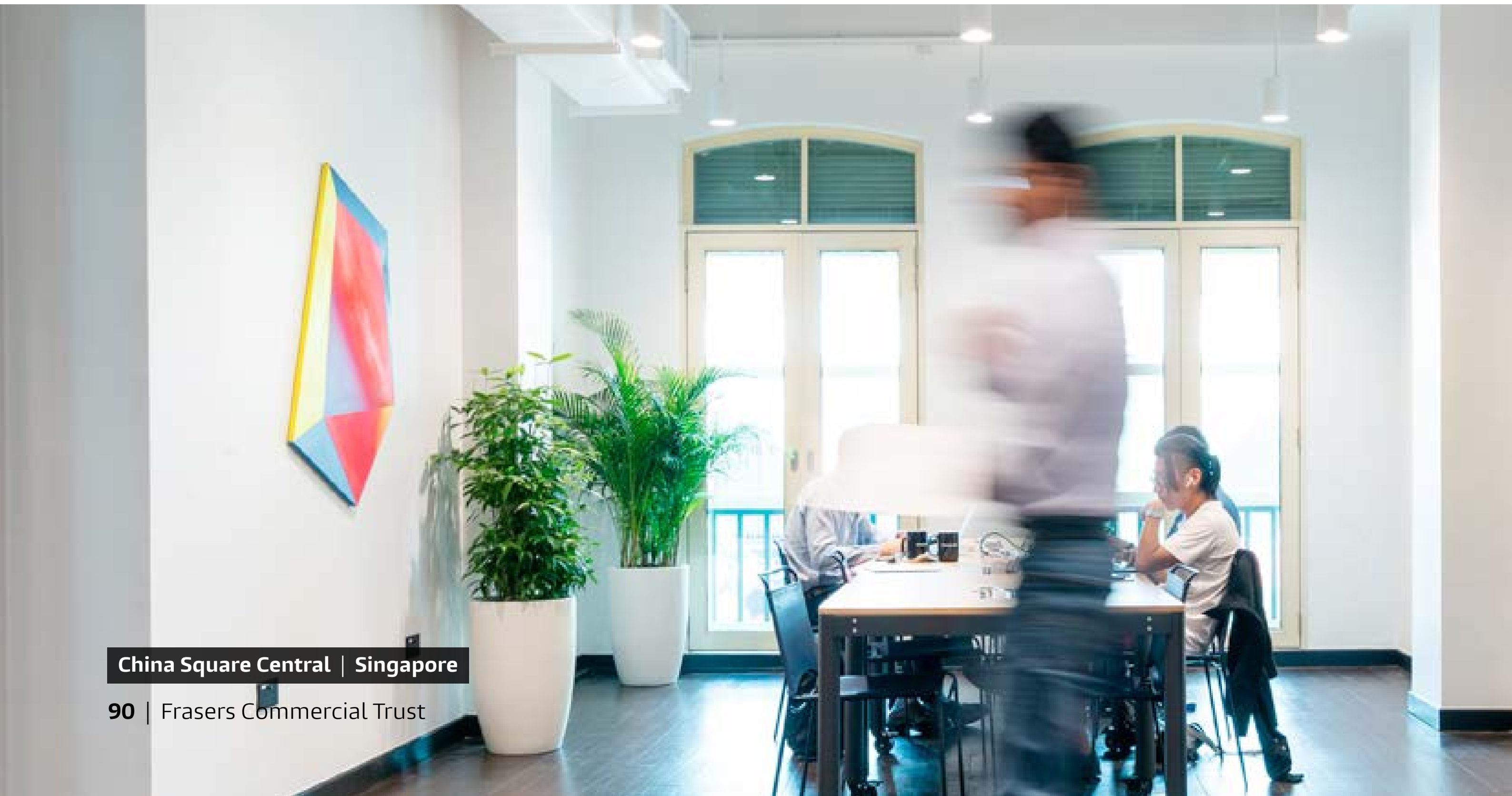
As a REIT sponsored by Frasers Property, our sustainability approach is aligned to the Group's "unifying idea" which applies to its employees, products and services. The credo 'Experience matters' centers on the 'experience' of the customers and the employees of the Group. The SSC provides guidance and drives the Group's corporate sustainability agenda in its business and operations. The SSC is chaired by the Group CEO, Mr Panote Sirivadhanabhakdi, and comprises senior management, including the CEOs of all business units, as well as the Chief Corporate Officer, Chief Financial Officer and Chief Human Resources Officer of the Group. Mr Jack Lam, CEO of the Manager, represents FCOT in the SSC.

The SWC, in which FCOT is also represented, supports the SSC. The SWC consists of the middle and senior management of various business units of the Group. The SWC's main task is to monitor sustainability performance against key performance indicators (KPIs), implement action plans, and report findings to the SSC.

Stakeholder Engagement

We continuously seek to better understand our stakeholders and their expectations through regular stakeholder engagements. Feedback from our stakeholders help us to improve our business and operations. We engage with our stakeholders through various mode of engagement as mentioned below:

Key Stakeholders	Key Topics of Concern
Tenants	• Clean, safe and pleasant business environment • Reliable and efficient buildings • Tenant engagement activities
Employees	• Friendly and safe working environment • Fair and competitive employment policies • Staff development
Property managers	• KPIs for the property managers • Operational performance of the properties
Investors and FCOT Unitholders	• Sustainable distribution • Operational and financial performance • Business strategy and outlook • Timely and transparent reporting • Good corporate governance
Local community	• Nurture and build relationships with the community
Regulators and industry associations	• Compliance with rules and regulations, regulatory and industry trends • Government policies on SREITs or real estate sector • Engagement with industry forums and trade associations



China Square Central | Singapore

The Manager is also aligned with the practices of the Group, which is a signatory to the United Nations Global Compact and a gold member of the Global Compact Network of Singapore.

Mode of Engagement	Frequency of Engagement and FY2018 Highlights
• Tenant engagement programs and festive gifts • Joint community programs with tenants • Tenant surveys • Tenant meetings	• Throughout the year • Throughout the year • Tenant surveys once a year in Singapore • Throughout the year
• Performance appraisals • Team bonding sessions • Orientation programs for new staff • Communication via the Frasers Property intranet and monthly internal newletters • Training sessions • Employee activities such as Annual Dinner & Dance, Family Day, sports events and fitness programmes	• Once a year • Throughout the year • Upon joining • Throughout the year • Throughout the year • Throughout the year
• Regular meetings and discussions • Emails and phone calls	• Throughout the year • Throughout the year
• Local and overseas investor one-on-one meetings, conferences, roadshows and site visits • Post-results briefings for analysts and investor luncheons • AGM • Website, SGX announcements, presentations, press releases	• Refer to Investor Relations on pages 39 to 41 • At least twice a year • Once a year • Throughout the year
• Social and community events • Sustainability report	• Throughout the year • Once a year
• Meetings, briefings and consultations • Joining trade associations such as REITAS (FCOT is one of the pioneer members)	• Throughout the year • Discussions or contributions as members of trade associations

Farnborough Business Park | Farnborough, UK

Materiality Assessment

Together with the Group, the Manager conducted a materiality assessment to determine ESG factors which have significant impact to the business, operations and stakeholders when the inaugural GRI-compliant Sustainability Report was produced in FY2015. We continued to review the materiality assessment and the ESG factors in FY2018 to ensure their relevance and to take into consideration stakeholders' views. We continue to align our ten ESG material factors to the United Nations Sustainable Development Goals (UNSDGs)[2] by minimising the environmental footprint of our business and operations and adopting sustainability practices in line with the Group's corporate policies and procedures.

Framework Pillars	Material Factors	Why material to FCOT
Acting Progressively	Economic performance[3]	To deliver sustainable returns to Unitholders.
	Environmental compliance	To ensure no breaches with relevant laws and no disruption to operations of the Properties.
	Anti-corruption	To uphold high standards of integrity, accountability and governance to enhance sustainability of business and operations that will increase trust with stakeholders.
	Ethical marketing	Accurate and responsible communications and marketing practices are crucial to cultivating long-lasting, positive relationships with our tenants.
Consuming Responsibly	Conserving energy	To reduce environment footprint and improve the overall energy performances of the Properties.
	Saving water	Water is a scarce resource. The Manager strives to conserve water usage and to work with tenants to conserve water where possible.
Focusing on People	Staff retention and development	To attract, develop and retain a workforce with diverse skills and knowledge.
	Labour / Management relations	The employees of the Manager are key to the success of the REIT. Maintaining open communication with employees is key to fostering a collaborative and progressive culture.
	Health and safety	A healthy and safe environment not only boosts employees' and tenants' morales and prevents injuries, but also aids in lowering injury costs, increasing productivity and reducing turnover.
	Local communities	We have the potential to create positive impacts in the communities where our Properties are located. We endeavour to contribute and support the local communities.

2 The UNSDGs is a set of global goals which aims to reduce global inequalities and eradicate poverty, protect the planet and ensure prosperity for all, as part of the 2030 Agenda for Sustainable Development. Source: www.un.org.
3 Refer to Financial Highlights, Letter to Unitholders and Financial Statements in this Annual Report.

For each material factor, the table below shows where significant impacts occur and where we have contributed to the impacts through our business relationships.

Material Factor Boundaries					
FCOT	Suppliers/ Contractors	Customers/ Tenants	Non-governmental organisation/ Local Communities	Corresponding GRI Standards	Alignment to relevant UNSDGs
✓				GRI 201: Economic Performance 2016	8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure
✓	✓			GRI 307: Environmental Compliance 2016	17 Partnerships for the Goals
✓	✓			GRI 205: Anti-corruption 2016	17 Partnerships for the Goals
✓		✓		GRI 417: Marketing and Labelling 2016	17 Partnerships for the Goals
✓		✓		GRI 302: Energy 2016 GRI 305 Emissions 2016	7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities
✓		✓		GRI 303: Water 2016	9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities
✓				GRI 401: Employment 2016 GRI 404: Training and Education	8 Decent Work and Economic Growth; 10 Reduced Inequalities
✓				GRI 402: Labour/Management Relations 2016	8 Decent Work and Economic Growth
✓	✓	✓		GRI 403: Occupational Health and Safety 2016	3 Good Health and Well-being
✓			✓	GRI 413: Local Communities 2016	17 Partnerships for the Goals

Acting Progressively

Striving to maintain high standards of integrity, accountability and corporate governance, we adhere to the relevant laws and regulations and aim for zero incident of non-compliance.

Upholding Corporate Integrity

Good corporate governance is essential to a sustainable business which drives good business practices. The Manager recognises the benefits of good governance which increases stakeholders' trust and confidence in the business and operations of the Manager and enhances the value of FCOT in the long-term. The Manager strives to maintain high standards of integrity and accountability. As a signatory to the 2018 Corporate Governance Statement of Support organised by the Securities Investors Association (Singapore) (SIAS), the Manager has pledged its commitment to uphold high standards in corporate governance.

The Manager adheres to the relevant laws and regulations including the Code of Corporate Governance 2012, Code of Advertising Practice, listing rules and other regulations of the SGX and the Securities and Futures Act of Singapore.

The Manager adopts a zero-tolerance approach towards corruption and fraud and is committed to complying with the relevant anti-corruption, bribery and environmental laws and regulations.

A range of corporate policies and manuals guides the Manager in maintaining high standards of governance:

- Code of Business Conduct
- Whistle Blowing Policy
- Anti-Bribery Policy
- Competition Act Compliance Manual
- Personal Data Protection Act Policy
- Environment, Health and Safety Policy
- Legal and Regulatory Compliance Manual
- Policy on Dealing in Units of FCOT and Reporting Procedures
- Policy for Prevention of Money Laundering and Countering the Financing of Terrorism
- Policy on Outsourcing
- Treasury Policy

To uphold high standards of corporate governance, the Group's internal audit (Group IA) independently examines and evaluates the Manager's activities focusing on adequacy of internal controls, risk management and corporate governance processes. The Group IA department is independent of the activities it audits. The audit findings and recommendations are provided to the management for appropriate follow-up actions. The Head of Group IA reports directly to the Chairman of the ARC Committee. For further details on the internal audit, please refer to page 133 of the Corporate Governance report.

FY2018 Performance

Environmental compliance

No known breaches of environmental laws and regulations. We always aim for zero incident of non-compliance.

Anti-corruption

No confirmed cases with regards to bribery and corruption reported. We always aim for zero cases of bribery and corruption.

Marketing communications

No known incidents of non-compliance with regulations and voluntary codes concerning marketing communications. We always aim for zero incident of non-compliance.

Other general compliance

We always aim for zero incident of non-compliance with relevant codes, laws, regulations and voluntary codes.

Consuming Responsibly

FCOT is aligned with the Group's commitment to reduce environmental footprint through various measures such as undertaking energy-efficient practices, minimising waste and conserving resources.

Conserving Energy

We strive to reduce energy consumption and GHG emissions which will contribute to efforts towards tackling climate change. As properties rely heavily on electricity to operate, improving energy efficiency helps to minimise resources consumption and reduce operating costs. Renewable energy is used where possible.

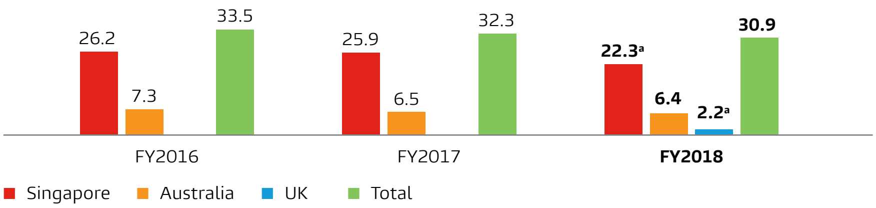
In FY2018, total building energy consumption[4] for the Properties decreased 4.3% year-on-year, mainly due to the lower occupancies at Alexandra Technopark and Central Park and the closure of the retail podium of 18 Cross Street, China Square Central for asset enhancement works. Accordingly, average building energy intensity improved by 11.1% year-on-year. With the lower energy consumption, total building GHG emissions reduced by 4.3% year-on-year, while GHG emissions intensity improved by 7.5%.

4 The majority of energy used is sourced from purchased electricity from non-renewable source.

FY2018 Performance

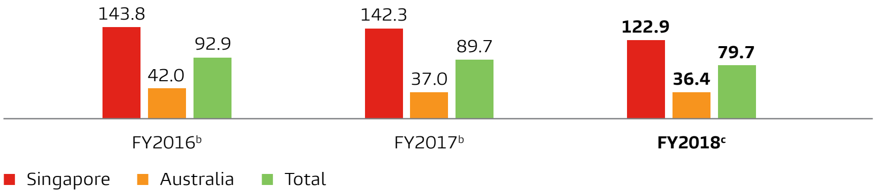
Building Energy Consumption

(million kWh)



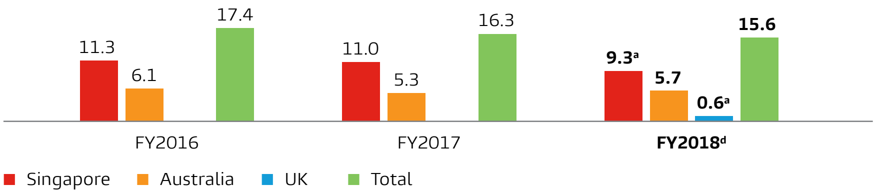
Average Building Energy Intensity

(kWh/m²)



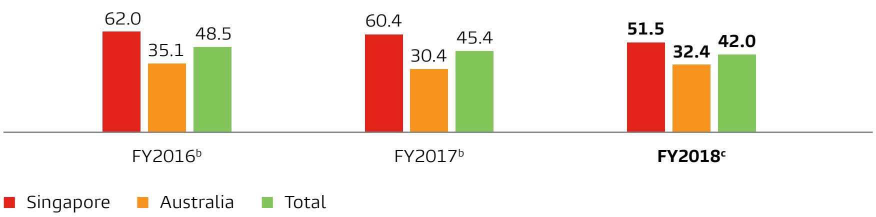
Building GHG Emissions

('000 tonnes of CO_2e)



GHG Emissions Intensity

(kg of CO_2e/m^2)



Energy consumption and GHG emissions are based on landlord's areas and exclude tenants' areas. Energy intensity was calculated by dividing energy consumption by building gross floor area. GHG emissions intensity was calculated by dividing GHG emissions by building gross floor area. All energy consumption was from purchased electricity only. All properties have been included on 100.0% basis regardless of FCOT's effective interest.

a Inclusive of the energy consumption of Farnborough Business Park for the period from 29 January 2018 (completion of acquisition) to 30 September 2018 and 55 Market Street for the period from 1 October 2017 until its divestment on 31 August 2018.

b Excluded 55 Market Street which was divested on 31 August 2018 for comparison purpose.

c Excluded properties without full year energy consumption data, namely Farnborough Business Park which was acquired on 29 January 2018 and 55 Market Street which was divested on 31 August 2018.

d The GHG emissions factors used for FY2018 were as follows: Singapore (0.42 $kgCO_2/kWh$), Australian Capital Territory (0.83 $kgCO_2/kWh$), Victoria (1.08 $kgCO_2/kWh$), Western Australia (0.83 $kgCO_2/kWh$) and UK (0.28 $kgCO_2/kWh$). Sources of grid emission factors: Singapore Energy Statistics 2018 (Singapore); National Greenhouse Accounts Factors 2017 and Australian Government Department of Environment (Australia); and Energy and UK Government Greenhouse gas reporting conversion factors 2018 (UK).

To better serve our tenants and customers, we are always looking at opportunities to improve our properties. All our properties in Singapore are certified Green Mark Gold and all our properties in Australia are at least NABERS Energy base building 5.0-star rated. In Singapore, the properties go through energy audits every three years as mandated by the Building and Construction Authority of Singapore (BCA).

"We are committed to providing a sustainable environment at Farnborough Business Park. To reduce carbon footprint, we procure energy from renewable sources where possible and reduce waste being sent to landfill by encouraging tenants to re-use and recycle. Upgrading the condensing boilers and lighting to higher efficiency ones will also boost energy and cost savings, besides minimising environmental impact."

Mr Chris Field, Senior Facilities Manager,
Ashdown Phillips & Partners Limited,
property manager of Farnborough Business Park

Green Flag Award 2018
Farnborough Business Park | Farnborough, UK

Green Flag Award 2018 for Farnborough Business Park
Farnborough Business Park won the prestigious Green Flag Award 2018 which recognises well-managed parks and green spaces and sets the benchmark standard for the management of recreational outdoor spaces globally.

Farnborough Business Park stood out for its unique green outdoor areas with an abundance of flowers, shrubs and trees and an active wildlife which includes bee hives. The site includes a restored British Army portable airship hangar dating to 1912, which is part of the park's aviation heritage.

Achieving sustainability in Caroline Chisholm Centre
Caroline Chisholm Centre was designed with eco-friendly features to be a cutting-edge, energy efficient new-generation building. Originally designed for only a 4.5-star NABERS Energy base building rating, the property has achieved 5.0-star NABERS Energy base building rating in FY2018.

The achievement was made possible through on-going energy conservation measures and monitoring through the building management system (BMS) to reduce energy consumption where possible. For example, the property uses external cool air to reduce ambient loads on boilers and chillers and resets the chilled water system to minimise condensation, among other things, within the air handlers.

Renewable energy
Central Park
The use of solar photovoltaic system generated around 10,000 kWh from solar power in FY2018, providing sufficient renewable energy to power the management office of Central Park.

Caroline Chisholm Centre
The building taps on alternative sources of energy, such as solar energy for heating of domestic hot water. In upholding its commitment to GreenPower Providers, 20% of its power used in FY2018 was green power.

357 Collins Street
The property purchased around 20% of power used in FY2018 in the form of green power predominantly generated by wind farms.

Optimising energy efficiency and promoting green travels at Farnborough Business Park
The buildings' management systems optimise energy performance of the overall environment. New buildings on the park have been constructed to achieve a minimum B-grade energy performance certificate.

To promote green travels, the park provides comprehensive end-of-trip facilities, bicycle paths throughout the park and electric vehicle charging stations for both tenants and visitors. The park's shuttle busses have low-emission Euro 5 engines which are more environmentally friendly.

Installing light-emitting diode (LED) lights at China Square Central
At China Square Central, old fluorescent light bulbs are progressively replaced with LED lights to save energy. LED lights have been installed at certain common areas and is being progressively rolled out to the other areas in the property.

Saving Water

Recognising global water scarcity, the Manager continuously seeks to better manage and reduce water consumption in the Properties. We have adopted various measures to reduce water consumption, including installing water-efficient fittings and raising awareness on water conservation.

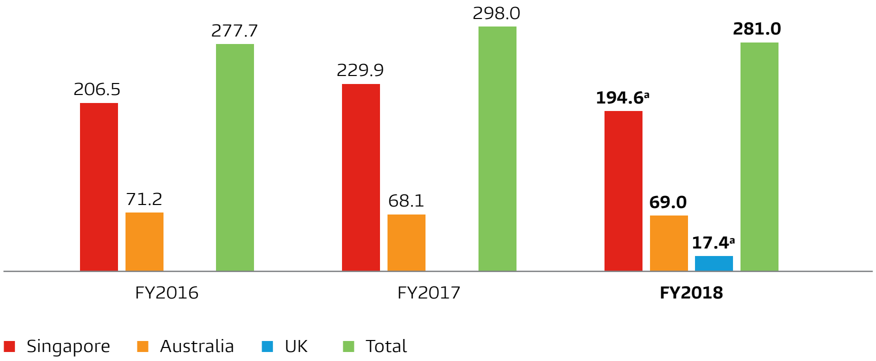
In FY2018, total building water consumption reduced by 5.7% year-on-year and average building water intensity improved by 12.0% year-on-year mainly due to the lower occupancies at Alexandra Technopark and Central Park and the closure of the retail podium of 18 Cross Street, China Square Central for asset enhancement works.

Our Singapore properties are all certified as Water Efficient Building by Public Utilities Board (PUB), and our Australian properties in Perth and Melbourne achieved NABERS water rating of at least 3.0-star.

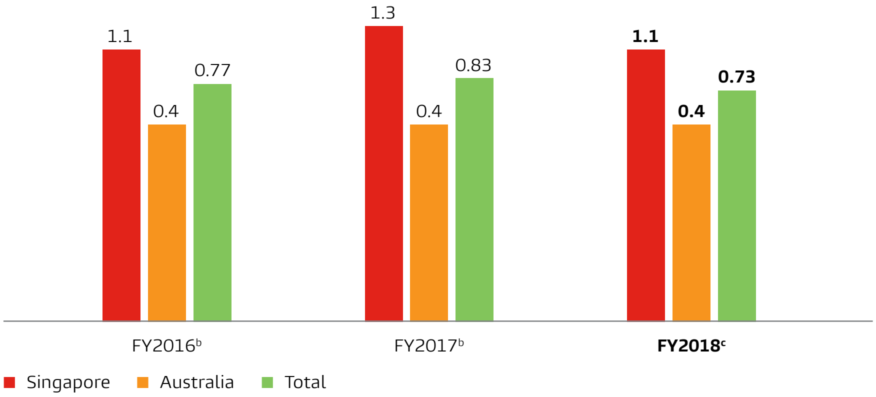
Average building water intensity improved by
12.0%
year-on-year
in FY2018

FY2018 Performance

Building Water Consumption
('000 m³)



Building Water Intensity
(m³/m²)



Water consumption is all metered. Water intensity was calculated by dividing water consumption by building gross floor area. Water consumption figure for 357 Collins Street in FY2018 is based on estimates where actual data is not available. All properties have been included on 100.0% regardless of FCOT's effective interest.

a Inclusive of the water consumption of Farnborough Business Park for the period from 29 January 2018 (completion of acquisition) to 30 September 2018 and 55 Market Street for the period from 1 October 2017 until its divestment on 31 August 2018.
b Excluded 55 Market Street which was divested on 31 August 2018 for comparison purpose.
c Excluded properties without full year energy consumption data, namely Farnborough Business Park which was acquired on 29 January 2018 and 55 Market Street which was divested on 31 August 2018.

Caroline Chisholm Centre | Canberra, Australia

Caroline Chisholm Centre

Making good use of greywater and rainwater

Caroline Chisholm Centre has been using greywater and harvesting rainwater to reduce water consumption and minimise wastewater generation. All recycled water from both sources are used for flushing toilets and irrigation of the garden at the facility's main entrance, which resulted in savings of 5,769 kilolitres or a 36% reduction in potable water usage for FY2018.

Alexandra Technopark and China Square Central

Water efficient buildings

Both of our Singapore buildings received the Water Efficiency Award and have been certified as Water Efficient Buildings by the PUB in FY2018. Various water saving features and measures have been implemented over the years to reduce the overall water footprint, such as by using water-efficient fittings and adopting water efficient flow flush rates, using PUB's Water Efficiency Labelling Scheme (WELS) approved fittings and installing tap flow restrictors, low-flow showerheads and low-flush water closets. We also strive to use recycled water for non-potable purposes.

At Alexandra Technopark, NEWater (treated used water) is used for non-potable purposes such as water for air-conditioning cooling towers, irrigation and firefighting (hydrants and sprinklers).

China Square Central | Singapore

357 Collins Street | Melbourne, Australia

357 Collins Street

Water efficient showerheads

In August 2018, the showerheads at the end-of-trip facility located at the basement of 357 Collins Street were replaced with those with a water efficiency labelling and standards (WELS) rating of 4. This resulted in reduced water flow by 3 litres per minute per showerhead. The WELS rating of 4 is currently the highest rating for efficient showerheads in Australia.

Reducing Waste

The Properties achieved a waste reduction of

10.0%

year-on-year

in FY2018

The Manager continuously seeks to make efficient use of resources, minimise waste and encourage recycling by raising awareness and working closely with tenants and employees.

In FY2018, the Properties generated a total of 1,220.2 tonnes of waste, a 10.0% year-on-year reduction from FY2017. 91,966 tonnes of waste was sent for recycling, which is a 19.3% reduction year-on-year.

Farnborough Business Park

Collaborating with tenants to minimise waste

At Farnborough Business Park, the property manager's close collaboration with tenants to minimise waste and recycle materials have resulted in significant achievements, where 40% of all waste was sent for recycling, 90% of general waste was diverted for energy production and 95% of all waste was diverted from landfill in FY2018.

Caroline Chisholm Centre

Recycling lights and paper

At Caroline Chisholm Centre, approximately 2.5 cubic metres of light bulbs and tubes were sent for recycling in FY2018. These efforts ensured that the bulbs and tubes were handled in an environmentally safe manner, with proper packaging, transportation and recycling. These efforts are in addition to the water, domestic waste and paper recycling efforts undertaken at the property.

China Square Central | Singapore

China Square Central and Alexandra Technopark

Helping those in need through the Food Bank Initiative

China Square Central and Alexandra Technopark have partnered with The Food Bank Singapore in support of food wastage reduction and to help those in need. The Food Bank Singapore is a charity that aims to fight hunger and reduce food wastage in Singapore by collecting donated and excess food, much of which would otherwise be wasted. The food collected are channelled to the needy through a network of member beneficiaries.

This initiative was well received by both tenants and employees and was extended for another year.

All of FCOT's properties in Singapore, Australia and the UK have green certifications and accolades as set out below.

Property	Environmental accolades and accreditations
Singapore	
China Square Central	• Green Mark Gold Award, BCA • Water Efficient Building, PUB • Sustainable practices implemented by China Square Central's management office have been accredited by the Singapore Environment Council (SEC) under Project: Eco Office
Alexandra Technopark	• Green Mark Gold Award, BCA • Water Efficient Building, PUB • Sustainable practices implemented by Alexandra Technopark's management office have been accredited by the SEC under Project: Eco Office
Australia	
Central Park	• First commercial building in Australia to achieve 4.5-star NABERS Energy rating • First premium office building in Perth to attain a 5.0-star NABERS Energy base building rating • 3.0-star NABERS Water rating • 3.0-star NABERS Indoor Environment rating
Caroline Chisholm Centre	• 5.0-star NABERS Energy base building rating
357 Collins Street	• 5.5-star NABERS Energy base building rating (with green power) • 5.0-star NABERS Water rating
UK	
Farnborough Business Park	• Green Flag Award®, Ministry of Housing, Communities & Local Government

Central Park | Perth, Australia

Focusing on People

We are committed in ensuring that our employees develop both personally and professionally and encourage them to strive for work-life balance.

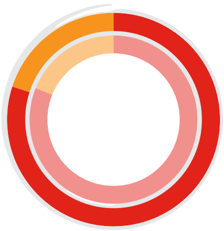
Growing Family at FCOT

Employees are our greatest asset and are important to the long-term sustainability of the business. We strive to maintain a collaborative and transparent culture and an environment of open communication to create a progressive, inclusive and sustainable workforce. We continuously invest in our workforce by helping our employees develop and attain relevant skills, experiences and capabilities. We recognise the importance of career progression and development, which will in turn support succession planning and future growth.

FCOT is managed by the Manager, and the employee data disclosed in this report is in relation to that of the Manager. The Manager is committed to maintaining a diverse workforce through fair employment practices in line with the Group, which is a signatory of Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP) in Singapore and a member of the Singapore National Employer Federation.

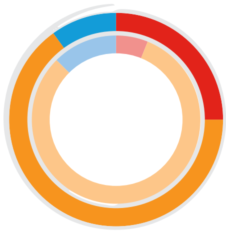
The Manager's Employee Profile[5]

Gender Diversity
(as at 30 September)



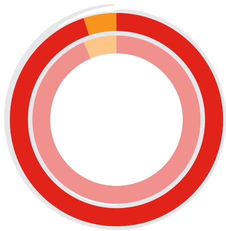
	2017	2018
Female	81.3%	**80.0%**
Male	18.7%	**20.0%**

Age Diversity
(as at 30 September)



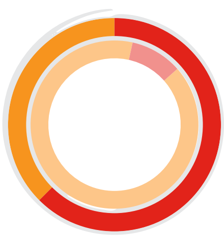
	2017	2018
< 30 years old	6.3%	**25.0%**
30-49 years old	81.3%	**65.0%**
≥ 50 years old	12.4%	**10.0%**

Employee Diversity by Category
(as at 30 September)



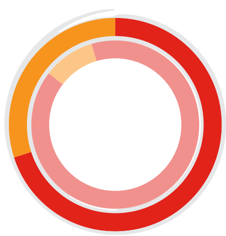
	2017	2018
Executive	93.8%	**95.0%**
Non-Executive	6.2%	**5.0%**

New Hires by Age Group[a]



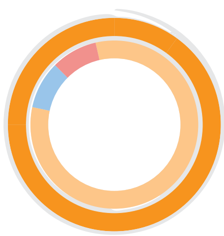
	FY2017	FY2018
< 30 years old	10.0%	**62.5%**
30-49 years old	90.0%	**37.5%**

New Hires by Gender[b]



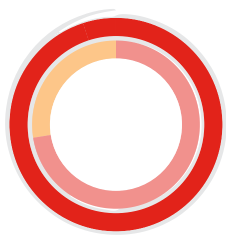
	FY2017	FY2018
Female	90.0%	**87.5%**
Male	10.0%	**12.5%**

Employee Turnover by Age Group[c]



	FY2017	FY2018
< 30 years old	9.1%	–
30-49 years old	81.8%	**100.0%**
≥ 50 years old	9.1%	–

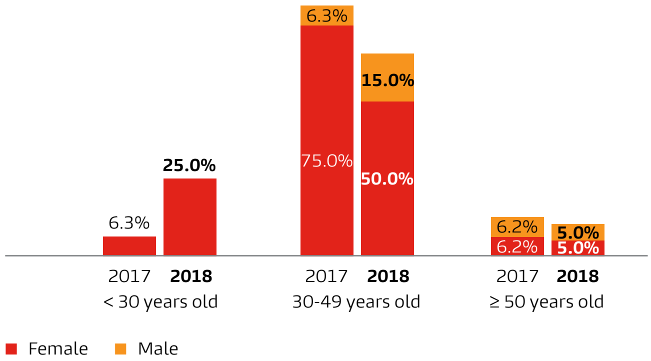
Employee Turnover by Gender[d]



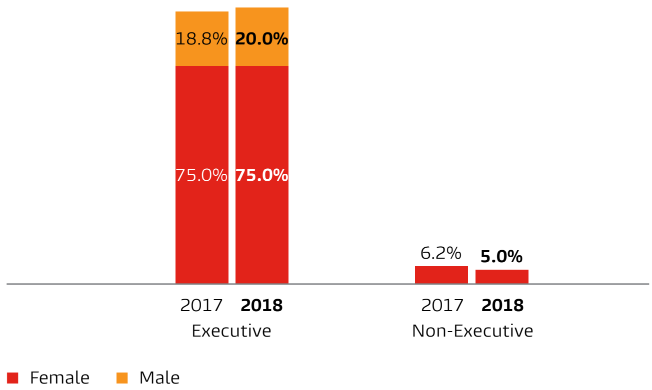
	FY2017	FY2018
Female	72.7%	**100.0%**
Male	27.3%	–

5 All data presented are in relation to full-time, permanent employees.
a New hires by age group divided by total number of new hires for each financial year.
b New hires by gender divided by total number of new hires for each financial year.
c Employee turnover by age group divided by total number of employee turnover for each financial year.
d Employee turnover by gender divided by total number of employee turnover for each financial year.

Age Diversity by Gender
(as at 30 September)



Employee Category by Gender
(as at 30 September)



As at 30 September 2018, the Manager had a total of 20 full-time and permanent employees, all located in Singapore. There were no temporary or part-time employees in the Manager's workforce as at that date. The majority of employees were in the 30-49 years old age group which constituted 65.0% of total workforce. The female workforce constituted 80.0% of total workforce. In FY2018, our hiring rate was 40.0%[6] (87.5% female, 12.5% male) while our turnover rate was 20.0%[7] (100.0% female). In FY2018, the net increase in the Manager's workforce was mainly related to the expansion of FCOT's investment mandate to include real estate assets located in Europe, including the UK, as announced in December 2017. The relatively high hiring and turnover percentage rates were attributed to the small headcount of the Manager.

6 Total number of new hires in FY2018 divided by total number of employees as at 30 September 2018.
7 Total number of employee turnover in FY2018 divided by total number of employees as at 30 September 2018.

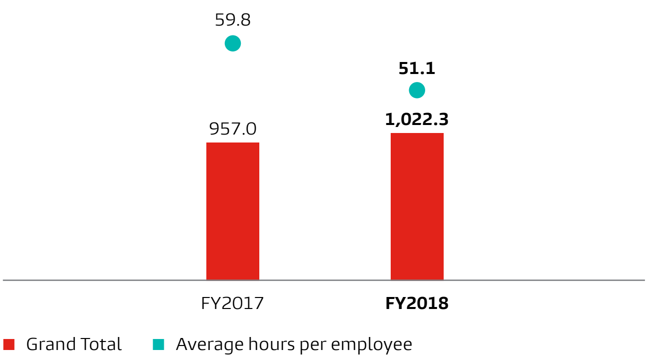
Central Park | Perth, Australia

Cultivating Talent

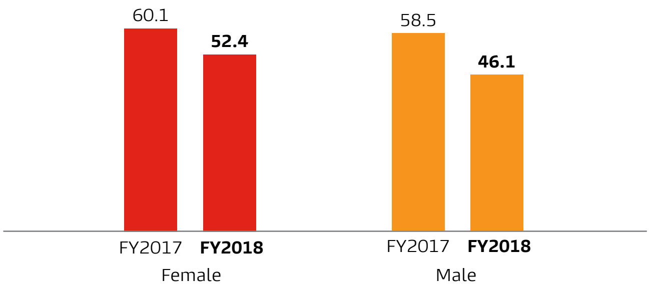
The Manager aligns its employment policies with those of the Group, including policies on fair and equal employment based on meritocracy which is incorporated in the Code of Business Conduct. The Manager advocates staff development to allow staff to achieve their full potential. In FY2018, 2.0% of the Manager's annual payroll was allocated for training, learning and development initiatives. In FY2018, the staff of the Manager received an average of 51.1 hours of training per employee, 27.8% above the target of 40.0 hours of training per employee. This was 14.5% lower year-on-year, in the absence of specialised training conducted in FY2017 for the implementation of an accounting software.

The training and development initiatives by the Manager are supported by the Group's Human Resource (HR) Department, which develops and provides training courses for all the Group's employees. My HR Hub, an online training platform which was launched by the HR Department in FY2018, provides easy access by employees to training programmes and resources. Regular gathering of employees' feedback on training sessions helps the HR Department to ensure that training courses made available are relevant and useful to the employees.

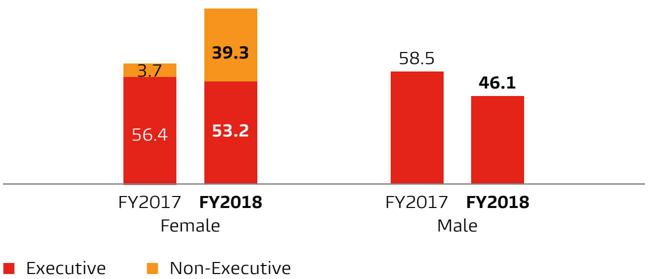
Training and Average Training Hours
(hours)



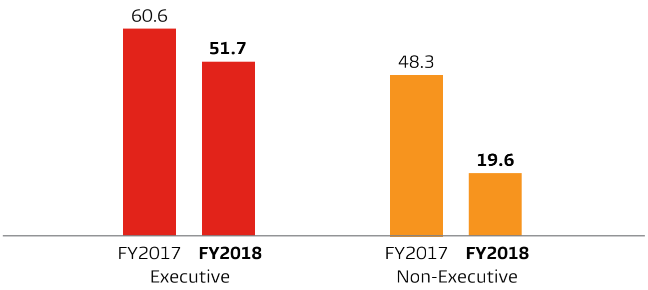
Average Training Hours by Gender
(hours)



Average Training Hours by Gender and Employee Type
(hours)



Average Training Hours by Employee Type
(hours)




China Square Central | Singapore

Sharing Knowledge and Experiences Through the Leadership Education Series

As part of the Group's continuous commitment to enrich staff's knowledge and understanding of the new economy's platforms and partners, the HR Department organised a series of talks which featured industry leaders and senior management from companies such as Carousell, LinkedIn and Amazon, who shared valuable experiences and knowledge in their businesses as well as insights on cultivating and nurturing innovative mindsets, among others.

Continuous training for registered representatives of the Manager

The Manager's registered representatives attended training in relation to REIT or Capital Market Services regulations, in addition to other regular industry updates, so as to keep abreast of developments in the industry and update their skills and knowledge to comply with the Manager's Policy for Continuing Education.

Safeguarding Our People

We are committed to providing a safe and healthy environment at the Properties for all stakeholders. A safe and healthy environment not only boosts employees' and tenants' morale and prevents workplace injuries, but will also aid in lowering injury costs, increasing productivity and reducing turnover, which will benefit the business and operations of FCOT and the Properties in the long-term.

For FY2018, we are pleased to report that there were zero incident of safety-related non-compliance and zero lost time injuries and fatalities reported for the Properties.

Key technical staff of the property manager in Singapore regularly attend safety-related training to ensure that they are equipped with the right skills to handle security and emergency situations. Annual evacuation drills are conducted at the properties in Singapore to familiarise tenants on emergency response plans.

Understanding and countering terrorism acts

Being aware of terrorism acts and being equipped with the right skills to respond against such acts are important in ensuring tenants' and employees' safety and providing a safe environment. At China Square Central, staff of the property manager participated in the Security Awareness Training and Workshop conducted by security services firm AETOS where they gained valuable insights on the different forms of terrorism acts and learned ways to mitigate and handle such acts.

Electrical safety training

At the Electrical Safety Training conducted by engineering consulting firm Quality Power Management, staff of the property manager of China Square Central learned about the importance of electrical safety and picked up useful tips on safe working procedures and practices and handling of electrical hazards.

FY2018 Performance

No breaches of health and safety regulations in regards to our building users.

No major safety incidents across our portfolio.

China Square Central | Singapore

Promoting Health and Well-being

In line with the Group's initiatives to achieve work-life balance, Frasers Property's Corporate Wellness Committee organises various wellness programs throughout the financial year. In FY2018, these included initiatives that focused on physical and mental health, including partnering with Singapore's Health Promotion Board (HPB) to roll out a weight management program and encourage healthy lifestyle practices.

During the Group's Health and Safety Month in August 2018, various activities and events were held in conjunction with the theme 'Live Well'.

Cooking demonstration classes
Alexandra Technopark | Singapore

Cooking with nutrition in mind

Alexandra Technopark hosted a series of cooking classes which demonstrated various methods to incorporate nutrition into daily meals and provided tips for creating delicious and healthy recipes. Participants discovered new and exciting recipes and also bonded over a common interest. The inaugural cooking class received overwhelming response which led to a series of additional classes being held.

Lunchtime health talk session
Alexandra Technopark | Singapore

Promoting healthy lifestyle

At Alexandra Technopark, HPB conducted a health talk for tenants on best safety practices at work and also taught light stretches and exercises that can be performed at the work desk.

At China Square Central, the Mobile Doctor Clinic held a sharing session on the importance of vitamins and minerals in our diets. Participants were also enlightened on the importance of observing regular bedtime hours, taking dietary supplements, tracking blood pressure and hormone levels and managing busy lifestyles to minimise lifestyle diseases.

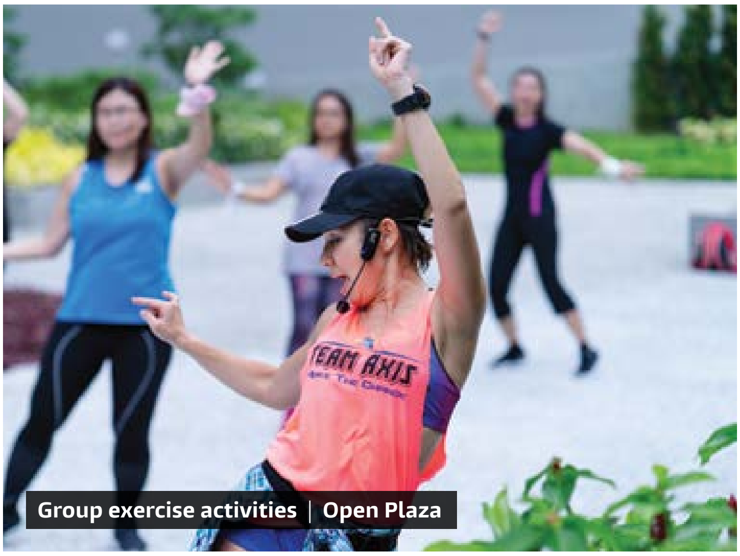
Attendees at a health talk by the Mobile Doctor Clinic
China Square Central | Singapore

Connecting Communities

We align our practices with the Group and shape our community investments and initiatives based on 'Wellness', which focuses on the minds, hearts, spirits and bodies of our communities as well as contributing to the well-being of our chosen charitable causes.

Alexandra Technopark
A contemporary business campus

Heightening tenants' and visitors' experiences at Alexandra Technopark
A S$45 million asset enhancement nearing full completion has transformed Alexandra Technopark to a contemporary and vibrant business campus that offers an engaging, green and spacious environment augmented by a multitude of food and beverage, social and wellness amenities and community engagement activities. The property now embodies the work-play concept, which has tremendously improved tenants' and visitors' experiences at the property. This is in line with the Group's credo 'Experience matters' which centers on the 'experience' of customers and employees.



Group exercise activities | Open Plaza

The Hub


Futsal courts

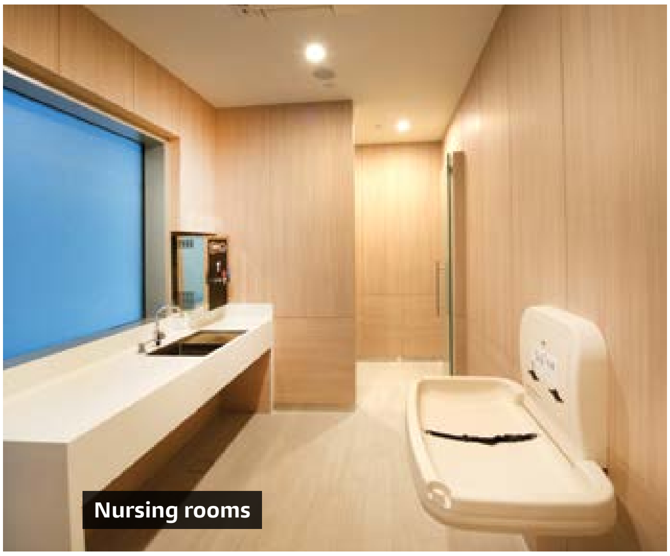

End-of-trip facilities

We're glad that the landlord has made the initiative to create a nicer environment and cultivate a more balanced lifestyle for its tenants. The weekly exercise sessions and community events have brought more life and vibrancy to the area, which we love.

Ms Angela Low, Senior Marketing Manager, The Food Barn, tenant at Alexandra Technopark

Landscaped walkways

Roof terrace



Nursing rooms

Cycling path

Shower facilities

Tenant Events

Alexandra Technopark collaborates with Health Promotion Board on fitness activities
Alexandra Technopark is collaborating with HPB to host various fitness and wellness activities for tenants during meal breaks and after work hours. The line-up of activities includes a weekly mix of High Intensity Interval Training (HIIT) workouts, Zumba and lunchtime yoga sessions, all held with the aim of promoting healthier lifestyles for the community.

HIIT workouts and lunchtime yoga sessions
Alexandra Technopark | Singapore

Celebrating Farnborough International Airshow
Farnborough Business Park | Farnborough, UK

Celebrating Farnborough International Airshow
In conjunction with the biennial Farnborough International Airshow held at the adjacent TAG Farnborough Airport, Farnborough Business Park hosted a series of activities and events for tenants and visitors. One of the largest industry events for the global aerospace sector, the airshow features trade exhibitions for the aerospace and defence industries and a public airshow. Tenants and visitors gathered at the Heritage Square at Farnborough Business Park to view the flying displays and enjoyed food trucks and other treats.

Some tenants also held their own corporate events inside temporary marquees while others hosted family days for their staff within their offices and in the Heritage Square.

Family Day
Central Park | Perth, Australia

Family Day at Central Park
Central Park held its third annual Family Day event during the school holidays where tenants brought their families for a fun and interactive day. Attendees enjoyed the petting zoo, various rides and fairyland activities. The retail tenants at Central Park supported this event by offering lunch specials to attendees.

Celebrating Melbourne Cup Competition 2018
Food, fashion, racing and fun was the order of the day as the Melbourne Cup Competition was officially launched. The Melbourne Cup is Australia's most celebrated horse racing event held at Flemington Racecourse in Melbourne. Central Park celebrated the Melbourne Cup Competition over a lunch event where tenants enjoyed drinks and canapes, while watching the race on a large television screen at the lawn of the property and a fashion show featuring local designers.

Melbourne Cup Competition
Central Park | Perth, Australia

Community Events

Seniors from Fei Yue Senior Activity Centre enjoying *'Loh Hei'* lunch

Celebrating *'Chap Goh Mei'* with Seniors at the Fei Yue Senior Activity Centre

The staff of the Manager celebrated *'Chap Goh Mei'* (the 15th day of the Chinese New Year and also traditionally the final day of New Year festivities) with around 40 senior citizens at the Fei Yue Senior Activity Centre at Teck Whye Lane in March. The Fei Yue Senior Activity Centre has operated for over 25 years to improve the quality of life and prevent social isolation of seniors in the lower income groups living in public housing estates nearby.

The day began on a bright and cheerful note with the team joining the seniors in light exercises and games in the morning, followed by the traditional *'Loh Hei'* and lunch, which brought the festive cheer to a high. More fun and games followed thereafter, before the visit concluded with the presentation of goodie bags and mandarin oranges to the seniors and exchanging a final round of good wishes with them.

Overall it was a fun-filled day for the team and a meaningful and memorable way to mark the end the Chinese New Year celebrations.

Rio Tinto Earth Assist Exhibition

Central Park hosted an exhibition featuring finalists' photos from the Rio Tinto Earth Assist, an award-winning environmental education and student volunteering program which engages thousands of young Australians in primary and secondary schools across Western Australia (WA) to reconnect to their natural surroundings and to be involved in conservation projects. A photography competition entitled 'Capture Your Curiosity' encouraged students to take photos of WA's magnificent natural environment and describe why their photo makes them curious about nature. The photos of the finalists where exhibited in the Central Park lobby.

Rio Tinto Earth Assist Exhibition
Central Park | Perth, Australia

Wine appreciation class and pop-up bar event
Alexandra Technopark | Singapore

Engaging with tenants at Alexandra Technopark
Alexandra Technopark hosted various lifestyle activities for the enjoyment of tenants and to nurture a sense of community in the property. Activities held included wine appreciation classes and pop-up bar events, which have all been well-attended and brought excitement and life to the property.

Engaging with and giving back to the community
The Manager held an appreciation lunch for its staff and colleagues of the Group during the year end festive period in 2017. To inject even greater meaning into the event, the lunch was held at Soul Food Enterprise restaurant in the Enabling Village at Lengkok Bahru, to lend support to this social enterprise for the training and employment of people with special needs. It was a great way to end the year by engaging with and giving back something to the community.

Staff of the Manager and colleagues from Frasers Property enjoyed lunch at Soul Food Enterprise

Charity Events

Coastrek 2018
The property management team of 357 Collins Street participated in the Melbourne Coastrek. Running for the fourth consecutive year, the annual event is a team trekking challenge for fun, fitness and fundraising, which journeys along the beautiful coastlines of Melbourne involving a choice between the 60 km trek from Cape Schanck to Point Nepean or the 30 km trek from Koonya Beach to Point Nepean. Funds raised went towards eliminating avoidable blindness.

This year, Coastrek saw a record 2,240 trekkers with over A$1.7 million of total funds raised.

Coastrek
357 Collins Street | Melbourne, Australia

CMPP
Farnborough Business Park | Farnborough, UK

Tesla and Farnborough Business Park raise funds for The Community Matters Partnership Project
In conjunction with the biennial Farnborough International Airshow, Farnborough Business Park hosted Tesla's launch of some of its electric vehicles. Tenants were treated to electric car rides around the business park and participated in a charity prize draw that received over 190 entries to win a weekend car hire of one the electric cars on show.

Funds raised from the event were donated to the Community Matters Partnership Project (CMPP), a collaboration of socially responsible, caring businesses to make a positive social and economic difference on the local community, with a focus on raising aspirations in young people.

Central Park Plunge 2018
Central Park Plunge, now in its fourth year, offered a unique and memorable experience for 300 courageous participants to abseil 220 metres from the top of Central Park, in what is Australia's tallest urban abseiling event. Held over a three-day period, this event was in support of the Ronald McDonald House, The Fiona Wood Foundation, Cahoots, Prostate Cancer Western Australia and Redkite. The event was a great success and raised funds in excess of A$532,400.

Central Park Plunge
Central Park | Perth, Australia

Grow Your Own
Farnborough Business Park | Farnborough, UK

Grow Your Own
Tenants at Farnborough Business Park had a fun-filled day at the 'Grow Your Own' workshop while raising funds for CMPP. Tenants participated in workshops on making summer hanging baskets, potted basket of herbs or floral bouquets, and funds raised during the workshop went towards CMPP's Youth Aspiration Fund to empower the young people, raise their aspirations and develop life skills.

Step Up for Multiple Sclerosis Western Australia
Central Park hosted the iconic event in support of the non-profit organisation, Multiple Sclerosis Society of Western Australia (MSWA Society), for the 13th consecutive year. The yearly event is organised to raise funds for the MSWA Society which provides support and services to those affected. The vertical challenge garnered strong support from tenants with 1,045 participants climbing more than 1,000 steps each to the top of Central Park, raising over A$201,000. Central Park contributed by sponsoring A$10,000 towards this event.

Step Up for Multiple Sclerosis
Central Park | Perth, Australia

GRI Content Index

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
Universal Standards			
Organisational Profile			
GRI 102: General Disclosures	102-1	Name of the organisation	About Frasers Commercial Trust (pg 3)
	102-2	Activities, brands, products, and services	About Frasers Commercial Trust (pg 3)
	102-3	Location of headquarters	About Frasers Commercial Trust (pg 3) Corporate Information (inside back cover)
	102-4	Location of operations	About Frasers Commercial Trust (pg 3) About This Report – Report Scope (pg 85)
	102-5	Ownership and legal form	About Frasers Commercial Trust (pg 3) Corporate Structure (pg 15)
	102-6	Markets served	About Frasers Commercial Trust (pg 3) Overview of Portfolio Portfolio (pgs 64-65) Asset Profiles (pgs 68-79) About This Report – Report Scope (pg 85)
	102-7	Scale of the organisation	About Frasers Commercial Trust (pg 3) Financial Highlights (pgs 6-9) Focusing on People – Growing Family at FCOT (pgs 102-103)
	102-8	Information on employees and other workers	Focusing on People – Growing Family at FCOT (pgs 102-105) All activities described in this section are in relation to the employees of the Manager.
	102-9	Supply chain	Consuming Responsibly (pgs 96-100)
	102-10	Significant changes to organisation and its supply chain	FCOT acquired a 50.0% interest in Farnborough Business Park, UK on 29 January 2018 and divested 55 Market Street on 31 August 2018. Overview of Portfolio Portfolio (pgs 64-65) Asset Profiles (pgs 68-79)
	102-11	Precautionary principle or approach	FCOT does not specifically refer to the precautionary approach when managing risk; however, our management approach is risk-based, and underpinned by our internal audit framework.
	102-12	External initiatives	Managing Sustainability – Stakeholder Engagement (pgs 90-91) Acting Progressively – Upholding Corporate Integrity (pgs 94-95)
	102-13	Membership of associations	Managing Sustainability – Stakeholder Engagement (pgs 90-91) Acting Progressively – Upholding Corporate Integrity (pgs 94-95)
Strategy			
GRI 102: General Disclosures	102-14	Statement from senior decision-maker	Board Statement (pg 86)
Ethics and Integrity			
GRI 102: General Disclosures	102-16	Values, principles, standards, and norms of behaviour	About Frasers Commercial Trust (pg 3) Acting Progressively – Upholding Corporate Integrity (pgs 94-95)

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
Universal Standards			
Governance			
GRI 102: General Disclosures	102-18	Governance structure	Corporate and Organisation Structure (pg 15) Board of Directors (pgs 18-21) Management Team (pgs 22-23) Sustainability Framework (pgs 87) Managing Sustainability – Sustainability Governance (pg 89) Corporate Governance (pgs 120-139)
Stakeholder Engagement			
GRI 102: General Disclosures	102-40	List of stakeholder groups	Managing Sustainability – Stakeholder Engagement (pg 90-91)
	102-41	Collective bargaining agreements	There are no collective bargaining agreements in place.
	102-42	Identifying and selecting stakeholders	Managing Sustainability – Stakeholder Engagement (pg 90-91) We have selected these stakeholders based on their interests in our business.
	102-43	Approach to stakeholder engagement	Managing Sustainability – Stakeholder Engagement (pg 90-91)
	102-44	Key topics and concerns raised	Managing Sustainability – Stakeholder Engagement (pg 90-91)
Reporting Practice			
GRI 102: General Disclosures	102-45	Entities included in the consolidated financial statements	Financial Statements (pgs 141-201)
	102-46	Defining report content and topic Boundaries	About This Report – Report Scope (pg 85) Materiality Assessment (pgs 92-93)
	102-47	List of material topics	Materiality Assessment (pgs 92-93)
	102-48	Restatements of information	Average building energy, GHG emissions and building water intensities in FY2016 and FY2017 were restated to exclude 55 Market Street which was divested on 31 August 2018 for comparison purpose. Comparative for the measurement units of the GHG Emission Intensity for FY2017 has been updated to reflect kg of CO_2e/m^2 instead of tonnes of CO_2e/m^2.
	102-49	Changes in reporting	FCOT acquired a 50.0% interest in Farnborough Business Park, UK on 29 January 2018 and divested 55 Market Street on 31 August 2018.
	102-50	Reporting period	About This Report (pg 85)
	102-51	Date of most recent report	The previous sustainability report was included in the 2017 Annual Report of FCOT.
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	About This Report – Feedback (pg 85)
	102-54	Claims of reporting in accordance with GRI Standards	About This Report (pg 85)
	102-55	GRI content index	GRI Content Index (pgs 116-119)
	102-56	External assurance	We have not sought external assurance on this data, however we intend to review this stance in the future.

GRI Content Index

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
Management Approach			
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	Materiality Assessment (pgs 92-93)
Topic-specific Standards			
Economic Performance			
GRI 103: Management Approach	103-2	The management approach and its components	Financial Overview (pgs 33-38) Financial Statements (pgs 141-201)
	103-3	Evaluation of the management approach	
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	
Anti-corruption			
GRI 103: Management Approach	103-2	The management approach and its components	Acting Progressively – Upholding Corporate Integrity (pgs 94-95)
	103-3	Evaluation of the management approach	
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	
Environmental Compliance			
GRI 103: Management Approach	103-2	The management approach and its components	Acting Progressively – Upholding Corporate Integrity (pgs 94-95)
	103-3	Evaluation of the management approach	
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	
Ethical Marketing			
GRI 103: Management Approach	103-2	The management approach and its components	Acting Progressively – Upholding Corporate Integrity (pgs 94-95)
	103-3	Evaluation of the management approach	
GRI 417: Marketing and Labelling	417-3	Incidents of non-compliance concerning marketing communications	
Energy Management			
GRI 103: Management Approach	103-2	The management approach and its components	Consuming Responsibly – Conserving Energy (pgs 96-97)
	103-3	Evaluation of the management approach	
GRI 302: Energy	302-1	Energy consumption within the organisation	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
Topic-specific Standards			
Water Management			
GRI 103: Management Approach	103-2	The management approach and its components	Consuming Responsibly – Saving Water (pgs 98-99)
	103-3	Evaluation of the management approach	
GRI 303: Water	303-1	Water withdrawal by source	
Staff Retention and Development			
GRI 103: Management Approach	103-2	The management approach and its components	Focusing on People – Growing Family at FCOT (pgs 102-105) Focusing on People – Cultivating Talent (pgs 104-105)
	103-3	Evaluation of the management approach	
GRI 401: Employment	401-1	New employee hires and employee turnover	
GRI 404: Training and Education	404-1	Average hours of training per year per employee	
	404-3	Percentage of employees receiving regular performance and career development reviews	
Labour/Management Relations			
GRI 103: Management Approach	103-2	The management approach and its components	Focusing on People – Growing Family at FCOT (pgs 102-105)
	103-3	Evaluation of the management approach	
GRI 402: Labour/ Management Relations	402-1	Minimum notice periods regarding operational changes	This is currently not covered in Group-wide collective agreements. The notice period varies.
Health and Safety			
GRI 103: Management Approach	103-2	The management approach and its components	Focusing on People – Safeguarding Our People and Promoting Health and Well-being (pgs 106-107)
	103-3	Evaluation of the management approach	
GRI 403: Occupational Health and Safety	403-1	Workers representation in formal joint management–worker health and safety committees	FCOT is represented in the sponsor's Health and Safety senior management committee.
Local Communities			
GRI 103: Management Approach	103-2	The management approach and its components	Focusing on People – Connecting Communities (pgs 108-115)
	103-3	Evaluation of the management approach	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	

Corporate Governance

Introduction

Frasers Commercial Asset Management Ltd. (the "**Manager**"), as manager of Frasers Commercial Trust ("**FCOT**"), is committed to high standards of corporate governance in the business and operations of the Manager, FCOT and their respective subsidiaries so as to protect the interest of, and enhance the value of Unitholders' investments in, FCOT.

FCOT is a real estate investment trust ("**REIT**") listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the Manager is a wholly-owned subsidiary of Frasers Property Limited ("**Frasers Property**").

The Manager's commitment to high standards of corporate governance is spearheaded by a highly-qualified Board of Directors of the Manager (the "**Board**"), and supported by an experienced and a qualified Management team (the "**Management**").

The Manager has general powers of management over the assets of FCOT. The Manager's key responsibility is to manage FCOT's assets and liabilities for the benefit of Unitholders with a focus on delivering a stable distribution to Unitholders and where appropriate, enhance the values of existing properties and increase the property portfolio over time.

The other functions and responsibilities of the Manager include preparing annual asset plans and undertaking regular individual asset performance analysis and market research analysis, managing finance functions relating to FCOT (which includes capital management, treasury, co-ordination and preparation of consolidated budgets) and supervising property managers who perform the day-to-day property management functions for FCOT's properties, namely (i) China Square Central and Alexandra Technopark in Singapore, (ii) Central Park, Caroline Chisholm Centre and 357 Collins Street in Australia and (iii) Farnborough Business Park in the United Kingdom.

The Manager holds a Capital Markets Services Licence ("**CMS Licence**") issued by the Monetary Authority of Singapore ("**MAS**") to carry out REIT management activities as required under the licensing regime for REIT managers that came into effect on 1 August 2008.

The Manager ensures that the business of FCOT is carried on and conducted in a proper and efficient manner adhering to the principles and guidelines of the Code of Corporate Governance 2012 (the "**CG Code**") and other applicable laws and regulations, including the listing rules of SGX-ST, the Code on Collective Investment Schemes (the "**Code on CIS**") and the Securities and Futures Act (the "**SFA**").

This corporate governance report ("**CG Report**") provides an insight on the Manager's corporate governance framework and practices in compliance with the principles and guidelines of the CG Code. As FCOT is a listed REIT, not all principles of the CG Code may be applicable to FCOT and the Manager. Any deviations from the CG Code are explained.

Board Matters

Principle 1: The Board's Conduct of Affairs

The composition of the Board as at 30 September 2018 is as follows:

Bobby Chin Yoke Choong[1]	Chairman, Non-Executive	Independent
Chang Tou Chen	Non-Executive	Independent
Chay Wai Chuen	Non-Executive	Independent
Chia Khong Shoong	Non-Executive	Non-Independent
Low Chee Wah	Non-Executive	Non-Independent
Christopher Tang Kok Kai	Non-Executive	Non-Independent

The Board oversees the business affairs of FCOT and the Manager, and assumes responsibility for their strategic direction and plans. In carrying out its responsibilities, the Board is involved strategically in the establishment of performance objectives for both FCOT and the Manager, financial planning, budget creation and monitoring, material operational initiatives, investment and asset enhancement initiatives, financial and operational performance reviews, the establishment of risk management practices and risk monitoring, and establishment and monitoring of corporate governance and compliance practices.

The Board meets at least once every quarter and on such other occasions that necessitate their involvement. If a Director is unable to attend a meeting, he will still receive all the papers and materials for discussion at that meeting for review. He will advise the Chairman of the Board or the relevant Board Committee, or the Chief Executive Officer ("**CEO**") of the Manager, on his views and comments on the matters to be discussed to be conveyed to other members at the meeting. If required, time is set aside after scheduled Board meetings for discussions amongst the members of the Board without the presence of Management, in line with the guidelines of the CG Code. In addition to the meetings, the members of the Board have access to the Management throughout the financial year, thereby allowing the Board continuous strategic oversight over the activities of FCOT.

The Board is assisted in its corporate governance, compliance and risk management responsibilities by the Audit, Risk and Compliance Committee ("**ARC Committee**"). In addition, the Nominating and Remuneration Committee ("**NRC**") was also established on 16 September 2016 to assist the Board in its nominating and remuneration responsibilities, as guided by the CG Code. Separate committees will be considered, if required, to assist the Board in carrying out its role more effectively.

New Directors are formally appointed by way of a Board resolution. The search for candidates to be appointed as new Directors is conducted through contacts and recommendations. Suitable candidates are carefully evaluated by the NRC so that recommendations made on proposed candidates are objective and well supported. In recommending the appointment of new Directors, the Board takes into consideration the current Board size and composition, including diversity of skills, experience and knowledge of matters relating to FCOT which the new Director can provide to the Board. No new members were appointed to the Board during the financial year ended 30 September 2018 ("**FY2018**").

Newly-appointed members of the Board will be required to undergo orientation to familiarise themselves with FCOT's business, strategic plans and objectives, the regulatory environment in which FCOT operates and the Manager's corporate governance practices.

The Board is regularly updated on new laws affecting FCOT's business, as well as changes in applicable regulations. The Company Secretary facilitates such orientation and assists with the professional development of the Board and its members. The Manager maintains a training record to track Directors' attendance at training and professional development courses. In FY2018, the Board was briefed and updated on key changes in the financial reporting standards, changes in tax regulations in the jurisdictions that FCOT operates in and updates concerning corporate governance and the Code on CIS.

In addition to talks conducted by relevant professionals, members of the Board are encouraged to attend relevant courses and seminars so as to keep themselves updated on developments and changes in FCOT's operating environment, and to be members of the Singapore Institute of Directors ("**SID**") and for them to receive journal updates and training from SID to stay abreast of relevant developments in financial, legal and regulatory requirements, and the business environment and outlook. During FY2018, members of the Board also made visits to Farnborough Business Park in the United Kingdom and Central Park in Perth, Australia.

1 Mr Bobby Chin Yoke Choong was appointed as the Chairman of the Board of the Manager on 30 November 2017.

The number of Board, ARC Committee and NRC meetings held in FY2018, as well as the attendance of each Board member at these meetings, are set out below:

	Board Meetings*	ARC Committee Meetings	NRC Meetings
Meetings held during the financial year ended 30 September 2018	**6**	**5**	**1**
Attendees			
Bobby Chin Yoke Choong[1]	5	5	1
Dr Chua Yong Hai[2]	1	1	1
Chang Tou Chen[3]	6	5	1
Chay Wai Chuen	6	5	1
Chia Khong Shoong	6	NA	NA
Low Chee Wah	6	NA	NA
Tan Guong Ching[4]	1	1	1
Christopher Tang Kok Kai	6	NA	1

* Excludes other meetings attended by Directors with Management.
1 Mr Bobby Chin Yoke Choong was appointed as the Chairman of the Board of the Manager on 30 November 2017.
2 Dr Chua Yong Hai has retired as the Chairman of the Board of the Manager and as a Member of the ARC Committee and the NRC with effect from 30 November 2017.
3 Mr Chang Tou Chen was appointed as the Chairman of the NRC on 30 November 2017.
4 Mr Tan Guong Ching has retired from the Board of the Manager and as the Chairman of the NRC and as a Member of the ARC Committee with effect from 30 November 2017.

To ensure that business and operational efficacy is maintained without compromising the standard of corporate governance, a Manual of Authority (the "**MOA**") approved by the Board is implemented. The MOA sets out the levels of authorisation and their respective approval limits for a range of transactions, including but not limited to investments, asset enhancement initiatives, and operating and capital expenditures. Transactions and matters which require the Board's approval are clearly set out in the MOA.

Principle 2: Board Composition and Guidance
As at 30 September 2018, the Board comprises six members, of whom three are Independent Non-Executive Directors. All the Board members are Non-Executive Directors.

The Board is of the view that the current size and composition of the Board is appropriate for the scope and nature of the operations of the Manager and FCOT and facilitates effective decision-making and succession planning. In line with the CG Code, the Board, with the assistance of the NRC, undertook a review of the structure, size and composition of the Board, and following the review, is of the view that the Board's present composition and balance is appropriate and allows for a balanced exchange of views, robust deliberations and debates among members, and effective oversight over Management. The current composition gives the Board the ability to consider and make decisions objectively and independently on issues relating to FCOT and the Manager. Under the current composition, no one individual or group dominates the Board's decisions or its process. With respect to its size, the Board is of the view that the same is not so large as to be unwieldy, is able to meet the requirements of the business of the Manager and FCOT, and is sufficient to avoid undue disruptions from changes to its composition, especially in the event of exigencies. The composition of the Board shall be reviewed regularly to ensure that the Board has the appropriate size and mix of expertise and experience. There is a strong and independent element on the Board.

Directors exercise their judgment independently and objectively in the interest of FCOT and the Manager. The Board reviews and assesses annually the independence of its directors based on the definitions and guidelines of independence set out in the CG Code and Regulations 13D to 13H[1] of the Securities and Futures (Licensing and Conduct of Business) Regulations ("**SFLCB Regulations**"). Under the SFLCB Regulations, a director is considered to be independent if the director:

(i) is independent from the management of the Manager and FCOT;
(ii) is independent from any business relationship with the Manager and FCOT;
(iii) is independent from every substantial shareholder of the Manager and every substantial unitholder of FCOT;
(iv) is not a substantial shareholder of the Manager or a substantial unitholder of FCOT; and
(v) has not served as a director of the Manager for a continuous period of 9 years or longer.

1 The SFLCB Regulations were amended by the Securities and Futures (Licensing and Conduct of Business) (Amendment No.2) Regulations 2018 which came into operation on 8 October 2018. One of the amendments to the SFLCB Regulations was the insertion of Regulations 13D to 13H which relate to board composition and director's independence.

In its review for FY2018, the NRC has endorsed in its recommendation to the Board that the following directors are independent for FY2018:

Bobby Chin Yoke Choong	Independent
Chang Tou Chen	Independent
Chay Wai Chuen	Independent

As part of its review, the NRC has taken into consideration, inter alia, each Independent Director's declaration of independence, which includes questions relating to his relationship with FCOT, the Manager, the Trustee, and FCOT's sponsor, Frasers Property, whereby, all have declared that there were no relationships or instances that would otherwise deem him not to be independent.

For the purposes of Regulation 13E(b)(i) of the SFLCB Regulations, the Board of the Manager, after considering the relevant requirements under the SFLCB Regulations, wishes to set out its views in respect of each of the Directors as follows:

The Director:	Mr Bobby Chin Yoke Choong	Mr Chang Tou Chen	Mr Chay Wai Chuen	Mr Chia Khong Shoong[(1)]	Mr Low Chee Wah[(1)]	Mr Christopher Tang Kok Kai[(1)]
(i) had been independent from the management of the Manager and FCOT during FY2018	√	√	√			
(ii) had been independent from any business relationship with the Manager and FCOT during FY2018	√	√	√	√	√	√
(iii) had been independent from every substantial shareholder of the Manager and every substantial unitholder of FCOT during FY2018	√	√	√			
(iv) had not been a substantial shareholder of the Manager or a substantial unitholder of FCOT during FY2018	√	√	√	√	√	√
(v) has not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY2018	√	√	√			

(1) Each of Mr Chia Khong Shoong, Mr Low Chee Wah and Mr Christopher Tang Kok Kai is currently employed by a related corporation of the Manager and each of them is a director of various subsidiaries or associated companies of Frasers Property which wholly-owns the Manager and is a substantial unitholder of FCOT. As such, during FY2018, each of them is deemed (a) to have a management relationship with the Manager and FCOT; and (b) connected to a substantial shareholder of the Manager and substantial unitholder of FCOT. The Board of the Manager is satisfied that, as at the last day of FY2018, each of Mr Chia Khong Shoong, Mr Low Chee Wah and Mr Christopher Tang Kok Kai was able to act in the best interests of all the unitholders of FCOT as a whole. As at the last day of FY2018, each of Mr Chia Khong Shoong, Mr Low Chee Wah and Mr Christopher Tang Kok Kai was able to act in the best interests of all the unitholders of FCOT as a whole.

With the background, skills, experience and core competencies of its members, the Board collectively has the critical skills and expertise needed to guide in the strategic direction and planning of the business of FCOT. The diversity of skills, expertise and experience of its members bring to the Board independent and objective perspective thereby enabling balanced and well-considered decisions to be made. Particulars of Directors are set out on pages 18 to 21.

Principle 3: Chairman and Chief Executive Officer

The roles of the Chairman and the CEO are separate to ensure an appropriate balance of power and authority and the levels of authority and the approval limits under the MOA reflects such a separation. This separation of roles promotes greater accountability of Management and allows the Board to exercise its independence in its oversight of and deliberations with Management. The Chairman, who is an independent and a non-executive director, is not related to the CEO. There is no business relationship between him and the CEO.

The Chairman leads the Board and ensures its effectiveness by, among other things, steering effective, productive and comprehensive discussions amongst Board members and the Management team on strategic, business and other key issues pertinent to the business and operations of FCOT and the Manager. With the full support of the Board, the Company Secretary and Management, the Chairman spearheads the Manager's drive to promote, attain and maintain high standards of corporate governance and transparency.

The CEO has executive responsibilities over the business direction and operations of the Manager, and is responsible for the execution of the Board's adopted strategies and policies. The CEO leads the Management team in the management of FCOT and is accountable to the Board for the conduct and performance of the Management team.

Principle 4: Board Membership

The Board established the NRC on 16 September 2016 to assist the Board in its nominating function, responsibilities and role. Prior to its establishment, the functions of a nominating committee were undertaken by the Board. The NRC comprises four Directors, being Mr Chang Tou Chen, Mr Chay Wai Chuen, Mr Bobby Chin Yoke Choong and Mr Christopher Tang Kok Kai, all of whom are non-executive and the majority of whom (including its Chairman, Mr Chang Tou Chen) are independent.

The NRC has written terms of reference setting out its scope and authority in performing the functions of a nominating committee, which include the following:

- make recommendations to the Board on all Board appointments, re-appointments and the composition of the Board and on relevant matters relating to the appointment and re-appointment of directors;
- regularly review the Board structure, size, composition and the independence of the Board to ensure that the Board has the appropriate mix of expertise and experience, and recommend to the Board such adjustments as it may deem necessary;
- ensure that at all times, there should be a strong and independent element on the Board;
- put in place board succession plans for the Board's approval and make recommendations on relevant matters relating to the review of board succession plans for directors, in particular, the Chairman and for the CEO;
- identify candidates, review and approve nominations for directors, alternate directors and membership of Board committees (including the ARC Committee and the NRC), as well as appraise the qualifications and experience of any proposed new appointments to the Board and to recommend to the Board whether the nomination should be supported; and
- review, on an annual basis and as and when circumstances require, whether or not a director is independent, bearing in mind the circumstances set forth in the CG Code and any other salient factors.

The composition of the Board is determined using the following principles:

- at least one-third of the Board should comprise independent directors where Unitholders have the right to vote on the appointment of directors to the Board, and at least half of the Board should comprise independent directors if the Chairman and the CEO is the same person, the Chairman and the CEO are immediate family members, the Chairman is part of the management team, the Chairman is not an independent director, or where Unitholders do not have the right to vote on the appointment of directors to the Board; and
- the Board and its committees should comprise directors who as a group provide an appropriate balance and diversity of skills, experience, gender and knowledge of FCOT and the Manager, and they should also possess core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge.

As at least half of the Board comprises Independent Directors, the Manager will not be voluntarily subjecting any appointment or reappointment of Directors to voting by Unitholders. The Chairman of the Board is presently an Independent Director.

The NRC bears the responsibility for the identification, review and appointment of suitable candidates to join the Board as its members, taking into consideration (a) such candidate's skill, experience and ability to perform, (b) the needs of the Board, (c) such candidate's other commitments and (d) the independence of the candidate from FCOT and the Manager. Directors of the Manager are not subject to periodic retirement by rotation.

The Board proactively seeks to maintain an appropriate balance of expertise, skills and attributes among the Directors, and this is reflected in the diversity of backgrounds and competencies of the current Directors. Such competencies include banking, finance, accounting and other relevant industry knowledge, entrepreneurial and management experience, and familiarity with regulatory requirements and risk management. This benefits Management as it allows them to tap on the broad range of views and perspectives and the breadth of experience of the Directors.

The CG Code requires listed companies to fix the maximum number of Board representations on other listed companies that their directors may hold and to disclose this in their annual report. In determining whether each Director is able to devote sufficient time to discharge his duties, the Board has taken cognizance of the CG Code requirement, but is of the view that its assessment should not be restricted to the number of board representations of each Director – and their respective principal commitments – per se. The attendance and contributions by the Directors to and during meetings of the Board and the relevant Board Committees are holistically assessed and taken into account. Details of such directorships and other principal commitments of the Directors are disclosed on pages 18 to 21.

All appointments and resignations of Board members are approved by the Board. With the establishment of the NRC, the NRC shall be instrumental in assisting in the review of all Board appointments, re-appointments and the composition of the Board, its recommendations of which shall be taken into consideration by the Board in its decision.

Principle 5: Board Performance

The Board has implemented a formal process for assessing the effectiveness of the Board and its Board Committees and the contribution by each individual Director to the effectiveness of the Board. For FY2018, an independent external third-party consultant was appointed to facilitate the process of conducting a Board evaluation survey. The survey is designed to provide an evaluation of current effectiveness of the Board and to support the Chairman and the Board to proactively consider what can enhance the readiness of the Board to address emerging strategic priorities for FCOT. As part of the survey, questionnaires were sent by the external consultant to the Directors to obtain feedback and interviews were conducted to clarify the responses where required.

The areas covered in the questionnaires included (1) Board performance in shaping and adapting FCOT's strategy; (2) Board oversight on FCOT's performance and risk and crisis management; (3) Board composition and structure; (4) Board culture and dynamics, including the Board's partnership with Management; (5) Board's role in respect of succession planning for the Board and Management; and (6) the effectiveness of the Board Committees.

In addition to the survey, the contributions and performance of each Director would be assessed by the NRC as part of its periodic reviews of the composition of the Board and the various Board Committees.

In the process, the findings and recommendations of the consultant which include feedback from Directors would be considered, and the necessary follow up actions would be taken with a view to improving the overall effectiveness of the Board in fulfilling its role and meeting its responsibility to Unitholders. Based on the NRC's review, the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

Principle 6: Access to Information

It is the Management's commitment that the Board, the ARC Committee and the NRC are provided with complete, timely and adequate information, both prior to Board, ARC Committee and NRC meetings and on an ongoing basis so as to allow the Board, the ARC Committee and the NRC to discharge their duties. Prior to each Board, ARC Committee and NRC meeting, papers on matters to be discussed are sent to Board members, ARC Committee members and NRC members ahead of such meetings, so that such matters may be considered and discussed thoroughly and fully, prior to the making of any decision. Management may be requested to attend Board meetings so as to be at hand to answer any questions or contribute to any discussions. Presentations are made by Management at the Board meetings to facilitate deliberations and discussions.

For matters which require the Board's decision outside such meetings, board papers will be circulated through the Company Secretary for the Board's consideration, with discussions and clarifications taking place between members of the Board and Management, before approval is granted.

Directors at their discretion may seek and obtain independent professional advice, where necessary, in the furtherance of their duties.

Directors have separate and independent access to the Company Secretary, who attends all Board meetings and advises the Board on relevant corporate governance issues. The Company Secretary ensures compliance with Board procedures and relevant rules and regulations. Under the direction of the Chairman, the Company Secretary is responsible for ensuring good information flow between the Board and Management. Direct communication between the CEO, the Chairman and members of the Board is encouraged by the Board, and the Board may at its discretion communicate with Management if they so wish.

Remuneration Matters

Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and Mix of Remuneration
Principle 9: Disclosure on Remuneration

The remuneration of Directors, the CEO and employees of the Manager are paid by the Manager from the management fees it receives from FCOT, and not by FCOT.

The Board is assisted in its remuneration function, responsibilities and role by the NRC. The NRC comprises four Directors, being Mr Chang Tou Chen, Mr Chay Wai Chuen, Mr Bobby Chin Yoke Choong and Mr Christopher Tang Kok Kai, all of whom are non-executive and the majority of whom (including its Chairman, Mr Chang Tou Chen) are independent.

The NRC has written terms of reference setting out its scope and authority in performing the functions of a remuneration committee, which include the following matters:

- review the remuneration framework for the Board and the key executive officers of the Manager;
- review the Manager's remuneration policies, level and mix of remuneration, and the procedure for setting remuneration; and
- ensure that the remuneration of executive directors (if any) of the Manager shall not be linked in any way to FCOT's gross revenue.

The NRC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and key management executives of the Manager ("**Key Management Executives**"). The NRC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate talents without being excessive. The NRC will recommend a framework of remuneration (which covers all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind) and the specific remuneration packages for the CEO and each Director to the Board for endorsement. The NRC will also review the remuneration of the Key Management Executives of the Manager.

The NRC, in performing the functions of a remuneration committee, and in accordance with the NRC's written terms of reference, supports the Board in determining and reviewing the remuneration policies and practices of the Manager.

Policies in respect of Directors' Remuneration

The remuneration of Non-Executive Directors takes into account their respective responsibilities, including attendance and time spent at Board meetings and Board Committee meetings. Non-Executive Directors are paid a basic fee and attendance fees for attending Board meetings. Non-Executive Directors who perform services through Board Committees are paid additional fees for such services. No Director decides his own fees. Non-Executive Directors' fees are reviewed periodically to benchmark such fees against the amounts paid by the managers of other major listed REITs in Singapore.

The Directors' fees for FY2018 are shown in the table below.

Director	FY2018
Bobby Chin Yoke Choong (Chairman of the Board and Member of ARC Committee and NRC)[1]	S$ 131,125
Dr Chua Yong Hai[2]	S$ 25,334
Chang Tou Chen (Member of ARC Committee and Chairman of NRC)[3]	S$ 93,017
Chay Wai Chuen (Chairman of ARC Committee and Member of NRC)	S$ 116,500
Chia Khong Shoong	S$ 54,000[5]
Low Chee Wah	S$ 54,000[5]
Tan Guong Ching[4]	S$ 18,834
Christopher Tang Kok Kai (Member of NRC)	S$ 61,500[5]

1 Mr Bobby Chin Yoke Choong was appointed as the Chairman of the Board of the Manager on 30 November 2017.
2 Dr Chua Yong Hai has retired as the Chairman of the Board of the Manager and as a Member of the ARC Committee and the NRC with effect from 30 November 2017.
3 Mr Chang Tou Chen was appointed as the Chairman of the NRC on 30 November 2017.
4 Mr Tan Guong Ching has retired from the Board of the Manager and as the Chairman of the NRC and as a Member of the ARC Committee with effect from 30 November 2017.
5 Directors' fees are paid to Frasers Property Corporate Services Pte. Ltd.

Remuneration Policy for Management

The Managers' remuneration framework comprises fixed components and variable components, which include short-term and long-term incentives. The Manager links executive remuneration to FCOT's and individual performance. FCOT's performance is measured based on pre-set financial and non-financial indicators. Individual performance is measured via employee's annual appraisal based on indicators such as core values, competencies and key result areas. The potential of the employees is also taken into consideration.

Fixed Component

The fixed component in the Manager's remuneration framework is structured to reward employees for their role performed, and is benchmarked against relevant industry market data.

It comprises base salary, fixed allowances and any statutory contribution.

Variable Component

The variable component in the Manager's remuneration framework is structured to incentivise sustained performance in both the short and long term. The variable incentives are measured based on quantitative and qualitative targets and overall performance will be determined at the end of the relevant performance period and approved by the NRC.

1. **Short Term Incentive Plans**

   The short-term incentive plans ("**STI Plans**") aim to incentivise excellence in performance in the short term. All Key Management Executives are assessed using a balanced scorecard with pre-agreed financial and non-financial Key Performance Indicators ("**KPIs**"). The financial KPIs are based on FCOT's performance. Each financial KPI has 3 levels of targets, namely threshold, target and stretch. Non-financial KPIs may include measures on People, Corporate Governance or specified projects. These targets are established prior to each financial year.

   At the end of the financial year, the achievements are measured against the pre-agreed targets and the final short-term incentives of each Key Management Executive are determined.

   The NRC recommends the final short-term incentives that are awarded to the CEO and Key Management Executives for Board's endorsement, taking into consideration any other relevant circumstances.

2. **Long Term Incentive Plans**

   The NRC administers the Manager's long term incentive plan ("**LTI Plan**"), namely, the Restricted Unit Plan (RUP)[1].

   Note:
   (1) The RUP was approved by the Board and adopted on 8 December 2017.

   Through the LTI Plan, the Manager seeks to align directly the interests of CEO, Key Management Executives and senior executives with the interest of the Unitholders of the FCOT, and for such employees to participate and share in the FCOT's growth and success. It is also intended to retain employees whose contributions are essential to the well-being and prosperity of the Manager and the FCOT.

   The RUP is available to selected senior executives of the Manager. Its objectives are to increase the Manager's flexibility and effectiveness in its continuing efforts to attract, motivate and retain talented senior executives and to reward these executives for the future performance of the FCOT. It serves as further motivation to the participants in striving for excellence and delivering long-term shareholder value.

   Under the RUP, the Manager grants unit-based awards ("**Base Awards**") with pre-determined performance targets being set over the relevant performance period. The performance period for the RUP is two years. The pre-set targets are Net Property Income and Distribution per Unit.

   The RUP awards represent the right to receive fully paid Units, their equivalent cash value or a combination thereof, free of charge, provided certain prescribed performance conditions are met. The final number of Units to be released ("**Final Awards**") will depend on the achievement of the pre-determined targets at the end of the performance period. If such targets are exceeded, more Units than the Base Awards can be delivered, subject to a maximum multiplier of the Base Awards.

   The obligation to deliver the Units is expected to be satisfied out of the Units held by the Manager.

   The NRC has absolute discretion to decide on the Final Awards, taking into consideration of any other relevant circumstances.

   The level and mix of remuneration and the remuneration benefits, policies and practices of the Manager, where appropriate, will be reviewed by the NRC. The NRC will ensure that competitive remuneration policies and practices are in place to attract and motivate high-performing executives so as to drive FCOT's businesses to greater growth, efficiency and profitability.

   In its deliberation, the NRC will take into consideration industry practices and benchmarks against relevant industry players to ensure that its remuneration and employment conditions are competitive and may, if it considers necessary, engage independent remuneration consultant(s). The mix of fixed and variable components is considered appropriate for the Manager and for each individual employee's role.

The NRC will exercise broad discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of Unitholders and promote the long-term success of FCOT.

The NRC will ensure that the overall level of remuneration is not considered to be at a level which is likely to promote behaviour contrary to the Manager's or FCOT's risk profile.

Performance Indicators for Key Management Executives

As set out above, the Manager's variable remuneration comprises short-term and long-term incentives which takes into account individual performance and FCOT's performance.

The Manager has put in place a framework for determining the short-term incentives of the Key Management Executives, where both FCOT's financial performance and non-financial performance will be taken into consideration. The financial performance indicators in which the Key Management Executives will be evaluated on comprise (i) FCOT's net portfolio property income, (ii) Unitholder distribution, (iii) distribution per Unit and (iv) relative REIT unit price performance (against a peer group). These performance indicators are quantitative and objective measures of the Manager's performance. The non-financial performance indicators in which the Key Management Executives will be evaluated on include (i) people development, (ii) corporate governance and compliance, (iii) branding, (iv) sustainability, (v) growth of assets under management, (vi) sustainability of earnings and risk profile and (vii) strategic perspective. These qualitative performance indicators will align the Key Management Executives' performance with FCOT's strategic objectives for the financial year.

In relation to long term incentives, the Manager has implemented the RUP with effect from the financial year ended 30 September 2018 as set out above. The release of long term incentive awards to the Key Management Executives are conditional upon performance targets being met. The performance targets of the KPIs align the interests of the Key Management Executives with the long-term growth and performance of the REIT.

The NRC will review the short-term and long-term incentives in the Key Management Executives' remuneration package to ensure its compliance with the substance and spirit of the directions and guidelines from the MAS.

Currently, the Manager does not have claw-back provisions which allow it to reclaim incentive components of remuneration from its key executives in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss.

The remuneration of the CEO in bands of S$250,000, and a breakdown of the remuneration of the key executives (including the CEO) of the Manager in percentage terms, are provided below:

Key Executives' Remuneration for FY2018

Names of CEO and Key Executives	Salary %	Bonus %	Allowances & Benefits %	Long-term Incentives %	Total %
Between S$500,001 to S$750,000					
Jack Lam	43	25	6	26	100
Key Executives (excluding CEO)					
Tricia Yeo Wong Soon Yean Vincent Lee Cheah Yoke Lan Janet Soh Wang Mei Ling	59[1]	18[1]	4[1]	19[1]	100
Aggregate Total Remuneration (including the CEO)					**$2,237,314**

1 Derived based on the aggregation of the respective remuneration components of each of the key executives (excluding the CEO) and represented as percentages against the total remuneration for these key executives.

Pursuant to MAS' "Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management", REIT managers are required to disclose (i) the remuneration of the CEO and each individual director on a named basis, and (ii) the remuneration of at least the top five executive officers (which shall not include the CEO and executive officers who are directors), on a named basis, in bands of S$250,000. The Manager has decided (a) to disclose the CEO's remuneration in bands of S$250,000 (instead of on a quantum basis), (b) not to disclose the remuneration of the other key executives of the Manager in bands of S$250,000, and (c) to disclose the aggregate remuneration of all key executives of the Manager (including the CEO), for the following reasons:

(i) competition for talent in the REIT management industry is very keen and the Manager has, in the interests of Unitholders, opted not to disclose the exact remuneration of its CEO and top five executive officers as this may give rise to recruitment and talent retention issues as well as the risk of unnecessary key management turnover;
(ii) the composition of the current management team has been quite stable and to ensure the continuity of business and operations of FCOT, it is important that the Manager continues to retain its team of competent and committed staff;
(iii) due to the confidentiality and sensitivity of staff remuneration matters, the Manager is of the view that such disclosure could be prejudicial to the interests of Unitholders; and
(iv) the remuneration of the CEO and key executives of the Manager are paid by the Manager, and there is full disclosure of the total amount of fees paid to the Manager set out in the Financial Statements at page 183 and Interested Person Transactions at pages 208 to 209 of this Annual Report.

There were no employees of the Manager who are immediate family members of a Director or the CEO during FY2018.

Accountability and Audit

Principle 10: Accountability

The Manager prepares the financial statements of FCOT in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 Reporting Framework for Unit Trusts ("**RAP 7**") issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the Code on CIS issued by the MAS and the provisions of the Trust Deed. RAP 7 requires the accounting principles to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards prescribed by the Accounting Standards Council. The Board, with the support of Management, is responsible for providing a balanced and understandable assessment of FCOT's performance, position and prospects.

Financial reports are provided to the Board on a monthly basis. Quarterly and annual financial reports and other material information are disseminated to Unitholders through announcements released via SGXNET, and where applicable, media releases and analysts' briefings. Such financial reports are reviewed by the Board before dissemination.

Principle 11: Risk Management and Internal Controls

The Manager has established a system of risk management and internal controls comprising procedures and processes to safeguard FCOT's assets and Unitholders' interests. The ARC Committee reviews and reports to the Board on the adequacy and effectiveness of such controls, including financial, compliance, operational and information technology controls, and risk management procedures and systems, taking into consideration the recommendations of both internal and external auditors.

Internal Controls

The ARC Committee, through the assistance of internal and external auditors, reviews and reports to the Board on the adequacy and effectiveness of the Manager's system of controls, including financial, compliance, operational and information technology controls. In assessing the effectiveness of internal controls, the ARC Committee ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors (if any) in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

Risk Management

The Board, through the ARC Committee, reviews the adequacy and effectiveness of the Manager's risk management framework to ensure that robust risk management and mitigating controls are in place. The Manager has adopted an enterprise-wide risk management ("**ERM**") framework to enhance its risk management capabilities. Key risks, control measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Financial and operational key risk indicators are in place to track key risk exposures. Apart from the ERM process, key business risks are thoroughly assessed by Management and each significant transaction is comprehensively analysed so that Management understands the risks involved before it is embarked upon. An outline of the Manager's ERM framework and progress report is set out on pages 80 to 81.

Periodic updates are provided to the ARC Committee on FCOT's and the Manager's risk profiles. These updates would involve an assessment of FCOT's and the Manager's key risks by risk categories, current status, the effectiveness of any mitigating measures taken, and the action plans undertaken by Management to manage such risks.

In addition to the ERM framework, a comfort matrix of key risks, by which relevant material financial, compliance, operational and information technology risks of FCOT and the Manager have been documented to assist the Board to assess the adequacy and effectiveness of the existing internal controls. The comfort matrix is prepared with reference to the strategies, policies, processes, systems and reporting processes connected with the management of such key risks and presented to the Board and the ARC Committee. Risk tolerance statements setting out the nature and extent of significant risks which the Manager is willing to take in achieving its strategic objectives have been formalised and adopted.

The Board has received assurance from the CEO and the Chief Financial Officer ("**CFO**") of the Manager that as at 30 September 2018:

(a) the financial records of FCOT have been properly maintained and the financial statements for FY2018 give a true and fair view of FCOT's operations and finances;
(b) the system of internal controls in place for FCOT is adequate and effective as at 30 September 2018 to address financial, operational, compliance and information technology risks which the Manager considers relevant and material to FCOT's operations; and
(c) the risk management system in place for FCOT is adequate and effective as at 30 September 2018 to address risks which the Manager considers relevant and material to FCOT's operations.

Opinion of the Board on Internal Controls and Risk Management Framework

Based on the internal controls established and maintained by the Manager, work performed by internal and external auditors, reviews performed by Management and the ARC Committee and assurance from the CEO and the CFO, the Board, with the concurrence of the ARC Committee, is of the opinion that the internal controls in place for FCOT, were adequate and effective as at 30 September 2018 to address financial, operational, compliance and information technology risks, which the Manager considers relevant and material to FCOT's operations.

Based on the risk management framework established and assurance from the CEO and the CFO, the Board is of the view that the risk management system in place for FCOT was adequate and effective as at 30 September 2018 to address risks which the Manager considers relevant and material to FCOT's operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Manager will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives.

In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

Principle 12: Audit, Risk and Compliance Committee

The ARC Committee is governed by written terms of reference defining its scope of authority and in accordance with such terms, is authorised to investigate any matter in connection with FCOT and the Manager. The ARC Committee has full access to, and has the full cooperation of, Management, with full authority and discretion to invite any Director or employee of the Manager to attend its meetings. The ARC Committee is able to call upon the Manager's resources to enable it to discharge its functions effectively.

The ARC Committee's responsibilities include:

- reviewing and monitoring the effectiveness of the Manager's internal controls, including financial, operational, compliance and information technology and risk management controls and procedures;
- monitoring the integrity of financial information, including all quarterly and full year financial reports and audit reports;
- ensuring that procedures are in place for compliance with applicable rules and legislation, such as the Listing Manual, the Code on CIS including the Property Funds Appendix, and the SFA;
- reviewing the adequacy, independence, effectiveness, objectivity and fees of external auditors and recommending to the Board any replacement, appointment or reappointment of such external auditors;
- reviewing the adequacy and effectiveness of the internal audit function, including its resources, audit plans and the scope and effectiveness of the internal audit procedures; and
- reviewing interested person transactions to ascertain compliance with internal procedures and provisions of applicable laws and regulations.

In performing its functions, the ARC Committee meets with the internal and external auditors and reviews the internal and external audit plans for FCOT and the Manager and the assistance given by Management to the auditors. All audit findings and recommendations are presented to the ARC Committee for discussion. In addition, updates on changes in accounting standards and treatment are prepared by external auditors and circulated to members of the ARC Committee periodically.

In the review of the financial statements, the ARC Committee has discussed with the Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant matter impacting the financial statements was discussed with the Management and the external auditors and reviewed by the ARC Committee:

Key Audit Matter	How this issue was addressed by the ARC Committee
Valuation of investment properties	The ARC Committee considered the methodologies and key assumptions applied by the valuers in arriving at the valuation of the properties. The ARC Committee reviewed the outputs from the financial year-end valuation process of the Group's investment properties and discussed the details of the valuation with the valuers and Management, focusing on significant changes in fair value measurement and key drivers of the changes. The ARC Committee considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied in the valuation of investment properties. The ARC Committee was satisfied with the valuation process, the methodologies used and the valuation for investment properties as adopted as at 30 September 2018.
Accounting for acquisitions	The ARC Committee reviewed the accounting of the Group's acquisition of 50.0% equity interest in Farnborough Business Park Ltd. The ARC Committee considered the legal and contractual arrangements of the acquisition and was satisfied that the acquisition has been appropriately accounted for as an acquisition of asset.

As at 30 September 2018, the ARC Committee comprises three Directors, all of whom are Independent Non-Executive Directors:

Chay Wai Chuen	Chairman
Chang Tou Chen	Member
Bobby Chin Yoke Choong	Member

The separation of the roles of the Chairman of the Board and the Chairman of the ARC Committee ensures greater independence of the ARC Committee in the discharge of its duties. This is also with a view to increasing its effectiveness in assisting the Board in the discharge of its statutory and other responsibilities in the areas of internal controls, financial and accounting matters, compliance and risk management.

Members of the ARC Committee collectively possess the accounting and related financial management, expertise and experience required for the ARC Committee to discharge its responsibilities and assist the Board in its oversight over Management in the design, implementation and monitoring of risk management and internal control systems.

External Auditors

KPMG LLP ("**KPMG**") was re-appointed as the external auditors of FCOT pursuant to the approval of the Unitholders on 22 January 2018. The Manager confirms that FCOT complies with Rules 712 and 715 of the Listing Manual in relation to the appointment of KPMG as the external auditors of FCOT. The ARC Committee has conducted a review of all non-audit services provided by KPMG during the financial period. The ARC Committee is satisfied that given the nature and extent of non-audit services provided and the fees for such services, neither the independence nor the objectivity of KPMG is put at risk. For details of the fees paid to KPMG, please refer to the Financial Statements at pages 183 to 184 of this Annual Report. KPMG attended the ARC Committee meetings every quarter for FY2018, and where appropriate, has met with the ARC Committee without the presence of Management to discuss their findings, if any.

It is proposed that at the forthcoming FCOT Annual General Meeting, KPMG be re-appointed as the external auditors of FCOT and that the Manager be authorised to fix their remuneration.

Whistle Blowing Policy

A Whistle Blowing Policy is in place to provide an avenue through which employees and any other persons may report in good faith and in confidence any concerns in financial and other matters, and for independent investigation of such matters and appropriate follow-up action. All whistleblower complaints will be reviewed by the ARC Committee to ensure that investigations and follow-up actions are carried out, if needed.

Principle 13: Internal Audit

The Manager has in place an internal audit function ("**IA**") established within the Frasers Property Group to independently examine and evaluate the activities of the REIT Manager, focusing on the adequacy and effectiveness of internal controls, risk management and corporate governance processes.

The Frasers Property Group IA Department is independent of the activities that it audits. The Head of the Frasers Property Group IA, who is a Certified Fraud Examiner and a Fellow of The Institute of Singapore Certified Accountants (ISCA), CPA Australia and ACCA, reports directly to the Chairman of the ARC Committee. The Head of the Frasers Property Group IA and the Singapore-based IA staff are members of the Institute of Internal Auditors, Singapore and the Frasers Property Group IA has adopted and complied with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors, Inc. To ensure that the internal audits are effectively performed, it recruits and employs suitably qualified staff with the requisite skills and experience. Such staff are also given relevant training and development opportunities to update their technical knowledge and auditing skills. All IA staff received relevant technical training and attended seminars organised by the Institute of Internal Auditors, Singapore or other professional bodies.

The Frasers Property Group IA operates within the framework stated in the Terms of Reference as contained in the Internal Audit Charter approved by the ARC Committee. It adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned to key risks of FCOT. Based on risk assessments performed, greater focus and appropriate review intervals are set for higher risk activities and material internal controls. The audit scope also included review of compliance with the policies, procedures and regulatory responsibilities of FCOT and the Manager.

During the year, the Frasers Property Group IA conducted its audit reviews based on the approved Internal Audit Plan. All audit reports detailing audit findings and recommendations are provided to Management who would respond on the actions to be taken. Each quarter, the Frasers Property Group IA would submit to the ARC Committee a report on the status of the Audit Plan and on audit findings and actions taken by Management on such findings. Key findings are highlighted at the ARC Committee meetings for discussion and follow-up action. The ARC Committee monitors the timely and proper implementation of appropriate follow-up measures to be undertaken by Management.

The ARC Committee is satisfied that for FY2018, the internal audit function is adequately resourced and has appropriate standing within FCOT and the Manager to perform its functions effectively.

Unitholder Rights and Responsibilities

Principle 14: Unitholder Rights

The Manager believes in treating all Unitholders fairly and equitably. It aspires to keep all Unitholders and other stakeholders in Singapore and beyond informed of FCOT's activities, including changes (if any) in FCOT's business which are likely to materially affect the price or value of its Units, in a timely and consistent manner.

Unitholders are also given the opportunity to participate effectively and vote at general meetings of FCOT. Relevant rules and procedures governing such meetings, including procedures on voting, are disclosed to Unitholders at the beginning of such meetings.

Principle 15: Communication with Unitholders

The Manager is committed to regular, effective and fair communication with its Unitholders. It has a dedicated investor relations team which handles communications with investors, the investment community, analysts and the media.

Briefings for analysts and luncheon for investors are generally held in conjunction with the release of FCOT's half-year and full-year financial results. To ensure transparency, press releases and presentation slides are released to SGX-ST via SGXNET, and posted on FCOT's website at www.fraserscommercialtrust.com. Both announcements through FCOT's website and the SGXNET are the principal media of communication with Unitholders. Webcasts of the Manager's presentations of FCOT's half year and full year results are available on the FCOT website on the day of release of the respective results for greater accessibility and transparency.

FCOT is also a signatory to the 2018 Corporate Governance Statement of Support organised by SIAS where FCOT has pledged its commitment to uphold high standards in corporate governance.

Principle 16: Conduct of Unitholder Meetings

A copy of the FCOT Annual Report is made available to all Unitholders. In compliance with the Code on CIS, an annual general meeting of Unitholders ("**AGM**") is held after the close of each financial year, to allow the Manager to present its report to Unitholders and propose resolutions for Unitholders to approve. Unitholders are also given opportunities to ask questions or give feedback to the Manager. At FCOT's 9th AGM held during the year, Unitholders voted on each of the proposed resolutions by poll, using an electronic voting system. This allowed all Unitholders present or represented at the meeting to vote on a per Unit basis. The voting results were screened at the meeting and announced to the SGX- ST after the meeting. As and when an extraordinary general meeting for FCOT is convened, a circular will be sent in advance to each Unitholder. The circular will contain details of the matters proposed for Unitholders' consideration and approval.

Board members and Management are in attendance at Unitholders' meetings where Unitholders are given the opportunity to raise questions and clarify any issues they may have relating to the resolutions to be passed. The external auditors are also present to address queries about the conduct of audit and the preparation and content of the auditors' report.

Dealings in Units

The Manager has adopted a Dealing Policy on securities trading which provides guidance with regard to dealings in the FCOT units by its Directors, officers and employees. Directors, officers and employees are prohibited from dealing in FCOT units:

- in line with the Listing Rule 1207(19)(c) on Dealings in Securities, two weeks before the date of announcement of quarterly financial statements and one month before the date of announcement of full-year results ("**Prohibition Period**"); and/or
- at any time while in possession of unpublished material or price sensitive information.

Directors, officers and employees are also directed to refrain from dealing in FCOT units on short-term considerations.

Prior to the commencement of the Prohibition Period, Directors, officers and employees of the Manager will be reminded not to trade during the relevant period or whenever they are in possession of unpublished price sensitive information. Outside of the Prohibition Period, any trades by Directors, officers and employees of the Manager must be reported to the Board within 48 hours. Every quarter, each Director, officer or employee is required to complete and submit a declaration form to the Compliance Officer to report any trades he/she has made in FCOT units in the previous quarter and confirm that no trades were made during the Prohibition Period. A quarterly report will be provided to the ARC Committee. Any non-compliance with the Dealing Policy, such as trading within the Prohibition Period, will be reported to the ARC Committee for its review and instructions.

In compliance with the Dealing Policy in relation to the Manager, prior Board approval is required before the Manager deals or trades in any FCOT units. The Manager has undertaken that it will not deal in FCOT units:

(a) during the period commencing one month before the public announcement of FCOT's annual results and (where applicable) property valuations and two weeks before the public announcement of FCOT's quarterly results; and/or
(b) whenever it is in possession of unpublished material price sensitive information.

The Manager has also given an undertaking to the MAS that it will announce to the SGX-ST the particulars of its holdings in FCOT units and any changes thereto, within two business days after the date on which it acquires or disposes of any FCOT units, as the case may be.

Conflicts of Interest

Procedures put in place to address potential conflicts of interest (including in relation to Directors, officers and employees) which may arise in managing FCOT include:

- the Manager is to be dedicated to managing FCOT and will not directly or indirectly manage other REITs, without first obtaining approval from MAS.
- all executive officers are to be employed by the Manager.
- all resolutions in writing of Directors in relation to matters concerning FCOT must be approved by a majority of the Directors, including at least one Independent Director.
- at least one third of the Board shall comprise Independent Directors.
- on matters where Frasers Property, its subsidiaries or shareholders have an interest (directly or indirectly), Directors nominated by them shall abstain from voting. In such matters, the quorum must comprise a majority of Independent Directors and exclude nominee Directors of Frasers Property and/or its subsidiaries.
- an interested Director is required to disclose his interest in any proposed transaction with FCOT and is to abstain from voting on resolutions approving the transaction.

Interested Person Transactions

There is no general mandate obtained for interested person transactions ("**IPTs**" and each an "**IPT**"). All IPTs are undertaken on normal commercial terms and the Board, with the assistance of the ARC Committee, ensures that IPTs are not prejudicial to the interests of FCOT and the minority Unitholders. This may entail (where practicable) obtaining and comparing with quotations from parties unrelated to the Manager, or obtaining one or more valuations from independent professional valuers (in accordance with the Code on CIS).

All IPTs are entered in a register maintained by the Manager. The internal audit plan includes a half-yearly review of all IPTs recorded in the register. The review includes the examination of the nature of the IPTs and its supporting documents or such other data deemed necessary by the ARC Committee. The ARC Committee reviews the internal audit reports to ascertain that internal procedures and the relevant provisions of the Listing Manual and the Code on CIS are complied with by Management in its dealings on IPTs. British and Malayan Trustees Limited, in its capacity as trustee of FCOT (the "**Trustee**"), has the right to review any such relevant internal audit reports to ascertain that the requirements under the Code on CIS have been complied with.

Directors interested in a proposed IPT to be entered into by FCOT are required to abstain from any deliberations or decisions in relation to that IPT.

Any IPT proposed to be entered into between FCOT and an interested person, would require the Trustee to satisfy itself that such IPT is conducted on normal commercial terms, is not prejudicial to the interests of FCOT and its Unitholders, and is in accordance with all applicable requirements of the Code on CIS and the Listing Manual.

Additional Disclosure on Fees Payable to the Manager

Pursuant to the Trust Deed, the Manager is entitled to receive the following fees:

Type of Fee	Computation and Form of Payment	Rationale and Purpose
Base Fee	Pursuant to Clauses 15.2(a)(1) and 15.3 of the Trust Deed, the Manager is entitled to receive a Base Fee at the rate of not more than 0.5% per annum of the Value of FCOT's Assets which comprise Real Estate. The Base Fee is payable calendar quarterly in arrears, in the form of cash and/or Units as the Manager may elect.	The Base Fee is payable to the Manager for managing FCOT's business in accordance with the Trust Deed for the benefit of Unitholders, which includes setting the strategic direction of FCOT in accordance with its stated investment strategies, as well as for related costs and expenses of the Manager including operational and administrative overheads. The Base Fee is calculated at a fixed percentage of real estate asset value as the scope of the Manager's duties is commensurate with the size of FCOT's asset portfolio.
Performance Fee	Pursuant to Clauses 15.2(a)(2) and 15.4 of the Trust Deed, the Manager is entitled to receive a Performance Fee at the rate of 3.5% per annum of the Net Real Estate Income less the Base Fee for the relevant financial year. The Performance Fee is payable in the form of cash and/or Units as the Manager may elect. With effect from 1 October 2016, the Performance Fee shall be paid annually, in compliance with the Property Funds Appendix.	The Performance Fee, which is based on Net Real Estate Income, aligns the interests of the Manager with Unitholders as the Manager is incentivised to proactively focus on improving rentals and optimising the operating costs and expenses of FCOT's properties. Linking the Performance Fee to Net Real Estate Income will also motivate the Manager to ensure the long-term sustainability of the assets instead of taking on excessive short-term risks to the detriment of Unitholders.
Acquisition Fee	Pursuant to Clauses 15.2(a)(3) and 15.5 of the Trust Deed, the Manager is entitled to receive an Acquisition Fee of not more than 1.0% of the acquisition price of any Real Estate purchased by the Trustee for FCOT (pro-rated if applicable to the proportion of the interest of FCOT in the asset acquired). Subject to the Property Funds Appendix, the Acquisition Fee is payable as soon as practicable after completion of the acquisition in the form of cash and/or Units as the Manager may elect.	The Acquisition Fee and Divestment Fee seek to motivate and compensate the Manager for the time, cost and effort spent (in the case of an acquisition) in sourcing, evaluating and executing potential opportunities to acquire new properties to further grow FCOT's asset portfolio or, (in the case of a divestment) in rebalancing and unlocking the underlying value of the existing properties. The Manager provides these services over and above the provision of ongoing management services with the aim of enhancing long-term returns, income sustainability and achieving the investment objectives of FCOT. The Acquisition Fee is higher than the Divestment Fee because there is additional work required to be undertaken in terms of sourcing, evaluating and conducting due diligence for an acquisition, as compared to a divestment.
Divestment Fee	Pursuant to Clauses 15.2(a)(4) and 15.5 of the Trust Deed, the Manager is entitled to receive a Divestment Fee of not more than 0.5% of the sale price of any Real Estate sold or divested by the Trustee (pro-rated if applicable to the proportion of the interest of FCOT in the asset sold). Subject to the Property Funds Appendix, the Divestment Fee is payable as soon as practicable after completion of the sale or disposal in the form of cash and/or Units as the Manager may elect.	

Guidelines for Disclosure

	Guideline	Questions	How has the Company complied
1.	General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	Please refer to the disclosures and references in this table for the specific deviations from the Code.
2.		(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	The Manager has adopted alternative corporate governance practices which reflect the fact that the Manager itself is not a listed entity but that the entity which it manages, Frasers Commercial Trust ("**FCOT**"), is listed and managed externally by the Manager.
Board Responsibility			
3.	Guideline 1.5	What are the types of material transactions which require approval from the Board?	Please refer to page 121 of this Annual Report.
Members of the Board			
4.	Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	Please refer to pages 122-125 of this Annual Report.
5.		(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	Please refer to pages 122-125 of this Annual Report.
6.		(c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?	Please refer to pages 122-125 of this Annual Report.
7.	Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	No new Directors were appointed or re-elected in the financial period. Directors of the Manager are not subject to periodic retirement by rotation.
8.	Guideline 1.6	(a) Are new directors given formal training? If not, please explain why.	Yes. Please refer to page 121 of this Annual Report.
9.		(b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	Please refer to page 121 of this Annual Report.
10.	Guideline 4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	No maximum number has been prescribed.
11.		(b) If a maximum number has not been determined, what are the reasons?	Please refer to page 125 of this Annual Report.
12.		(c) What are the specific considerations in deciding on the capacity of directors?	Please refer to page 125 of this Annual Report.
Board Evaluation			
13.	Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	Please refer to pages 125-126 of this Annual Report.
14.		(b) Has the Board met its performance objectives?	Yes. Please refer to pages 125-126 of this Annual Report.

	Guideline	Questions	How has the Company complied
Independence of Directors			
15.	Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Yes. Please refer to pages 122-125 of this Annual Report.
16.	Guideline 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.	None.
17.		(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
18.	Guideline 2.4	(a) Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	None.
Disclosure on Remuneration			
19.	Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance related income/bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	The fees paid to all the directors for the financial year have been disclosed. Please refer to page 127 of this Annual Report. With regard to disclosure of the CEO's remuneration, please refer to page 129 of this Annual Report.
20.	Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/ bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Please refer to page 129 of this Annual Report.
21.		(b) Please disclose the aggregate remuneration paid to the top key management personnel (who are not directors or the CEO).	Please refer to page 129 of this Annual Report.
22.	Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	No.
23.	Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	Please refer to pages 126-129 of this Annual Report. There are no executive directors on the Board of the Manager.
24.		(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	Please refer to pages 126-129 of this Annual Report.
25.		(c) Were all of these performance conditions met? If not, what were the reasons?	Please refer to pages 126-129 of this Annual Report.

	Guideline	Questions	How has the Company complied
Risk Management and Internal Controls			
26.	Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	Please refer to page 126 of this Annual Report.
27.	Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	Yes. Please refer to page 133 of this Annual Report.
28.	Guideline 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	Please refer to page 131 of this Annual Report.
29.		(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Please refer to page 131 of this Annual Report.
30.	Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	Please refer to pages 183-184 of this Annual Report.
31.		(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	Please refer to page 133 of this Annual Report.
Communication with Shareholders			
32.	Guideline 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	Yes. Please refer to page 134 of this Annual Report.
33.		Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Yes. Please refer to page 134 of this Annual Report.
34.	Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not applicable. Please refer to the "Distribution Statements" on pages 150-151 of this Annual Report.


China Square Central | Singapore

Financial Statements Contents

Report of the Trustee

British and Malayan Trustees Limited (the "Trustee") is under a duty to take into custody and hold the assets of Frasers Commercial Trust (the "Trust") and its subsidiaries (collectively, the "Group") in trust for the holders of the Units ("Unitholders") in the Trust (the "Units"). In accordance with, among other things, the Securities and Futures Act (Cap. 289), its subsidiary legislation, the Code on Collective Investment Schemes and the Listing Manual (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of Frasers Commercial Asset Management Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 12 September 2005 (as amended by the amending and restating deeds on 23 February 2006, 20 March 2006 and 27 July 2010, and supplemental deeds of amendments dated 30 April 2007, 31 March 2009, 29 July 2009, 26 August 2009, 25 November 2009, 28 January 2010, 20 January 2011, 22 August 2012, 16 December 2015, 20 January 2017 and 22 January 2018) between the Trustee and the Manager (the "Trust Deed") in each annual accounting period and report thereon to Unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the financial year covered by these financial statements, set out on pages 148 to 201, comprising the Consolidated Balance Sheet and Consolidated Portfolio Statement of the Group and the Balance Sheet and Portfolio Statement of the Trust as at 30 September 2018, the Consolidated Statement of Total Return, Consolidated Distribution Statement, Consolidated Statement of Movements in Unitholders' Funds and Consolidated Cash Flow Statement of the Group and the Statement of Movements in Unitholders' Funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee,
British and Malayan Trustees Limited

Paul Martin Pavey
Director

Colin Lee Yung Shih
Director

Singapore
23 November 2018

Statement by the Manager

In the opinion of the directors of Frasers Commercial Asset Management Ltd., the accompanying financial statements, set out on pages 148 to 201, comprising the Consolidated Balance Sheet and Consolidated Portfolio Statement of the Group and the Balance Sheet and Portfolio Statement of the Trust as at 30 September 2018, the Consolidated Statement of Total Return, Consolidated Distribution Statement, Consolidated Statement of Movements in Unitholders' Funds and Consolidated Cash Flow Statement of the Group and the Statement of Movements in Unitholders' Funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, are drawn up so as to present fairly, in all material respects, the financial positions of the Group and of the Trust as at 30 September 2018, the total return of the Group, movements in Unitholders' funds of the Group and of the Trust and cash flows of the Group for the financial year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed.

At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Frasers Commercial Asset Management Ltd.

Bobby Chin Yoke Choong
Chairman and Director

Christopher Tang Kok Kai
Director

Singapore
23 November 2018

Independent Auditors' Report

TO THE UNITHOLDERS
FRASERS COMMERCIAL TRUST
(CONSTITUTED UNDER A TRUST DEED IN THE REPUBLIC OF SINGAPORE)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Frasers Commercial Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the Consolidated Balance Sheet and Consolidated Portfolio Statement of the Group and the Balance Sheet and Portfolio Statement of the Trust as at 30 September 2018, the Consolidated Statement of Total Return, Consolidated Distribution Statement, Consolidated Statement of Movements in Unitholders' Funds and Consolidated Cash Flow Statement of the Group and the Statement of Movements in Unitholders' Funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 148 to 201.

In our opinion, the accompanying consolidated financial statements of the Group and the Balance Sheet and Statement of Movements in Unitholders' Funds of the Trust present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 30 September 2018 and the consolidated financial performance, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the movements in unitholders' funds of the Trust for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* ("RAP 7") issued by the Institute of Singapore Chartered Accountants (the "ISCA").

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Portfolio Statement and Note 3 to the financial statements)

Risk

The Group owns investment properties in Singapore and Australia, which comprise primarily office and business space buildings with retail and car parks. As at 30 September 2018, the investment properties represent the single largest asset category on the Consolidated Balance Sheet, at a carrying amount of S$1.98 billion.

The investment properties are stated at their fair values based on independent external valuations. The valuation process is considered a key audit matter because it involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. Any changes in the assumptions will have an impact on the valuation.

Independent Auditors' Report (cont'd)

Our response

We assessed the Group's processes for the selection of the external valuers, the determination of the scope of work of the valuers, and the review and acceptance of the valuation reports issued by the external valuers.

We evaluated the qualifications and competence of the external valuers and held discussions with the valuers to understand their valuation methods and assumptions used.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We tested the integrity of inputs of the projected cash flows used in the valuation to supporting leases and other documents. We challenged the capitalisation, discount and terminal capitalisation rates used in the valuations by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

Our findings

The Group has a structured process in appointing and instructing valuers, and in reviewing and accepting their valuations. The valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work.

The approach to the methodologies and in deriving the key assumptions in the valuation is supported by market practices and data.

Accounting for acquisitions
(Refer to Note 5 to the financial statements)

Risk

The Group makes acquisitions as part of its business strategy. During the year, the Group acquired 50% equity interests in Farnborough Business Park Limited, which owns the Farnborough Business Park, located in the United Kingdom (the "Acquisition") for consideration of S$155.75 million.

Such transactions can be complex and judgement is involved in determining whether each transaction is a business combination or an acquisition of an asset, with different accounting treatment applicable.

The assessment of this judgement is a key focus area of our audit.

Our response

We have assessed the accounting of the acquisition by examining legal and contractual documents to determine whether the acquisition is a business combination or an asset acquisition.

Our findings

The acquisition has been appropriately accounted for as an acquisition of asset.

Independent Auditors' Report (cont'd)

Other Information

The management of Frasers Commercial Asset Management Ltd., the manager of the Trust (the "Manager"), is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the Unitholders' Statistics ('the Report') which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager and take appropriate actions in accordance with SSAs.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the ISCA, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the financial reporting process of the Group.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group.

Independent Auditors' Report (cont'd)

***Auditors' responsibilities for the audit of the financial statements** (cont'd)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Karen Lee Shu Pei.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
23 November 2018

Balance Sheets

AS AT 30 SEPTEMBER 2018

	Note	Group 2018 S$'000	Group 2017 S$'000	Trust 2018 S$'000	Trust 2017 S$'000
Non-current assets					
Investment properties	3	1,977,288	2,070,857	1,140,400	1,212,000
Subsidiaries	4	–	–	472,422	313,236
Investment in joint venture	5	156,999	–	–	–
Loan to a subsidiary	7	–	–	86,173	92,542
Fixed assets	8	40	65	40	65
Deferred tax assets	9	330	355	–	–
Derivative financial instruments	10	1,734	–	1,734	–
Total non-current assets		2,136,391	2,071,277	1,700,769	1,617,843
Current assets					
Trade and other receivables	11	3,370	2,623	99,435	73,964
Prepayments		1,730	10,433	30	133
Cash and cash equivalents	12	31,589	74,609	25,738	69,654
Total current assets		36,689	87,665	125,203	143,751
Total assets		2,173,080	2,158,942	1,825,972	1,761,594
Less:					
Non-current liabilities					
Interest-bearing borrowings	13	596,490	564,756	389,209	485,251
Derivative financial instruments	10	454	50	112	50
Security deposits		7,621	7,423	7,621	7,423
Deferred tax liabilities	9	72,994	72,813	–	–
Total non-current liabilities		677,559	645,042	396,942	492,724
Current liabilities					
Interest-bearing borrowings	13	17,000	183,194	17,000	39,934
Trade and other payables	14	37,781	29,386	29,094	16,498
Derivative financial instruments	10	237	2,845	–	1,503
Security deposits		6,562	5,670	6,562	5,670
Provision for taxation		3,110	3,456	–	–
Total current liabilities		64,690	224,551	52,656	63,605
Total liabilities		742,249	869,593	449,598	556,329
Net assets		1,430,831	1,289,349	1,376,374	1,205,265
Represented by:					
Unitholders' funds		1,430,831	1,289,349	1,376,374	1,205,265
Units issued at end of financial year ('000)	15	888,601	805,364	888,601	805,364
Unitholders' funds per Unit (S$)		1.61	1.60	1.55	1.50

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Total Return

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

	Note	Group 2018 S$'000	Group 2017 S$'000
Gross revenue	16	133,306	156,551
Property operating expenses	17	(44,034)	(42,708)
Net property income		89,272	113,843
Share of results of joint venture	5	5,497	–
Interest income		316	501
Trust expenses	18	(15,849)	(15,446)
Finance expenses	19	(24,683)	(24,434)
Net income		54,553	74,464
Exchange differences		(2,759)	1,324
Gain on disposal of investment property	3	75,724	–
Net change in fair value of investment properties	3	20,900	60,066
Net change in fair value of derivative financial instruments		(62)	197
Realised gain/(loss) on derivative financial instruments		57	(935)
Total return before tax		148,413	135,116
Taxation	20	(6,695)	(23,672)
Total return for the financial year		141,718	111,444
Earnings per Unit (cents)			
Basic	21	16.53	13.95
Diluted	21	16.53	13.95

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Distribution Statement

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

	Group 2018 S$'000	Group 2017 S$'000
Income available for distribution at beginning of the financial year	19,397	19,485
Total return for the financial year	141,718	111,444
Net effect of (non-taxable)/ non-tax deductible items and other adjustments (Note A)	(58,992)	(32,844)
Distributable income for the financial year (Note B)	82,726	78,600
Income available for distribution	102,123	98,085
Distributions declared during the financial year to Unitholders (Note C)	(80,702)	(78,688)
Income available for distribution at end of the financial year	21,421	19,397
Number of Units entitled to distribution ('000)	892,584	805,815
Distribution per Unit (cents) (Note 30)	2.40	2.41

Note A – Net effect of (non-taxable)/ non-tax deductible items and other adjustments

	Group 2018 S$'000	Group 2017 S$'000
Amortisation and expensing of unamortised borrowing costs	1,465	1,749
Deferred taxation	5,414	20,654
Effects of recognising accounting income on a straight-line basis over the lease term	(566)	1,010
Management fees paid/payable in Units	13,785	1,028
Gain on disposal of investment property	(75,724)	–
Net change in fair value of investment properties	(20,900)	(60,066)
Net change in fair value of derivative financial instruments	62	(197)
Trustee's fees	681	627
Unrealised exchange loss / (gain)	2,676	(1,442)
Gain on disposal of hotel development rights (Note B)	12,775	3,561
Other adjustments	1,340	232
	(58,992)	(32,844)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Distribution Statement (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

Note B – Distributable income for the financial year

	Group 2018 S$'000	Group 2017 S$'000
Attributable to:		
Unitholders		
– from operations	61,553	69,392
– from capital returns	21,173	9,208
	82,726	78,600

Unitholders' distribution from capital returns comprised:–

	Group 2018 S$'000	Group 2017 S$'000
Gain on disposal of hotel development rights (a)	12,775	3,561
Return of capital from a subsidiary (b)	6,302	5,647
Return of capital from a joint venture (c)	2,096	–
	21,173	9,208

(a) This relates to a portion of the net consideration received from the disposal of the hotel development rights in respect of China Square Central in August 2015, which was classified as capital distribution from tax perspective.

(b) This relates to the distribution available to Unitholders arising from the return of capital of an Australian subsidiary.

(c) This relates to distribution available to Unitholders arising from the return of capital attributable to reimbursement of lease incentives, monthly contracted rents and service charges in relation to a car showroom under construction and top-up of rents and void costs for specified unlet units pursuant to the terms for the purchase of Farnborough Business Park, as disclosed in FCOT's SGX-ST Announcement dated 14 December 2017.

Note C – Distributions declared to Unitholders during the financial year

	Group 2018 Distribution rate cents	Group 2018 Amount S$'000	Group 2017 Distribution rate cents	Group 2017 Amount S$'000
– 1 July 2016 to 30 September 2016	–	–	2.4531	19,485
– 1 October 2016 to 31 December 2016	–	–	2.5055	19,939
– 1 January 2017 to 31 March 2017	–	–	2.5057	20,022
– 1 April 2017 to 30 June 2017	–	–	2.3979	19,242
– 1 July 2017 to 30 September 2017	2.4070	19,397	–	–
– 1 October 2017 to 31 December 2017	2.4000	19,456	–	–
– 1 January 2018 to 31 January 2018	0.8000	6,486	–	–
– 1 February 2018 to 31 March 2018	1.6000	14,115	–	–
– 1 April 2018 to 30 June 2018	2.4000	21,248	–	–
		80,702		78,688

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Movements in Unitholders' Funds

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

	Group		Trust	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
Balance at beginning of the financial year	1,289,349	1,228,416	1,205,265	1,200,043
Operations				
Changes in net assets attributable to Unitholders' funds resulting from operations	141,718	111,444	129,882	67,641
Foreign currency translation reserve				
Movement for the financial year	(42,227)	9,610	–	–
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges	2,267	4,343	1,503	2,045
Unitholders' transactions				
Issuance of Units	122,009	14,565	122,009	14,565
Issue expenses	(1,583)	(341)	(1,583)	(341)
	120,426	14,224	120,426	14,224
Distributions to Unitholders	(80,702)	(78,688)	(80,702)	(78,688)
Change in Unitholders' funds resulting from Unitholders' transactions	39,724	(64,464)	39,724	(64,464)
Balance at end of the financial year	**1,430,831**	**1,289,349**	**1,376,374**	**1,205,265**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Portfolio Statements

AS AT 30 SEPTEMBER 2018

By Geography
Group

Location	Description of property	Acquisition date	Term of lease	Remaining term of lease (years)	Existing use	Carrying amount as at 2018 S$'000	Carrying amount as at 2017 S$'000	Percentage of net assets as at 2018 %	Percentage of net assets as at 2017 %
Singapore									
18, 20 & 22 Cross Street, China Square Central, Singapore 048423/2/1 ("China Square Central")	15-storey office tower and retail podium with basement carpark and heritage shophouses	30/3/2006	Leasehold	77	Commercial	582,400	565,000	40.7	43.8
Alexandra Technopark 438A, 438B & 438C Alexandra Road, Singapore 119967/8/76 ("Alexandra Technopark")	High-tech business space development comprising an 8-storey and a 9-storey air-conditioned buildings with basement carpark and a 3-storey amenity hub	26/8/2009	Leasehold	89	Business space	558,000	508,000	39.0	39.4
55 Market Street, Singapore 048941 ("55 Market Street")(1)	16-storey office and retail building	22/11/2006	Leasehold	NM	Commercial	–	139,000	–	10.8
Australia									
Central Park 152-158 St Georges Terrace, Perth, Western Australia, 6000 ("Central Park")(2)	47-storey office tower with retail and basement carpark	30/3/2006	Freehold	NA	Commercial	288,206	289,831	20.1	22.5
Caroline Chisholm Centre Block 4 Section 13, Tuggeranong, ACT 2900 Australia ("Caroline Chisholm Centre")	5-storey office complex with carpark	18/6/2007 and 13/4/2012	Leasehold	83	Commercial	249,581	265,900	17.4	20.6
357 Collins Street, Melbourne, Victoria 3000 Australia ("357 Collins Street")	25-storey office and retail building with a basement carpark	18/8/2015	Freehold	NA	Commercial	299,101	303,126	20.9	23.5
Total investment properties, at valuation						1,977,288	2,070,857	138.1	160.6

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Portfolio Statements (cont'd)

AS AT 30 SEPTEMBER 2018

By Geography
Group (cont'd)

Location	Description of property	Acquisition date	Term of lease	Remaining term of lease (years)	Existing use	Carrying amount as at 2018 S$'000	Carrying amount as at 2017 S$'000	Percentage of net assets as at 2018 %	Percentage of net assets as at 2017 %
United Kingdom									
Farnborough Business Park, Farnborough, Hampshire, United Kingdom ("Farnborough Business Park")(3)	Business park comprises 14 commercial buildings and carpark	29/1/2018	Freehold	NA	Commercial	156,185	–	10.9	–
Portfolio of investment properties including those accounted for as joint venture, at valuation						2,133,473	2,070,857	149.0	160.6
Other assets and liabilities (net)						(702,642)	(781,508)	(49.0)	(60.6)
Net assets						1,430,831	1,289,349	100.0	100.0

(1) 55 Market Street was divested on 31 August 2018.
(2) The Group has a 50% effective interest in Central Park.
(3) The carrying amount disclosed represents the Group's 50% effective interest in Farnborough Business Park (where its interest is accounted for as a joint venture).

NM denotes not meaningful.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

By Geography
Trust

Location	Description of property	Acquisition date	Term of lease	Remaining term of lease (years)	Existing use	Carrying amount as at 2018 S$'000	Carrying amount as at 2017 S$'000	Percentage of net assets as at 2018 %	Percentage of net assets as at 2017 %
Singapore									
China Square Central	15-storey office tower and retail podium with basement carpark and heritage shophouses	30/3/2006	Leasehold	77	Commercial	582,400	565,000	42.3	46.9
Alexandra Technopark	High-tech business space development comprising an 8-storey and a 9-storey air-conditioned buildings with basement carpark and a 3-storey amenity hub	26/8/2009	Leasehold	89	Business space	558,000	508,000	40.5	42.1
55 Market Street [1]	16-storey office and retail building	22/11/2006	Leasehold	NM	Commercial	–	139,000	–	11.5
Portfolio of investment properties, at valuation						1,140,400	1,212,000	82.8	100.5
Other assets and liabilities (net)						235,974	(6,735)	17.2	(0.5)
Net assets						1,376,374	1,205,265	100.0	100.0

(1) 55 Market Street was divested on 31 August 2018.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

	Group 2018 S$'000	Group 2017 S$'000
Cash flow from operating activities		
Total return before tax	148,413	135,116
Adjustments for:		
Amortisation of leasing fees capitalised	881	957
Depreciation of fixed assets	29	27
Effects of recognising accounting income on a straight-line basis over the lease term	(566)	1,010
Finance expenses	24,683	24,434
Amortisation of leasing incentives capitalised	2,311	1,103
Interest income	(316)	(501)
Management fees paid/payable in Units	13,785	1,028
Gain on disposal of invesment property	(75,724)	–
Net change in fair value of investment properties	(20,900)	(60,066)
Net change in fair value of derivative financial instruments	62	(197)
Realised (gain)/ loss on derivative financial instruments	(57)	935
Share of results of joint venture	(5,497)	–
Operating cash flow before working capital changes	87,104	103,846
Changes in working capital:		
– Trade and other receivables	5,243	(5,611)
– Trade and other payables	(6,924)	1,891
Cash generated from operations	85,423	100,126
Tax paid	(1,411)	(3,302)
Net cash generated from operating activities	84,012	96,824
Cash flow from investing activities		
Proceeds from disposal of investment property	216,800	–
Capital expenditure and leasing incentives on investment properties	(74,419)	(4,334)
Payment for leasing costs capitalised during the year	(1,871)	(1,550)
Investment in joint venture	(155,746)	–
Net income and capital returns received from joint venture	3,603	–
Purchase of fixed assets	(4)	(11)
Interest received	306	456
Net cash used in investing activities	(11,331)	(5,439)
Cash flow from financing activities		
Distributions paid	(70,029)	(64,528)
Interest expenses paid	(23,213)	(21,905)
Issue expenses paid	(1,583)	(341)
Proceeds from private placement of Units	99,999	–
Proceeds from borrowings	382,183	230,000
Payment of transaction costs on borrowings	(994)	(647)
Repayment of borrowings	(501,783)	(230,000)
Realisation of derivative financial instruments	57	(935)
Net cash used in financing activities	(115,363)	(88,356)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated
Cash Flow Statement (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

	Group 2018 S$'000	Group 2017 S$'000
Net (decrease) / increase in cash and cash equivalents	(42,682)	3,029
Cash and cash equivalents at beginning of the financial year	74,609	71,487
Effects of changes in exchange rates on opening cash and cash equivalents	(338)	93
Cash and cash equivalents at end of the financial year (Note 12)	31,589	74,609

Reconciliation of liabilities arising from financing activities

	1 October 2017 S$'000	Financing cash flow S$'000	Non-cash movements: Finance expenses S$'000	Non-cash movements: Foreign exchange movement S$'000	30 September 2018 S$'000
Interest-bearing borrowings and interest payable	749,494	(143,807)	24,683	(15,353)	615,017

Significant non-cash transactions

The following were the significant non-cash transactions:

(i) Management fees paid/payable in Units

9,705,452 (2017: 738,919) Units were issued and issuable in satisfaction of management fee payable in Units which amounted to S$13,785,000 (2017: S$1,028,000).

(ii) Divestment fees paid in Units

771,200 (2017: Nil) Units were issued as payment of divestment fees payable to the Manager in relation to the 55 Market Street, Singapore amounting to S$1,084,000 (2017: Nil).

(iii) Acquisition fees paid in Units

1,038,661 (2017: Nil) Units were issued as payment of acquisition fees payable to the Manager in relation to the acquisition of Farnborough Business Park Ltd, amounting to S$1,571,000 (2017: Nil).

(iv) Distributions paid

Pursuant to the Distribution Reinvestment Plan implemented during the financial year, 7,686,208 (2017: 10,778,324) Units were issued, amounting to S$10,672,000 (2017: S$14,160,000).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

The following accounting policies and explanatory notes form an integral part of the Financial Statements:

1. GENERAL

Frasers Commercial Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to a trust deed dated 12 September 2005 between Frasers Commercial Asset Management Ltd. (the "Manager") and British and Malayan Trustees Limited (the "Trustee"), subsequently amended by amending and restating deeds dated 23 February 2006, 20 March 2006 and 27 July 2010, and further amended by supplemental deed of amendments dated 30 April 2007, 31 March 2009, 29 July 2009, 26 August 2009, 25 November 2009, 28 January 2010, 20 January 2011, 22 August 2012, 16 December 2015, 20 January 2017 and 22 January 2018 (collectively, the "Trust Deed") and sponsored by Frasers Property Limited (formerly known as Frasers Centrepoint Limited). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the "Group") in trust for the holders of Units in the Trust ("Unitholders").

The Trust was formally admitted to the official list of the Singapore Exchange Securities Trading Limited on 30 March 2006 and was included under the Central Provident Fund Investment Scheme on 30 March 2006.

The principal activities of the Group and the Trust are those relating to investment in a portfolio of commercial real estate and real estate related assets with the primary objective of delivering regular and stable distributions to Unitholders, and to achieve long-term growth in such distributions and Unitholders' funds per Unit.

Frasers Commercial Trust is regarded as a subsidiary of Frasers Property Limited for financial reporting purposes. The ultimate holding company of the Trust is TCC Assets Limited, a company incorporated in the British Virgin Islands.

The financial statements were authorised for issue by the Manager and the Trustee on 23 November 2018.

The Group has entered into several service agreements in relation to the management of the Group and its property operations. The fee structures in respect of the services are as follows:

(a) Trustee fees

The Trustee is entitled to receive a fee at the rate of 0.03% per annum of the gross asset value of the Group, subject to a minimum of S$36,000 per annum, excluding out-of-pocket expenses and Goods and Services Tax ("GST"). The fee is paid quarterly in arrears in accordance with the Trust Deed.

(b) Manager's fees

(i) Management fees

The Manager is entitled to management fees comprising a base fee and performance fee as follows:

– Base fees

  The Manager is entitled to receive a base fee of 0.5% per annum of the value of the real estate assets of the Group; and

– Performance fees

  The Manager is entitled to receive a performance fee calculated at the rate of 3.5% per annum of the performance fee amount (being the net real estate asset income less the base fee).

1. GENERAL (CONT'D)

(b) Manager's fees (cont'd)

(i) Management fees (cont'd)

The base fees and performance fees are accrued daily. The base fees are payable quarterly in arrears while the performance fees are payable annually in arrears. The Manager may, at its election, be paid base fees and/or performance fees in cash, in Units or a combination of both. The price of Units issued is determined based on the volume weighted average traded price for a Unit for all trades on the SGX-ST for the last ten business days immediately preceding and including the end date of the relevant periods in which the fees are accrued. During the financial year ended 30 September 2018, the Manager opted to receive 100% (2017:7.5%) of the management fees in the form of Units in the Trust. In 2017, 92.5% of the management fees was received in cash.

(ii) Acquisition and divestment fees

The Manager is entitled to receive an acquisition fee of not more than 1.0% of the acquisition price of properties acquired and a divestment fee of not more than 0.5% of the sale price on properties disposed.

Acquisition and divestment fees are payable as soon as practicable after the completion of the relevant acquisition or divestment.

The Manager may, at its election and subject to applicable requirements under the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS"), be paid acquisition and/or divestment fees in cash, in Units or a combination of both. The price of Units issued is determined based on the volume weighted average price of Units for last ten business days of the relevant financial periods in which the fees accrued for.

During the financial year ended 30 September 2018, the Manager opted to receive 100% (2017: Nil) of the acquisition fees and 100% (2017: Nil) of the divestments fees in the form of Units in the Trust.

(c) Property management fees

A property management agreement was entered into with Frasers Property Management Services Pte Ltd (formerly known as Frasers Centrepoint Property Management Services Pte Ltd) ("FPM Services"), a related company of the Manager for a period of 5 years commencing from 23 February 2016 in respect of China Square Central, Alexandra Technopark and 55 Market Street (the "Singapore Properties"). Under this property management agreement, FPM Services is entitled to receive a property management fee of 3.0% per annum of the gross revenue of the Singapore Properties, leasing commissions and employee costs reimbursement.

FPM Services may, at their election, be paid property management fees in cash, in Units or a combination of both. The price of Units issued is determined based on the volume weighted average price of Units for the ten business days preceding the end of the relevant periods in which the fees are accrued for. During the financial year, FPM Services had elected for 100% (2017: 100%) of the fees payable under the respective property management agreements to be settled in cash.

In Australia, the property managers of Central Park and 357 Collins Street are entitled to fixed property management fees with annual increases, leasing commissions and employee costs reimbursement. The property manager of Caroline Chisholm Centre is entitled to fixed property management fees with annual increases. The property manager of 357 Collins Street is Frasers Property Management Services Pty Limited, a related company of the Manager. The property managers of Central Park and Caroline Chisholm Centre are not related parties of the Manager.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* ("RAP 7") issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the CIS Code issued by the MAS and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("S$"), which is the functional currency of the Trust. All financial information has been rounded to the nearest thousand, unless otherwise stated.

(a) Significant accounting judgements and estimates

The preparation of financial information in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

(i) Note 3 – Valuation of investment properties

(ii) Note 10 – Valuation of derivative financial instruments

2.2 Changes in accounting policies

(a) Revised standards

The Group has applied the following amendments for the first time for the annual period beginning on 1 October 2017:

- Disclosure Initiative (Amendments to FRS 7);
- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to FRS 12); and
- Clarification of the scope of FRS 112 (Improvements to FRSs 2016).

Other than the amendments to FRS 7, the adoption of these amendments did not have any impact on the current or prior period and is not likely to affect future periods.

(b) Disclosure Initiative (Amendment to FRS 7)

From 1 October 2017, as a results of the amendments, the Group has provided additional disclosure in relation to the changes in liabilities arising from financing activities in the Consolidated Cash Flow Statement for the year ended 30 September 2018. Comparative information has not been presented.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 New standards and interpretations not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 October 2017 and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these statements.

(a) Applicable to financial statements for financial year beginning on 1 October 2018

(i) FRS 115 *Revenue from Contracts with Customers* ("FRS 115")

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

Potential impact on the financial statements

The Group does not expect impact on the financial statements to be significant.

Transition

The Group plans to adopt the standard when it becomes effective for the Group on 1 October 2018.

(ii) FRS 109 *Financial instruments* ("FRS 109")

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement* ("FRS 39"). It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

Potential impact on the financial statements

Overall, the Group does not expect a significant impact on its opening Unitholders' funds as at 1 October 2018. The Group's initial assessment of the three elements of FRS 109 is as described below.

Classification and measurement

The Group does not expect a significant change of the measurement basis arising from the new classification and measurement model under FRS 109.

Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.

For financial assets and liabilities currently held at fair value, the Group expects to continue measuring most of these assets and liabilities at fair value under FRS 109.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 New standards and interpretations not yet effective (cont'd)

(a) Applicable to financial statements for financial year beginning on 1 October 2018 (cont'd)

(ii) FRS 109 *Financial instruments* ("FRS 109") (cont'd)

Impairment

The Group plans to apply the simplified approach and record lifetime expected impairment losses on all trade receivables. For other loans and receivables, the Group plans to apply the general approach and record 12-month expected credit losses. The Group does not expect a significant impact on the financial statements upon the adoption of FRS 109.

Hedge accounting

The Group expects that all its existing hedges that are designated in effective hedging relationships will continue to qualify for hedge accounting under FRS 109.

Transition

The Group plans to adopt the standard when it becomes effective for the Group on 1 October 2018.

(b) Applicable to financial statements for financial year beginning on 1 October 2019

(i) FRS 116 *Leases* ("FRS 116")

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use ("ROU") assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 substantially carries forward the lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using existing operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 is also applied.

Potential impact on the financial statements

The Group does not expect the impact on the financial statements to be significant.

Transition

The Group plans to adopt the standard when it becomes effective for the Group on 1 October 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary, if any, are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Investment in subsidiaries are stated in the Trust's balance sheet at cost less accumulated impairment losses.

(b) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the statement of total return. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date the control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(c) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2.5 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement. To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation.

The Group recognises in relation to its interest in a joint operation,

(i) its assets, including its share of any assets held jointly;
(ii) its liabilities, including its share of any liabilities incurred jointly;
(iii) its revenue from the sale of its share of the output arising from the joint operation;
(iv) its share of the revenue from the sale of the output by the joint operation; and
(v) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interests in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Joint arrangements (cont'd)

Investment in joint venture is accounted for using the equity method. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in the joint venture, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has obligation to fund the joint venture's operations or has made payments on behalf of the joint venture.

2.6 Foreign currencies

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Trust and subsidiaries at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the dates of the transactions. Foreign currency differences arising on translation are recognised in the statement of total return.

(b) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments, if any, arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in Unitholders' funds. When a foreign operation is disposed of such that control or joint control is lost, the cumulative amount of foreign currency differences relating to that foreign operation is reclassified to statement of total return as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to the statement of total return.

(c) Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Trust's net investment in a foreign operation are recognised in the statement of total return. Such exchange differences are reclassified to Unitholders' funds in the consolidated financial statements. When the net investment is disposed of, the cumulative amount in Unitholders' funds is transferred to the statement of total return as an adjustment to total return arising on disposal.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost, including transaction costs, on initial recognition and subsequently at fair value with any change therein recognised in the statement of total return.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. Fair value is determined at each balance sheet date in accordance with the Trust Deed. In addition, the investment properties are valued by independent professional valuers at least once a year, in accordance with the CIS Code issued by the MAS.

Subsequent expenditure relating to investment properties that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Investment properties are derecognised when either they have been disposed of or when no future economic benefit is expected from their disposal. Any gains or losses on the disposal are recognised in the statement of total return.

2.8 Fixed assets

Fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes directly attributable costs of bringing the asset to a working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for repair and maintenance are charged to the statement of total return.

The gain or loss on disposal of an item of fixed asset (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of total return.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in the statement of total return on a straight-line basis over the estimated useful lives of the fixed assets. The estimated useful lives of the fixed assets are as follows:

(i)	Furniture and fittings	5 years
(ii)	Equipment	5 years
(iii)	Computers	3 years

The depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial instruments

(a) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the financial instrument.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

(b) Non-derivative financial liabilities

All financial liabilities are recognised initially on the date that the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

(c) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Foreign exchange forward contracts are used to hedge its risks associated primarily with foreign currency fluctuations. Interest rate swap contracts are used to hedge its risks associated with interest rate fluctuations. Cross currency interest rate swap is also used to hedge its risks associated with foreign currency and interest rate fluctuations. It is the Group's policy not to trade in derivative financial instruments.

Derivative financial instruments are recognised initially at fair value; any attributable transaction costs are recognised in statement of total return as incurred. The derivative financial instruments are subsequently re-measured at their fair value. The changes in fair value of any derivative instruments that do not qualify for hedge accounting or are not designated in a hedge relationship that qualifies for hedge accounting are recognised immediately in the statement of total return.

The Group applies hedge accounting for certain hedging relationships, which qualifies for hedge accounting. For the purpose of hedge accounting, these hedges are classified as cash flow hedges. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such hedges are expected to be highly effective in achieving offsetting changes in cash flow and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Financial instruments (cont'd)

(c) Derivative financial instruments (cont'd)

Cash Flow Hedges

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in the hedging reserve, while any ineffective portion is recognised immediately in the statement of total return. Amounts recognised in the hedging reserve are transferred to the statement of total return when the hedged transaction affects the statement of total return, such as when the hedged financial income or financial expense is recognised. If the forecast transaction is no longer expected to occur, amounts previously recognised in hedging reserve are transferred to the statement of total return. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in hedging reserve remain in hedging reserve until the forecast transaction occurs.

When a derivative is not designated in a hedge relationship that qualifies for hedge accounting, all changes in fair value are recognised immediately in the statement of total return.

Hedge of Net Investment in a Foreign Operation

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the parent's functional currency, regardless of whether the net investment is held directly or through an intermediate parent.

In the entities' financial statements, foreign currency differences arising from the re-translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the statement of total return. On consolidation, such differences are recognised in the foreign currency translation reserve in the Unitholders' funds, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the statement of total return. When the hedged net investment is disposed, the cumulative amount in foreign currency translation reserve is transferred to the statement of total return.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheets when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Impairment

(a) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash generating unit exceeds its estimated recoverable amount.

The recoverable amount of an asset or cash generating unit is the greater of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating unit.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Impairment (cont'd)

(a) Non-financial assets (cont'd)

Impairment losses are recognised in the statement of total return.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(b) Non-derivative financial assets

A financial asset not carried at fair value through the statement of total return is assessed at the end of each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the estimated future cash flows of that asset that can be measured reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for the Manager's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in the statement of total return and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of total return.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12 Unitholders' funds

Unitholders' funds represent the residual interest in the Group's net assets upon termination and are classified as equity.

Expenses incurred in the issuance and placement of Units are deducted directly against Unitholders' funds.

2.13 Leases

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.14(a). Contingent rents are recognised as revenue in the period in which they are earned.

2.14 Revenue recognition

(a) Rental income from operating leases

Rental income from investment properties is recognised in the statement of total return on a straight-line basis over the term of the lease.

(b) Interest income

Interest income is recognised as it accrues in the statement of total return, using the effective interest method.

(c) Dividend and distribution income

Dividend and distribution income is recognised in the statement of total return on the date when the right to receive payment is established.

(d) Other property income

Other property income comprises mainly outgoing recoverables and is recognised when the services are rendered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Finance costs

Finance costs comprise interest expenses on borrowings and expenses incurred in connection with the arrangement of debt facilities.

Interest expenses on borrowings are recognised in the statement of total return using the effective interest method. Expenses incurred in connection with the arrangement of debt facilities are recognised in the statement of total return on an effective interest basis over the period for which the debt facilities are granted.

2.16 Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of total return except to the extent that they relate to items recognised directly in Unitholders' funds.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payables in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- temporary differences related to investments in subsidiaries and joint arrangements to the extent that the Group is able to control the timing of reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax on temporary differences arising from investment properties measured at fair value is measured at the tax rates that are expected to be applied, based on a rebuttable presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(a) Tax Transparency Ruling

Pursuant to the Tax Transparency Ruling issued by IRAS, tax transparency treatment has been granted on the Trust's taxable income from properties ("Taxable Income") that is distributed to the Unitholders. Subject to meeting the terms and conditions of the Tax Transparency Ruling, the Trust will not be assessed tax on the Taxable Income. Instead, the Trust will deduct income tax at the prevailing corporate tax rate, currently at 17.0% (2017: 17.0%), from the distributions made to Unitholders that are made out of the Taxable Income of the Trust, except:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Income taxes (cont'd)

(a) Tax Transparency Ruling (cont'd)

(i) where the beneficial owners are individuals or qualifying Unitholders, who are not acting in the capacity of a trustee, the Trust will make the distributions to such Unitholders without deducting any income tax; and

(ii) where the beneficial owners are qualifying foreign non-individual investors or where the Units are held by nominee Unitholders who can demonstrate that the Units are held for beneficial owners who are qualifying foreign non-individual investors, the Trust will deduct/withhold tax at the reduced rate of 10.0% from the distribution made during the period from 18 February 2005 to 31 March 2020 (both dates inclusive).

A qualifying Unitholder is a Unitholder who is:

(i) a tax resident Singapore-incorporated company;

(ii) a body of persons incorporated or registered in Singapore, including charities registered under Charities Act (Cap. 37) or established by any written law, town councils, statutory boards, co-operative societies registered under the Co-operatives Societies Act (Cap. 62) or trade unions registered under the Trade Unions Act (Cap. 333);

(iii) a Singapore branch of a foreign company;

(iv) an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145).; or

(v) real estate investment trust exchange-traded funds ("REIT ETFs") which have been accorded the tax transparency treatment.

(vi) an individual (including those who purchased units in the Trust through agent banks or Supplementary Retirement Scheme ("SRS") operators which act as a nominee under the CPF Investment Scheme or the SRS respectively); and

(vii) a nominee who can demonstrate that the Units are held for beneficial owners who are individuals or who fall within the classes of Unitholders listed in (i) to (iv) above.

A qualifying foreign non-individual Unitholder is one who is not a resident of Singapore for income tax purposes and:

(i) who does not have a permanent establishment in Singapore; or

(ii) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation in Singapore.

Under Tax Transparency Ruling, the Trust will distribute at least 90.0% of its Taxable Income, comprising substantially income from the letting of real estate properties in Singapore and incidental property related service income and income from management or holding of real estate properties. For the remaining amount of Taxable Income of the Trust not distributed, tax will be assessed on and collected from the Trust on such remaining amount (referred to as "Retained Taxable Income").

In the event where a distribution is subsequently made out of such Retained Taxable Income, the Trust will not have to make a further deduction of income tax from the distribution.

In the event that there are subsequent adjustments to the Taxable Income when the actual Taxable Income of the Trust is finally agreed with IRAS, such adjustments are taken up as an adjustment to the Taxable Income for the next distribution following the agreement with IRAS.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Income taxes (cont'd)

(a) Tax Transparency Ruling (cont'd)

The above tax transparency ruling does not apply to gains from the sale of real estate properties in Singapore and other income not constituting Taxable Income. Such gains, when determined by the IRAS to be trading gains, are assessable to tax on the Trustee. Where the gains are capital gains, the Trustee will not be assessed to tax and may distribute the capital gains without tax being deducted at source.

(b) Tax Exemption Rulings on Foreign Sourced Income

Pursuant to Income Tax Exemption under Section 13(12) of the Singapore Income Tax Act, FCOT has obtained tax rulings from the IRAS in respect certain foreign sourced income (including foreign-sourced dividends and foreign-sourced interest income) derived from its properties located overseas. Subject to satisfying certain conditions, such income is exempt from Singapore income tax and the Trust can distribute such income after deduction of its tax-deductible expenses, to Unitholders without tax deduction at source.

2.17 Earnings per Unit ("EPU")

The Group presents basic and diluted EPU data for its Units. Basic EPU is calculated by dividing the total return attributable to Unitholders of the Group by the weighted average number of Units outstanding during the year. Diluted EPU is determined by adjusting the total return attributable to Unitholders and the weighted average number of Units outstanding for the effects of all dilutive potential Units, if any.

2.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

Management has determined the operating segments based on the reports reviewed by Chief Operating Decision Makers ("CODMs") that are used to make strategic decisions.

CODMs include Chief Executive Officer, Chief Financial Officer, Asset Managers and Investment Manager. CODMs review the Group's internal reporting in order to assess performance and operations of the Group. Management has determined the operating segments based on these assessments. The CODMs consider the business segment from a geographic perspective as it is based on the Group's management and internal reporting structure.

Segment results and assets include items directly attributable to a segment as well as those that are allocated on a reasonable basis. Unallocated items mainly comprise interest income, trust expenses, finance expenses and assets that are not attributable to any segment.

Segment capital expenditure is the total costs incurred on investment properties during the financial year.

2.19 Distribution policy

The Trust has a policy to distribute at least 90.0% of its taxable income (other than gains from the sale of real estate properties that are determined by IRAS to be trading gains) and tax-exempt income, with the actual level of distribution to be determined at the discretion of the Manager.

Distributions are made on a quarterly basis, with the amount calculated as at 31 December, 31 March, 30 June and 30 September each year for the three-month financial period ending on each of the said dates. In accordance with the provisions of the Trust Deed, the Manager is required to pay distributions within 60 days of the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

3. INVESTMENT PROPERTIES

	Group		Trust	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
At beginning of the financial year	2,070,857	1,989,287	1,212,000	1,209,500
Capital expenditure (Note 3(a))	53,958	5,788	48,049	4,667
Capitalised leasing incentives, net (Note 3(a))	29,075	–	–	–
Capitalised leasing fees, net	990	593	481	(181)
Effects of recognising accounting income on a straight-line basis over the lease term	566	(1,010)	1,046	(529)
Disposal of investment property (Note 3(b))	(139,907)	–	(139,907)	–
Revaluation of investment properties	20,900	60,066	18,731	(1,457)
Foreign currency translation differences	(59,151)	16,133	–	–
At end of the financial year	1,977,288	2,070,857	1,140,400	1,212,000

(a) For the year ended 30 September 2018, the Group incurred capital expenditure and net capitalised leasing incentives with an aggregate cost of S$83,033,000 (2017: S$5,788,000). The cash outflow on the capital expenditure and leasing incentives amounted to S$74,419,000 (2017: S$4,334,000). The remaining amount was unpaid as at 30 September 2018 and 30 September 2017.

(b) The divestment of 55 Market Street, Singapore was completed on 31 August 2018. The gross sales proceeds was S$216,800,000 and gain on disposal of investment property was S$75,724,000, which was net of transaction expenses.

(c) The fair values of investment properties are determined by the following independent property valuers as at 30 September 2018:

China Square Central	: Knight Frank Pte Ltd (2017: Jones Lang LaSalle Property Consultants Pte Ltd)
Alexandra Technopark	: Jones Lang LaSalle Property Consultants Pte Ltd (2017: Jones Lang LaSalle Property Consultants Pte Ltd)
55 Market Street	: Not applicable (2017: Jones Lang LaSalle Property Consultants Pte Ltd)
Central Park	: Knight Frank Australia Pty Ltd (2017: Jones Lang LaSalle Advisory Services Pty Ltd)
Caroline Chisholm Centre	: Jones Lang LaSalle Advisory Services Pty Ltd (2017: Jones Lang LaSalle Advisory Services Pty Ltd)
357 Collins Street	: Knight Frank Valuation & Advisory Victoria (2017: Colliers International, Australia)

(d) In accordance with the CIS Code, the Group rotates the valuers at least every two years. In relying on the valuation reports, the Manager exercised its judgement and was satisfied that the independent valuers had appropriate professional qualifications and recent experience in the location and category of the properties being valued, and the valuation estimates were reflective of the current market conditions. Key valuation inputs were reported to the Board of the Manager.

(e) In determining the fair values, the valuers considered valuation techniques including, income capitalisation method, discounted cash flow analysis and direct comparison method. Details of valuation techniques and inputs used are disclosed in Note 26(c).

(f) As at 30 September 2018 and 30 September 2017, the investment properties of the Group, are subject to negative pledge and no investment properties of the Group was pledged as security for the Group's borrowings.

4. SUBSIDIARIES

	Trust 2018 S$'000	Trust 2017 S$'000
Unquoted equity shares, at cost	421,926	108,169
Redeemable preference shares, at cost	50,496	205,067
	472,422	313,236

As at 30 September 2018, the Trust assessed whether there is an indication of impairment on its investments in subsidiaries. If any indication of impairment exist, the Trust makes an estimate of the subsidiary's recoverable amount, based on the fair values of the underlying net assets held by the subsidiary. There were no indicators of impairment identified as at 30 September 2018 and 30 September 2017.

Details of subsidiaries

	Principal Activities	Effective equity held by the Group 2018 %	Effective equity held by the Group 2017 %
Direct subsidiaries			
Incorporated in Singapore			
Frasers Commercial Sub No. 1 Pte. Ltd. [1]	Investment holding	100	100
Frasers Commercial Sub No. 2 Pte. Ltd. [1]	Investment holding	100	100
Frasers Commercial Sub No. 3 Pte. Ltd. [1]	Investment holding	100	100
Frasers Commercial Sub No. 4 Pte. Ltd. [1]	Investment holding	100	100
FCOT Treasury Pte. Ltd. [1]	Treasury services	100	100
Frasers Commercial (UK) Sub. 1 Pte. Ltd. [1][3]	Investment holding	100	–
Indirect subsidiaries			
Incorporated in Singapore			
Frasers Commercial Investments No. 1 Pte. Ltd.[1]	Investment holding	100	100
Incorporated in Cayman Islands			
Frasers Commercial Investments No. 3 Pty Ltd [2]	Investment holding	100	100
Frasers Commercial Investments No. 4 Pty Ltd [2]	Investment holding	100	100
Incorporated/constituted in Australia			
Central Park Landholding Trust [2]	Property investment	100	100
Collins Street Landholding Trust [2]	Property investment	100	100
Athllon Drive Landholding Trust [2]	Property investment	100	100
ARC Trust [2]	Investment holding	100	100
APF Management Pty Ltd [1]	Trustee	100	100
ARCOT Pty Limited [1]	Trustee	100	100
Athllon Trustee Pty Ltd [1]	Trustee	100	100
TFS Collins Pty Ltd [1]	Trustee	100	100

Notes:
(1) Audited by KPMG in the respective countries.
(2) Not required to be audited.
(3) The Company was incorporated on 9 January 2018 to acquire the Group's 50% interest in Farnborough Business Park Ltd (Note 5).

5. INVESTMENT IN JOINT VENTURE

The Group has a 50% (2017: Nil) interest in the ownership and voting rights in a joint venture, Farnborough Business Park Ltd (formerly known as HEREF Farnborough Limited), that is held through a subsidiary. The acquisition of Farnborough Business Park Ltd was completed on 29 January 2018. This joint venture was incorporated in Jersey and owns 100% interest in Farnborough Business Park, an investment property located in the United Kingdom. The Group jointly controls Farnborough Business Park Ltd with an indirect subsidiary of Frasers Property Limited under contractual agreement and unanimous consent is required for all major decisions over the relevant activities.

Summarised financial information in respect of Farnborough Business Park Ltd based on its FRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	2018 S$'000
Investment property[1]	312,370
Cash and cash equivalents	4,848
Trade and other receivables	3,446
Current assets	8,294
Total assets	320,664
Current liabilities representing the total liabilities	6,667
Net assets	313,997
Proportion of the Group's ownership	50%
Group's share of net assets representing the carrying amount of the investment	156,999

Summarised statement of comprehensive income

	2018 S$'000
Gross revenue	15,265
Property operating expenses	(5,351)
Net property income	9,914
Other income, net	1,471
Income tax expense	(391)
Profit after tax	10,994
Other comprehensive income	–
Total comprehensive income	10,994
Proportion of the Group's ownership	50%
Share of results of joint venture	5,497

Dividends of S$3,603,000 (2017: Nil) were received by the Group from Farnborough Business Park Ltd.

(1) The fair value of the investment property was determined by CBRE Limited (2017: Not applicable) as at 30 September 2018. The Group's 50% share of the investment property is S$156,185,000 (2017: Nil).

6. INTERESTS IN JOINT OPERATION

The Group has a 50% interest in Central Park, an investment property located in Perth, Australia. Pursuant to the joint ownership agreement signed between the Group and the party holding the balance 50% interest in Central Park, the management of Central Park is jointly undertaken by both joint owners.

7. LOAN TO A SUBSIDIARY

The loan to a subsidiary is unsecured, bears interest at a fixed interest rate of 7.65% (2017: 7.65%) per annum and is repayable in cash on 19 September 2022 or such dates that may be agreed.

8. FIXED ASSETS

	Furniture and Fittings S$'000	Equipment S$'000	Computers S$'000	Total S$'000
Group and Trust				
Cost				
At 1 October 2016	67	58	33	158
Additions	–	2	9	11
Write-offs	–	–	(6)	(6)
At 30 September 2017 and 1 October 2017	67	60	36	163
Additions	–	–	4	4
Write-offs	–	(16)	(12)	(28)
At 30 September 2018	67	44	28	139
Accumulated depreciation				
At 1 October 2016	12	42	23	77
Depreciation for the financial year	14	9	4	27
Write-offs	–	–	(6)	(6)
At 30 September 2017 and 1 October 2017	26	51	21	98
Depreciation for the financial year	13	6	10	29
Write-offs	–	(16)	(12)	(28)
At 30 September 2018	39	41	19	99
Net carrying amounts				
At 30 September 2018	28	3	9	40
At 30 September 2017	41	9	15	65

9. DEFERRED TAXATION

	Group	
	2018 S$'000	2017 S$'000
Deferred tax assets		
Provisions and other items:		
At beginning of the financial year	355	348
Foreign currency translation differences	(25)	7
At end of the financial year	330	355
Deferred tax liabilities		
Investment properties:		
At beginning of the financial year	72,813	51,076
Recognised in statement of total return	5,414	20,654
Foreign currency translation differences	(5,233)	1,083
At end of the financial year	72,994	72,813

10. DERIVATIVE FINANCIAL INSTRUMENTS

	Group			Trust		
	Contract/ Notional amount	Fair value		Contract/ Notional amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2018						
Cross currency interest rate swap	60,000	1,734	–	60,000	1,734	–
Interest rate derivative financial instruments	269,166	–	(691)	80,000	–	(112)
	329,166	1,734	(691)	140,000	1,734	(112)
2017						
Interest rate derivative financial instruments	435,181	–	(2,895)	266,600	–	(1,553)

10. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

	Group		Trust	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
Classified as				
– Non-current assets	1,734	–	1,734	–
– Non-current liabilities	(454)	(50)	(112)	(50)
– Current liabilities	(237)	(2,845)	–	(1,503)
	1,043	(2,895)	1,622	(1,553)
Financial derivatives as a percentage of net assets	0.1%	-0.2%	0.1%	-0.1%

As at 30 September 2018, the fixed interest rates of the outstanding interest rate derivative financial instruments are between 2.2% to 2.225% (2017: 1.68% to 2.90%) while the floating interest rates are linked to the Australian dollar bank bill swap bid rate ("BBSY") rate as applicable to the Group's borrowings.

Cross currency interest rate swap was designated as a hedge instrument for net investment hedge to hedge foreign exchange risks arising from the Group's net investments. There was no ineffectiveness recognised from these hedges.

11. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
Trade receivables	1,513	964	600	480
Deposits	729	519	729	519
Interest receivable	55	45	55	45
Other receivables from:				
– subsidiaries	–	–	97,503	72,742
– related party	33	17	33	17
– others	1,040	1,078	515	161
	3,370	2,623	99,435	73,964

Trade receivables are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Other receivables from subsidiaries and a related party are non-trade related, unsecured, interest-free and repayable upon demand in cash.

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables that are past due but not impaired

The ageing analysis of trade receivables that are past due at balance sheet date but not impaired is as follows:

	Group		Trust	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
Less than 30 days	524	373	514	353
30 to 60 days	23	87	21	87
61 to 90 days	11	8	7	8
91 to 120 days	1	7	1	7
More than 120 days	25	25	25	25
	584	500	568	480

No allowance for impairment losses is necessary as these receivables relate mainly to tenants who have provided bankers' guarantee or sufficient rental deposits with the Group.

12. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
Cash and bank balances	18,641	45,021	12,790	40,066
Fixed deposits	12,948	29,588	12,948	29,588
	31,589	74,609	25,738	69,654

13. INTEREST-BEARING BORROWINGS

	Group		Trust	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
Revolving credit facility	17,000	–	17,000	–
Term loans	207,984	419,956	–	196,600
Fixed rate notes	310,000	250,000	–	–
Floating rate notes	80,000	80,000	–	–
Loans from subsidiary	–	–	390,000	330,000
Unamortised borrowing costs	(1,494)	(2,006)	(791)	(1,415)
	613,490	747,950	406,209	525,185
Maturity of borrowings				
– within one year	17,000	183,194	17,000	39,934
– between one and five years	596,490	564,756	389,209	485,251
	613,490	747,950	406,209	525,185

The revolving credit facility, term loans, fixed rate notes and floating rate notes of the Group are unsecured.

13. INTEREST-BEARING BORROWINGS (CONT'D)

(a) Terms and debt repayment schedule

Terms and conditions of outstanding borrowings as at balance sheet date are as follows:

	Interest rate range %	Financial year of maturity	Face value S$'000	Carrying amount S$'000
Group				
2018				
Revolving credit facility	2.26	2019	17,000	17,000
Term loans	2.85 – 3.44	2020 – 2022	207,984	207,280
Fixed rate notes	2.625 – 3.185	2020 – 2023	310,000	309,476
Floating rate notes	1.965 – 2.533	2022	80,000	79,734
			614,984	613,490
2017				
Term loans	1.66 – 3.41	2018 – 2020	419,956	418,722
Fixed rate notes	2.625 – 2.835	2020 – 2021	250,000	249,541
Floating rate notes	1.965	2022	80,000	79,687
			749,956	747,950
Trust				
2018				
Revolving credit facility	2.26	2019	17,000	17,000
Loans from subsidiary	1.965 – 3.185	2020 – 2023	390,000	389,209
			407,000	406,209
2017				
Term loans	1.66 – 2.22	2018 – 2019	196,600	195,958
Loan from subsidiary	1.965 – 2.835	2020 – 2022	330,000	329,227
			526,600	525,185

The Group's and Trust's revolving credit facility, term loans and floating rate notes bear floating interest rates at Singapore dollar swap-offer rate ("SOR") plus margin for the Singapore dollars denominated borrowings and at BBSY plus margin for the Australian dollars denominated borrowings. The interest rate range disclosed above excludes the effects of the related interest rate derivative financial instruments and amortisation of borrowing costs. The fixed rate notes and loans from subsidiary (except for one tranche) bear fixed interest rates.

14. TRADE AND OTHER PAYABLES

	Group		Trust	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
Trade payables				
– related parties	266	77	266	77
– others	2,103	1,826	746	1,203
Accruals	15,862	11,510	11,936	4,495
Fees payable to the Manager	5,724	6,241	5,724	6,241
Fees payable to property managers				
– related parties	485	670	445	618
– others	240	250	–	–
Fees payable to the Trustee	175	159	175	159
Interest payable	1,527	1,544	36	293
Other payables				
– subsidiaries	–	–	1,265	942
– related parties	894	506	894	506
– others	6,545	423	6,458	398
	33,821	23,206	27,945	14,932
Add:				
Net GST payable	606	1,516	–	573
Income received in advance	2,998	4,191	880	613
Withholding tax payable	356	473	269	380
	37,781	29,386	29,094	16,498

Trade payables are non-interest bearing and are normally settled on 30-day terms.

Amount due to subsidiaries and related parties are non-trade related, unsecured, interest-free and are repayable upon demand in cash.

Accruals and other payables include unpaid capital expenditures as at year end.

15. UNITHOLDERS' FUNDS

	Group and Trust Number of Units 2018 '000	2017 '000
Units issued:		
At beginning of the financial year	805,364	794,298
Issuance of Units:		
Units issued pursuant to private placement	67,567	–
Acquisition fees paid in Units	1,039	–
Divestment fees paid in Units	771	–
Management fees paid in Units	6,174	288
Distribution paid in Units	7,686	10,778
At end of the financial year	888,601	805,364
Units to be issued:		
Management fees payable in Units	3,983	451
Issued and issuable Units at end of the financial year	892,584	805,815

The rights and interests of Unitholders are contained in the Trust Deed and include the rights to:

- receive distribution entitlement determined in accordance with the Trust Deed;
- participate in the termination of the Trust by receiving a share of the net proceeds of realisation among the Unitholders pro rata in accordance with the number of Units held by the Unitholders and in accordance with the winding up procedures under the Trust Deed;
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or Unitholders representing not less than 10.0% of the Units in issue) convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- one vote per Unit.

The restrictions on a Unitholder include the following:

- A Unitholder has no equitable or proprietary interest in the assets of the Trust and is not entitled to the transfer to it of any assets of the Trust or of any estate and interest in any assets of the Trust;
- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request for redemption of their Units while the Units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Units in the Trust. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or the Manager or a creditor of either or both of them against any liability of the Trustee or the Manager in respect of the Trust.

16. GROSS REVENUE

	Group 2018 S$'000	Group 2017 S$'000
Property rental income	115,801	137,178
Other property income	17,505	19,373
	133,306	156,551
Contingent rent, included in gross revenue:		
– based on tenants' turnover	191	213

17. PROPERTY OPERATING EXPENSES

	Group 2018 S$'000	Group 2017 S$'000
Amortisation of leasing fees capitalised	881	957
Council rates	2,203	2,146
Insurance	456	493
Property management and other related fees	5,742	6,315
Property maintenance expenses	15,896	15,282
Property tax	8,164	8,097
Utilities	6,565	6,428
Valuation fees	66	91
Amortisation of leasing incentives capitalised	2,311	1,104
Other operating expenses	1,750	1,795
	44,034	42,708

18. TRUST EXPENSES

	Group 2018 S$'000	Group 2017 S$'000
Management fees		
– Base fee	10,867	10,103
– Performance fee	2,918	3,603
Trustee's fees	681	627
Audit fees paid/ payable to auditors of the Trust	149	148
Tax compliance fees paid/ payable to auditors of the Trust	173	127
Other non-audit fees paid/ payable to auditors of the Trust	43	69
Professional and legal fees	411	426
Other expenses	607	343
	15,849	15,446

18. TRUST EXPENSES (CONT'D)

Fees paid/ payable to auditors at the Trust comprised the following:–

	Group 2018 S$'000	Group 2017 S$'000
Audit fees paid/payable to auditors of the Trust	149	148
Tax compliance fees paid/payable to auditors of the Trust	173	127
Other non-audit fees paid/payable to auditors of the Trust		
– Tax advisory fees	31	61
– Sustainability reporting	12	8
	43	69
Total fees paid/ payable to auditors of the Trust	365	344

19. FINANCE EXPENSES

	Group 2018 S$'000	Group 2017 S$'000
Interest expenses	23,218	22,685
Unamortised borrowing costs expensed off	388	499
Amortisation of borrowing costs	1,077	1,250
	24,683	24,434

The unamortised borrowing costs expensed off in the years ended 30 September 2018 and 2017 were due to early partial prepayment of loan facilities.

20. TAXATION

	Group	
	2018	2017
	S$'000	S$'000
Current tax expense		
– Overseas income tax	1,282	2,984
– (Over) / under provision in respect of prior years	(1)	34
	1,281	3,018
Deferred tax		
– Origination and reversal of temporary differences	5,414	20,654
	6,695	23,672

The relationship between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 September 2018 and 30 September 2017 are as follows:

	Group	
	2018	2017
	S$'000	S$'000
Tax at the domestic rates applicable to profits in the countries where the Group and Trust operate	23,831	32,079
Income not subject to tax	(17,025)	(1,493)
Expenses not deductible for tax purposes	17,116	6,105
Tax transparency	(7,755)	(8,747)
Tax exempt income	(4,779)	(4,306)
Utilisation of unrecognised tax losses	(4,522)	–
(Over) / under provision in respect of prior years	(1)	34
Others	(170)	–
	6,695	23,672

The corporate income tax rate applicable to the Trust and Singapore entities of the Group was 17% (2017: 17%). The corporate income tax rate applicable to the Australian entities of the Group was 30% (2017: 30%).

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

21. EARNINGS PER UNIT

Basic earnings per Unit is calculated by dividing the total return for the financial year after income tax, before distribution, by the weighted average number of Units during the financial year.

	Group	
	2018 S$'000	2017 S$'000
Total return for the financial year and earnings attributable to Unitholders	141,718	111,444
Basic earnings per Unit		
Weighted average number of Units during the financial year ('000)	857,499	798,844
Basic earnings per Unit (cents)	16.53	13.95
Diluted earnings per Unit		
Weighted average number of Units during the financial year ('000)	857,499	798,844
Diluted earnings per Unit (cents)	16.53	13.95

Diluted earnings per Unit is the same as basic earnings per Unit as there is no dilutive potential units during the year.

22. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

Capital expenditure contracted as at balance sheet date but not recognised in the financial statements are as follows:

	Group		Trust	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
Capital commitments in respect of investment properties	60,589	47,740	48,744	47,740

(b) Operating lease commitments – lessor

The Group leases out its investment properties. Non-cancellable operating lease rental receivables are as follows:

	Group		Trust	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
Within one year	93,891	97,933	43,603	46,084
Between one and five years	260,705	199,250	78,600	48,622
After five years	134,749	84,553	14,006	731
	489,345	381,736	136,209	95,437

(c) Guarantee

The Trust has provided unsecured corporate guarantee amounting to S$597,984,000 (2017: S$553,356,000) to banks for loans taken by certain subsidiaries and for bonds issued by a subsidiary.

23. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, other than as disclosed elsewhere in the financial statements, significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties, are as follows:

	Group	
	2018 S$'000	2017 S$'000
With related companies of the Manager		
– Property rental and other income received/receivable	999	988
– Reimbursement of capital expenditure paid/payable by the Trust	(2,074)	(1,090)
– Expenses paid/payable by related parties	(649)	(86)
– Reimbursement of rent-free periods received	301	200
– Property management fees paid/payable	(2,004)	(3,182)
– Leasing commission and other expenses paid/payable	(3,244)	(2,477)
With the Manager		
– Base management fees paid/payable	(10,867)	(10,103)
– Performance management fees paid/payable	(2,918)	(3,603)
– Acquisition fees paid	(1,571)	–
– Divestment fees paid	(1,084)	–
– Reimbursement of expenses paid by Manager	(91)	(69)
With the Trustee		
– Trustee's fees paid/payable	(681)	(627)

24. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The table below summarises the accounting classification of the Group's and Trust's financial assets and financial liabilities at the balance sheet date:

	Group		Trust	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
Loans and receivables				
Loan to a subsidiary	–	–	86,173	92,542
Trade and other receivables	3,370	2,623	99,435	73,964
Cash and cash equivalents	31,589	74,609	25,738	69,654
	34,959	77,232	211,346	236,160
Financial assets at fair value through hedging reserves				
Derivative financial instruments	1,734	–	1,734	–
Financial liabilities at amortised cost				
Interest-bearing borrowings	613,490	747,950	406,209	525,185
Security deposits	14,183	13,093	14,183	13,093
Trade and other payables	33,821	23,206	27,945	14,932
	661,494	784,249	448,337	553,210
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	112	50	112	50
Financial liabilities at fair value through hedging reserves				
Derivative financial instruments	579	2,845	–	1,503

25. FINANCIAL RISK MANAGEMENT

Risk management is integral to the business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Manager continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

(a) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Manager has established credit limits for tenants and monitors their balances on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with tenants. Credit risk is also mitigated by the rental deposits held, bankers' and corporate guarantees received from tenants and advanced quarterly rental collected. Information regarding financial assets that are either past due or impaired is disclosed in Note 11.

Cash and bank deposits are placed with financial institutions which are regulated. The credit risk related to derivative financial instruments arises from the potential failure of counterparties to meet their obligations under the contracts. It is the Group's policy to enter into derivative financial instruments transactions with credit worthy counterparties.

The Group and Trust have no significant concentration of credit risk at the balance sheet date. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheets.

(b) Foreign currency risk

The Group has transactional currency exposures arising from transactions that are denominated in a currency other than the respective functional currencies of the entities within the Group. The entities within the Group customarily conduct their business in their respective functional currencies.

The Trust's foreign currency risk mainly relates to its Australian Dollar and Sterling Pound denominated investments and distribution income from its foreign subsidiaries. The Manager monitors the Trust's foreign currency exposure on an on-going basis and limits its exposure to adverse movements in foreign currency exchange rates by using derivative financial instruments or other suitable financial products.

It is the Manager's policy to fix the Trust's anticipated foreign currency exposure in respect of distribution income, net of anticipated payments required in the same currency, from its foreign subsidiaries approximately six to nine months forward by using foreign currency forward exchange contracts and certain currency derivatives.

Investment in overseas assets are hedged naturally to the extent that borrowings are taken up in their respective foreign currency. The net position of the foreign exchange risk of these investments in overseas assets are not hedged as such investments are long term in nature.

25. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Foreign currency risk (cont'd)

The Group's and Trust's significant exposures to foreign currencies are as follows:

	2018 Australian Dollar S$'000	2018 Sterling Pound S$'000	2017 Australian Dollar S$'000
Group			
Derivative financial instruments	–	1,734	–
Cash and cash equivalents	18,983	1,929	25,957
Trade and other payables	(94)	(3,855)	(1)
	18,889	(192)	25,956
Trust			
Loan to a subsidiary	86,173	–	92,542
Derivative financial instruments	–	1,734	–
Amount due from subsidiaries	84,404	–	86,774
Cash and cash equivalents	18,983	1,929	25,957
Trade and other payables	(94)	(5,875)	(1)
	189,466	(2,212)	205,272

Sensitivity analysis

A 1% strengthening of the Singapore dollar against the following foreign currencies at the reporting date would have increased/(decreased) the total return and Unitholders' funds by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2018 Australian Dollar S$'000	2018 Sterling Pound S$'000	2017 Australian Dollar S$'000
Group			
(Decrease)/Increase in total return for the financial year			
– 1% strengthening on the Singapore dollar	(189)	19	(260)
Decrease in Unitholders' funds			
– 1% strengthening on the Singapore dollar	–	(610)	–
Trust			
(Decrease)/Increase in total return for the financial year			
– 1% strengthening on the Singapore dollar	(1,895)	39	(2,053)
Decrease in Unitholders' funds			
– 1% strengthening on the Singapore dollar	–	(610)	–

A weakening of the Singapore dollar against the above currencies at the reporting date would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

25. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to changes in interest rates relates primarily to its interest-earning financial assets and interest-bearing borrowings. Interest rate risk is managed by the Manager on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Manager adopts a policy of fixing the interest rates for a portion of its outstanding borrowings via the use of derivative financial instruments or other suitable financial products.

Interest rate derivatives in respect of the Group's borrowings have been entered into to achieve an appropriate mix of fixed and floating rate exposures within the Group's policy. Generally, the maturities of these interest rate derivatives follow the maturities of the related borrowings.

As at 30 September 2018, the Group and Trust had interest rate derivatives with notional contract amounts of S$269.2 million (2017: S$435.2 million) and S$80 million (2017: S$266.6 million).

Sensitivity analysis

A 1.0% increase/(decrease) in interest rates, with all other variables held constant, would (decrease)/increase the Group's total return for the financial year by S$1.2 million (2017: S$1.5 million).

A 1.0% increase in interest rates at the end of the reporting period, with all other variables held constant, would increase the Group's Unitholders' funds by S$5.5 million (2017: S$5.4 million) while the corresponding 1% decrease in interest rates at the end of the reporting period would decrease the Group's Unitholders' funds by S$5.7 million (2017: S$5.6 million), arising mainly as a result of change in the fair value of interest rate derivatives.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations due to shortage of funds. The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations for a reasonable period, including the servicing of financial obligations, and to mitigate the effects of fluctuations in cash flows. In addition, the Manager monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

The table below summarises the maturity profile of the Group's and Trust's financial assets and financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations:

25. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk (cont'd)

	Group				Trust			
	Within one year S$'000	Between one and five years S$'000	More than five years S$'000	Total S$'000	Within one year S$'000	Between one and five years S$'000	More than five years S$'000	Total S$'000
2018								
Financial assets								
Loan to a subsidiary	–	–	–	–	–	86,173	–	86,173
Interest receivable on loan to a subsidiary	–	–	–	–	6,592	19,560	–	26,152
Cross currency interest rate swap (Gross-settled)								
– Outflow	(1,333)	(65,253)	–	(66,586)	(1,333)	(65,253)	–	(66,586)
– Inflow	1,700	66,702	–	68,402	1,700	66,702	–	68,402
Trade and other receivables	3,370	–	–	3,370	99,435	–	–	99,435
Cash and cash equivalents	31,589	–	–	31,589	25,738	–	–	25,738
	35,326	1,449	–	36,775	132,132	107,182	–	239,314
Financial liabilities								
Interest rate derivatives (Net-settled)	(1,324)	662	–	(662)	(594)	501	–	(93)
Interest-bearing borrowings	(17,000)	(597,984)	–	(614,984)	(17,000)	(390,000)	–	(407,000)
Interest payable on borrowings	(17,598)	(39,508)	–	(57,106)	(10,956)	(23,490)	–	(34,446)
Security deposits	(6,562)	(7,621)	–	(14,183)	(6,562)	(7,621)	–	(14,183)
Trade and other payables	(33,821)	–	–	(33,821)	(27,945)	–	–	(27,945)
	(76,305)	(644,451)	–	(720,756)	(63,057)	(420,610)	–	(483,667)
Net undiscounted financial (liabilities) / assets	(40,979)	(643,002)	–	(683,981)	69,075	(313,428)	–	(244,353)

25. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk (cont'd)

	Group				Trust			
	Within one year S$'000	Between one and five years S$'000	More than five years S$'000	Total S$'000	Within one year S$'000	Between one and five years S$'000	More than five years S$'000	Total S$'000
2017								
Financial assets								
Loan to a subsidiary	–	–	–	–	–	92,542	–	92,542
Interest receivable on loan to a subsidiary	–	–	–	–	7,079	28,085	–	35,164
Trade and other receivables	2,623	–	–	2,623	73,964	–	–	73,964
Cash and cash equivalents	74,609	–	–	74,609	69,654	–	–	69,654
	77,232	–	–	77,232	150,697	120,627	–	271,324
Financial liabilities								
Interest rate derivatives (Net-settled)	(2,987)	89	–	(2,898)	(1,626)	79	–	(1,547)
Interest-bearing borrowings	(183,586)	(566,370)	–	(749,956)	(40,000)	(486,600)	–	(526,600)
Interest payable on borrowings	(18,384)	(34,505)	–	(52,889)	(11,388)	(29,290)	–	(40,678)
Security deposits	(5,670)	(7,423)	–	(13,093)	(5,670)	(7,423)	–	(13,093)
Trade and other payables	(23,206)	–	–	(23,206)	(14,932)	–	–	(14,932)
	(233,833)	(608,209)	–	(842,042)	(73,616)	(523,234)	–	(596,850)
Net undiscounted financial (liabilities)/assets	(156,601)	(608,209)	–	(764,810)	77,081	(402,607)	–	(325,526)

26. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable from the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs from the asset or liability that are not based on observable market data (unobservable inputs)

There have been no transfers between levels during the financial years ended 30 September 2018 and 30 September 2017.

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group	Level 2 S$'000	Level 3 S$'000	Total S$'000
2018			
Non-financial assets			
Investment properties	–	1,977,288	1,977,288
Investment in joint venture – Investment property	–	156,185	156,185
	–	2,133,473	2,133,473
Financial assets			
Derivative financial instruments	1,734	–	1,734
Financial liabilities			
Derivative financial instruments	(691)	–	(691)
2017			
Non-financial assets			
Investment properties	–	2,070,857	2,070,857
Financial liabilities			
Derivative financial instruments	(2,895)	–	(2,895)

26. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) Fair value hierarchy (cont'd)

Trust	Level 2 S$'000	Level 3 S$'000	Total S$'000
2018			
Non-financial assets			
Investment properties	–	1,140,400	1,140,400
Financial assets			
Derivative financial instruments	1,734	–	1,734
Financial liabilities			
Derivative financial instruments	(112)	–	(112)
2017			
Non-financial assets			
Investment properties	–	1,212,000	1,212,000
Financial liabilities			
Derivative financial instruments	(1,553)	–	(1,553)

(b) Level 2 fair value measurements

Derivative financial instruments are valued using present value calculations by applying market observable inputs existing at each balance sheet date into forward pricing and swap models. The models incorporate various inputs including the foreign exchange forward rates, interest rate curves and forward rate curves.

26. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) Level 3 fair value measurements

Information about significant unobservable inputs

The following table presents the key inputs under the income capitalisation method and discounted cash flow analysis method that were used to determine the fair values of investment properties categorised under Level 3 of the fair value hierarchy.

Valuation techniques	Key unobservable inputs	Range of unobservable inputs 2018	Range of unobservable inputs 2017	Relationship of unobservable inputs to fair value
Singapore properties				
Income capitalisation method	– Capitalisation rate	3.75% – 6.00%	3.25% – 6.00%	The higher the rate, the lower the fair value
Discounted cash flow analysis	– Discount rate	6.75% – 7.50%	7.00% – 7.75%	The higher the rate, the lower the fair value
	– Terminal capitalisation rate	4.00% – 6.25%	3.50% – 6.25%	The higher the rate, the lower the fair value
Australia properties				
Income capitalisation method	– Capitalisation rate	5.00% – 7.00%	5.25% – 7.25%	The higher the rate, the lower the fair value
Discounted cash flow analysis	– Discount rate	7.00% – 7.50%	6.75% – 7.75%	The higher the rate, the lower the fair value
	– Terminal capitalisation rate	5.25% – 7.29%	5.50% – 7.25%	The higher the rate, the lower the fair value
United Kingdom property (accounted for as joint venture (Note 5))				
Income capitalisation method	– Capitalisation rate	6.36%	–	The higher the rate, the lower the fair value
Discounted cash flow analysis	– Discount rate	6.04%	–	The higher the rate, the lower the fair value
	– Terminal capitalisation rate	5.33%	–	The higher the rate, the lower the fair value

The direct comparison method considered transacted prices of comparable properties. Under this method, when transacted prices of comparable properties are higher, the fair value determined will be higher.

26. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and security deposits) are assumed to approximate their fair values due to their short term nature.

The carrying values of non-current variable-rate interest-bearing borrowings approximate their fair values as they are floating rate instruments that are re-priced to market interest rate on or near balance sheet date.

The carrying amounts and fair value of non-current security deposits and loan to a subsidiary that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	2018		2017	
	Carrying amount S$'000	Fair value S$'000	Carrying amount S$'000	Fair value S$'000
Group				
Security deposits (Non-current)	7,621	7,444	7,423	6,947
Trust				
Security deposits (Non-current)	7,621	7,444	7,423	6,947
Loan to a subsidiary	86,173	99,626	92,542	110,184

The above fair values, which are determined for disclosure purposes, are estimated by discounting expected cash flows at market incremental lending rates for similar types of lending or borrowing arrangements at the balance sheet date. The fair values are categorised under Level 3 of the fair value hierarchy.

27. CAPITAL MANAGEMENT

The primary objective of the Group's and Trust's capital management is to ensure that it maintains an optimal capital structure to support the business and maximise Unitholders' value.

Under the Property Fund Guidelines of the CIS Code, the aggregate leverage should not exceed 45.0% of the deposited property.

The gearing ratio is calculated as gross borrowings divided by total assets, based on the consolidated balance sheet.

27. CAPITAL MANAGEMENT (CONT'D)

	Group	
	2018 S$'000	2017 S$'000
Gross borrowings (Note 13)	614,984	749,956
Total assets	2,173,080	2,158,942
Gearing ratio	28.3%	34.7%

The Group is in compliance with all externally imposed capital requirements for the financial years ended 30 September 2018 and 2017.

28. OPERATING SEGMENTS

Segment information is presented in respect of the Group's geographical segments. For the purpose of the assessment of segment performance, the Group's CODMs have focused on its investment properties which in turn, are segregated based on geographical areas. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

The accounting policies of the reportable segments are as described in Note 2.18. Segment property income represents income generated from its tenants and income earned by each segment after allocating property operating expenses. This is the measure reported to the CODMs for the purpose of assessment of segment performance.

For the purpose of monitoring segment performance, the CODMs monitor the non-financial assets as well as financial assets attributable to each segment.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly cash and cash equivalents and related revenue, interest-bearing borrowings and expenses and trust assets and expenses. Information regarding the Group's reportable segments is presented in the tables below.

(a) Business segments

Segment information in respect of the Group's business segments is not presented, as the Group's activities for the financial year ended 30 September 2018 relates wholly to investing in real estate and real estate-related assets in the commercial sector in Singapore, Australia and the United Kingdom (30 September 2017: Singapore and Australia).

28. OPERATING SEGMENTS (CONT'D)

(b) Information about reportable segments

	Singapore S$'000	Australia S$'000	United Kingdom S$'000	Total S$'000
2018				
Gross revenue	66,805	66,501	–	133,306
Property operating expenses	(23,187)	(20,847)	–	(44,034)
Segment net property income	43,618	45,654	–	89,272
Share of results of joint venture	–	–	5,497	5,497
Gain on disposal of investment property	75,724	–	–	75,724
Net change in fair value of investment properties	18,731	2,169	–	20,900
				191,393
Unallocated items:				
– Interest income				316
– Trust expenses				(15,849)
– Finance expenses				(24,683)
– Exchange differences				(2,759)
– Net change in fair value of derivative financial instruments				(62)
– Realised gain on derivative financial instruments				57
Total return before tax				148,413
Taxation				(6,695)
Total return for the financial year				141,718
Reportable segmental non-current assets	1,140,440	836,888	156,999	2,134,327
Reportable segmental current assets	6,078	8,921	–	14,999
Total assets for reportable segments	1,146,518	845,809	156,999	2,149,326
Capital expenditure	48,048	5,910	–	53,958

28. OPERATING SEGMENTS (CONT'D)

(b) Information about reportable segments (cont'd)

	Singapore S$'000	Australia S$'000	Total S$'000
2017			
Gross revenue	83,961	72,590	156,551
Property operating expenses	(23,724)	(18,984)	(42,708)
Segment net property income	60,237	53,606	113,843
Net change in fair value of investment properties	(1,457)	61,523	60,066
			173,909
Unallocated items:			
– Interest income			501
– Trust expenses			(15,446)
– Finance expenses			(24,434)
– Exchange differences			1,324
– Net change in fair value of derivative financial instruments			197
– Realised loss on derivative financial instruments			(935)
Total return before tax			135,116
Taxation			(23,672)
Total return for the financial year			111,444
Reportable segmental non-current assets	1,212,065	858,857	2,070,922
Reportable segmental current assets	12,837	16,565	29,402
Total assets for reportable segments	1,224,902	875,422	2,100,324
Capital expenditure	4,667	1,121	5,788

(c) Reconciliations of reportable segment assets and other material items

	Group	
	2018 S$'000	2017 S$'000
Assets		
Total assets for reportable segments	2,149,326	2,100,324
Unallocated assets	23,754	58,618
Consolidated total assets	2,173,080	2,158,942

(d) Major customers

An investment property, which was attributable to the Australian segment, was leased to a single lessee and the gross revenue contribution to the Group was S$21,271,000 (2017: S$22,217,000).

29. FINANCIAL RATIOS

	Group	
	2018	2017
	%	%
Expenses to weighted average net assets[1]		
– with performance fee	1.18	1.24
– without performance fee	0.96	0.95
Portfolio turnover ratio[2]	10.35	–
Total operating expenses to net asset value [3]	4.19	4.51

(1) The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property operating expenses, interest expenses, exchange differences, tax deducted at source and costs associated with the purchase and sales of investments.

(2) The annualised ratios are computed based on the lesser of purchases or sales of underlying investments of the Group expressed as a percentage of daily average net asset value.

(3) Total operating expenses of the Group include general and administrative expenses, all fees paid/payable to the Manager and interested parties for the financial year. The operating expenses to net asset value ratio is based on total operating expenses as a percentage of net asset value as at the end of financial year.

30. SUBSEQUENT EVENTS

On 19 October 2018, the Trust declared a distribution of 2.40 cents per Unit in respect of the period from 1 July 2018 to 30 September 2018.

Use of Proceeds

AS AT 30 SEPTEMBER 2018

The following sets out the status report on the use of proceeds from the Private Placement of 67.6 million Units in FCOT at an issue price of S$1.48 per Unit undertaken in January 2018:

	S$ million
Gross proceeds from the Private Placement	100.0
Partial repayment of a short-term unsecured transferable term loan facility that was initially used to fund the acquisition of 50.0% interest in Farnborough Business Park	(98.5)
Issue costs in relation to the Private Placement	(1.5)
Balance proceeds as at 30 September 2018	**–**

The use of proceeds from the Private Placement is in accordance with the stated use.

Unitholders' Statistics

AS AT 28 NOVEMBER 2018

ISSUED AND FULLY PAID-UP UNITS

As at 28 November 2018

892,583,888 Units (voting rights: one vote per Unit)
Market Capitalisation S$1,231,765,765 (based on closing price of S$1.38 per Unit on 28 November 2018)

TOP 20 UNITHOLDERS

As at 28 November 2018
As shown in the Register of Unitholders

No.	Name	No. of Units	%
1	DBS Nominees (Private) Limited	142,175,452	15.9
2	Frasers Property Commercial Trust Holdings Pte Ltd	123,621,055	13.8
3	Citibank Nominees Singapore Pte Ltd	117,539,930	13.2
4	Frasers Commercial Asset Management Ltd	103,412,688	11.6
5	Raffles Nominees (Pte) Limited	59,222,492	6.6
6	DBSN Services Pte Ltd	36,989,944	4.1
7	HSBC (Singapore) Nominees Pte Ltd	35,897,962	4.0
8	United Overseas Bank Nominees (Private) Limited	7,373,852	0.8
9	OCBC Securities Private Limited	7,170,278	0.8
10	CGS-CIMB Securities (Singapore) Pte Ltd	6,874,774	0.8
11	DBS Vickers Securities (Singapore) Pte Ltd	6,606,533	0.7
12	DB Nominees (Singapore) Pte Ltd	4,979,659	0.6
13	OCBC Nominees Singapore Private Limited	4,170,851	0.5
14	UOB Kay Hian Private Limited	3,791,339	0.4
15	BPSS Nominees Singapore (Pte) Ltd	3,761,798	0.4
16	Maybank Kim Eng Securities Pte Ltd	3,562,706	0.4
17	Sunshine Ventures Pte Ltd	3,250,645	0.4
18	ABN Amro Clearing Bank NV	2,661,301	0.3
19	Heng Siew Eng	2,572,000	0.3
20	Phillip Securities Pte Ltd	2,221,268	0.3
	Total	**677,856,527**	**75.9**

DISTRIBUTION OF UNITHOLDERS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	245	2.3	9,714	0.0
100 – 1,000	1,256	11.7	725,663	0.1
1,001 – 10,000	5,534	51.7	29,051,356	3.2
10,001-1,000,000	3,635	34.0	167,494,008	18.8
1,000,001 and above	33	0.3	695,303,147	77.9
Total	**10,703**	**100.0**	**892,583,888**	**100.0**

Unitholders' Statistics

AS AT 28 NOVEMBER 2018

SUBSTANTIAL UNITHOLDERS
As at 28 November 2018

Name of Unitholder	Direct interest No. of Units	Deemed interest No. of Units	% of Units in Issue
Frasers Commercial Asset Management Ltd.	103,412,688	863,924[1]	11.7
Frasers Property Commercial Trust Holdings Pte. Ltd.	123,621,055	–	13.8
Frasers Property Limited[2]	–	227,897,667	25.5
Thai Beverage Public Company Limited[3]	–	227,897,667	25.5
International Beverage Holdings Limited[4]	–	227,897,667	25.5
InterBev Investment Limited[5]	–	227,897,667	25.5
Siriwana Company Limited[6]	–	227,897,667	25.5
Maxtop Management Corp.[7]	–	227,897,667	25.5
Risen Mark Enterprise Ltd.[8]	–	227,897,667	25.5
Golden Capital (Singapore) Limited[9]	–	227,897,667	25.5
MM Group Limited[10]	–	227,897,667	25.5
TCC Assets Limited[11]	–	227,897,667	25.5
Charoen Sirivadhanabhakdi[12]	–	227,897,667	25.5
Khunying Wanna Sirivadhanabhakdi[13]	–	227,897,667	25.5

Notes:

(1) Frasers Commercial Asset Management Ltd. ("**FCOAM**") is deemed to be interested in the 863,924 units in FCOT which are held directly by its wholly-owned subsidiary, Frasers Centrepoint Property Management (Commercial) Pte. Ltd. ("**FCPMC**").

(2) Frasers Property Limited ("**FPL**") holds a 100% direct interest in each of FCOAM and Frasers Property Commercial Trust Holdings Pte. Ltd. ("**FPCTH**"). FCOAM and FPCTH hold units in FCOT and FCOAM is deemed interested in the units in FCOT held by FCPMC. FPL therefore has a deemed interest in the units in FCOT in which each of FCOAM and FPCTH has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**").

(3) Thai Beverage Public Company Limited ("**ThaiBev**") holds a 100% interest in International Beverage Holdings Limited ("**IBHL**");

- IBHL holds a 100% direct interest in InterBev Investment Limited ("**IBIL**");
- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

ThaiBev therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

(4) IBHL holds a 100% direct interest in InterBev Investment Limited ("**IBIL**");

- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

IBHL therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

(5) IBIL holds a greater than 20% interest in FPL;

- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

IBIL therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

(6) Siriwana Company Limited ("**SCL**") holds a greater than 20% interest in ThaiBev;

- ThaiBev holds a 100% direct interest in IBHL;
- IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

SCL therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

(7) Maxtop Management Corp. ("**MMC**") together with Risen Mark Enterprise Ltd. ("**RM**") and Golden Capital (Singapore) Limited ("**GC**") collectively holds a greater than 20% interest in ThaiBev;

- ThaiBev holds a 100% direct interest in IBHL;
- IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

MMC therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

(8) RM together with MMC and GC collectively holds a greater than 20% interest in ThaiBev;

- ThaiBev holds a 100% direct interest in IBHL;
- IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

RM therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

[9] GC together with MMC and RM collectively holds a greater than 20% interest in ThaiBev;

- ThaiBev holds a 100% direct interest in IBHL;
- IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

GC therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

[10] MM Group Limited ("**MM**") holds a 100% direct interest in each of MMC, RM and GC;

- MMC, RM and GC collectively holds a greater than 20% interest in ThaiBev;
- ThaiBev holds a 100% direct interest in IBHL;
- IBHL holds a 100% direct interest in IBIL;
- IBIL holds a greater than 20% interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

MM therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

[11] TCC Assets Limited ("**TCCA**") holds a majority interest in FPL;

- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

TCCA therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

[12] Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;

- TCCA holds a majority interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

Charoen Sirivadhanabhakdi therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

Unitholders' Statistics

AS AT 28 NOVEMBER 2018

(13) Khunying Wanna Sirivadhanabhakdi and her spouse, Charoen Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;

- TCCA holds a majority interest in FPL;
- FPL holds a 100% direct interest in each of FCOAM and FPCTH;
- FCOAM holds a 100% direct interest in FCPMC; and
- FCOAM, FPCTH and FCPMC hold units in FCOT.

Khunying Wanna Sirivadhanabhakdi therefore has a deemed interest in the units in FCOT in which FPL has an interest, by virtue of Section 4 of the SFA.

UNITHOLDINGS OF DIRECTORS OF THE MANAGER

As at 21 October 2018

	Directors	No. of Units Direct Interest	Deemed interest	% of Units in Issue
1	Bobby Chin Yoke Choong	103,413	–	0.0[1]
2	Low Chee Wah	–	60,000	0.0[1]
3	Christopher Tang Kok Kai	–	200,000	0.0[1]

Note:

(1) Less than 0.05%

FREE FLOAT

Based on information available to the Manager as at 28 November 2018, approximately 74% of the Units are held in the hands of the public. Rule 723 of the Listing Manual of the SGX-ST has accordingly been complied with.

Interested Person Transactions

The transactions entered into with interested persons during the financial year under review which fall within the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST) and the Property Funds Appendix of the Code on Collective Investment Schemes (excluding transactions of less than $100,000) are as follows:

Name of Interested Persons	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) $'000	Aggregate value of all Interested Person Transactions during the financial year under review, under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000
Frasers Commercial Asset Management Ltd. (formerly known as Frasers Centrepoint Asset Management (Commercial) Ltd.)		
– Management fees paid and payable[1]	(13,785)	-
– Acquisition fees paid[2]	(1,571)	-
– Divestment fees paid[2]	(1,084)	-
Frasers Property Management Services Pte Ltd		
– Property management fees paid and payable	(5,225)	-
Frasers Property Management Services Pty Ltd (formerly known as Australand Management Services Pty Ltd)		
– Reimbursement of rent-free periods received[3]	301	-
– Property management fees paid and payable	(636)	-
Frasers Property Corporate Services Pte Ltd (formerly known as FCL Management Services Pte Ltd)		
– Rental and other property income received	1,616	-
British and Malayan Trustees Limited		
– Trustee fees paid and payable	(681)	-
Frasers Property International Pte Ltd		
– Entry into joint venture agreement in respect of Farnborough Business Park Ltd[4]	157,400	-

Management fees, acquisition fees and divestment fees payable to Frasers Commercial Asset Management Ltd. on the basis of, and in accordance with, the terms and conditions set out in the Trust Deed dated 12 September 2005 (as amended and restated) and/or the prospectus dated 23 March 2006, are not subject to Rules 905 and 906 of the SGX-ST's Listing Manual. Accordingly, such fees are not subject to aggregation and other requirements under Rules 905 and 906 of the SGX-ST's Listing Manual.

Except as disclosed above, there were no other interested person transactions (excluding transactions of less than $100,000 each) entered into during the financial year under review nor any material contracts entered into by the Trust that involved the interest of the Chief Executive Officer, any Director or any controlling Unitholder of the Trust.

Interested Person Transactions (cont'd)

Notes

1 A summary of Units issued for payment of the management fees to Frasers Commercial Asset Management Ltd. in respect of the financial year ended 30 September 2018 is as follows:

Relevant Period	Issue date	Ordinary Units issued	Value $'000
1 October 2017 to 31 December 2017	25 January 2018	1,792,391	2,589
1 January 2018 to 31 March 2018	25 April 2018	1,884,606	2,675
1 April 2018 to 30 June 2018	30 July 2018	2,045,185	2,797
1 July 2018 to 30 September 2018	24 October 2018	3,983,270	5,724

The issue prices of the Units issued were determined based on the volume weighted average price of the Units traded on SGX-ST for the last ten business days of the relevant period.

2 Acquisition and divestment fees paid to Frasers Commercial Asset Management Ltd. were related to the acquisition of Farnborough Business Park Ltd and disposal of 55 Market Street respectively, during the financial year under review.

A summary of Units issued for payment of the acquisition and divestment fees to Frasers Commercial Asset Management Ltd. is as follows:

Details	Issue date	Ordinary Units issued	Value $'000
Acquisition fees	2 February 2018	1,038,661	1,571
Divestment fees	7 September 2018	771,200	1,084

The issue prices of the Units issued were determined based on the volume weighted average price of the Units traded on SGX-ST for the last ten business days of the relevant period.

3 Pursuant to the deed of undertaking entered into on 27 April 2015 between Australand Holdings Limited (AHL) and TFS Collins Pty Ltd as trustee of Collins Street Landholding Trust (TFS), AHL will reimburse TFS in cash up to an aggregate of A$1.5 million in respect of outstanding rent-free periods granted to tenants in 357 Collins Street by Australand Property Holdings (Collins St No. 1) Pty Limited as trustee of APT (Collins St No. 1) Trust, at the time of the acquisition of 357 Collins Street by TFS. During the financial year under review, the reimbursements received pursuant to the foregoing amounted to approximately S$301,000.

4 On 14 December 2017, FCOT entered into a joint venture agreement with Frasers Property International Pte Ltd (a subsidiary of Frasers Property Limited) to regulate their relationship inter se as 50-50 shareholders of Farnborough Business Park Ltd (formerly known as HEREF Farnborough Limited) which holds Farnborough Business Park. The value of the investment by FCOT into Farnborough Business Park Ltd, as the joint venture entity, was approximately S$157.4 million.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 10th Annual General Meeting ("**AGM**") of the unitholders of FRASERS COMMERCIAL TRUST ("**FCOT**", and the unitholders of FCOT, "**Unitholders**") will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Friday, 18 January 2019 at 10.00 a.m. for the following purposes:

(A) ROUTINE BUSINESS

Resolution (1)

1. To receive and adopt the Report of the Trustee of FCOT issued by British and Malayan Trustees Limited, the trustee of FCOT (the "**Trustee**"), the Statement by the Manager issued by Frasers Commercial Asset Management Ltd., the manager of FCOT (the "**Manager**"), the Audited Financial Statements of FCOT for the financial year ended 30 September 2018 and the Auditors' Report thereon.

Resolution (2)

2. To re-appoint KPMG LLP ("**KPMG**") as Auditors of FCOT to hold office until the conclusion of the next AGM of FCOT, and to authorise the Manager to fix their remuneration.

(B) SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolution, with or without any modifications:

Resolution (3)

3. That authority be and is hereby given to the Manager, to:

(a) (i) issue units in FCOT ("**Units**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to Unitholders shall not exceed twenty per cent (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under subparagraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting FCOT (as amended and restated) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) unless revoked or varied by Unitholders in a general meeting, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM or (ii) the date by which the next AGM is required by the applicable law or regulations to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager, any director of the Manager ("**Director**") and the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interest of FCOT to give effect to the authority conferred by this Resolution.

(Please see the Explanatory Note)

Frasers Commercial Asset Management Ltd.
(Company Registration No: 200503404G)
as manager of Frasers Commercial Trust

Catherine Yeo
Company Secretary
Singapore
20 December 2018

Notice of Annual General Meeting

NOTES:

(1) A Unitholder who is not a Relevant Intermediary entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in the Unitholder's stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the proportion of the Unitholder's holdings (expressed as a percentage of the whole) to be represented by each proxy.

(2) A Unitholder who is a Relevant Intermediary entitled to attend and vote at the meeting is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than two proxies, the appointments shall be invalid unless the Unitholder specifies in the proxy form the number of Units in relation to which each proxy has been appointed.

"Relevant Intermediary" means:

(a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or

(c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

(3) The instrument appointing a proxy or proxies (a form is enclosed) must be deposited with the company secretary of the Manager at the office of FCOT's Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, not less than 72 hours before the time appointed for holding the meeting.

EXPLANATORY NOTE:

Resolution 3

Resolution 3 above, if passed, will empower the Manager from the date of this AGM until the earliest of (i) the conclusion of the next AGM of FCOT or (ii) the date by which the next AGM of FCOT is required by the applicable laws and regulations or the Trust Deed to be held, whichever is earlier, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, to issue Units and to make or grant instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units, if any), with a sub-limit of 20% for issues other than on a *pro rata* basis to Unitholders.

For the purpose of determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units at the time Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding at the time Resolution 3 above is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

Notice of Annual General Meeting

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee (or their agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

IMPORTANT NOTICE

The value of 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 or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of FCOT is not necessarily indicative of the future performance of FCOT.

This page is intentionally left blank.

FRASERS COMMERCIAL TRUST

(Constituted in the Republic of Singapore
pursuant to a trust deed dated 12 September 2005
(as amended and restated))

IMPORTANT

1. A Relevant Intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see Note 2 for the definition of "**Relevant Intermediary**").
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. **PLEASE READ THE NOTES TO THE PROXY FORM.**

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 20 December 2018.

PROXY FORM

ANNUAL GENERAL MEETING

I/We ________________________________ (Name) ________________________________ (NRIC/ Passport No.)

of ____ (Address)

being a unitholder/unitholders of Frasers Commercial Trust ("**FCOT**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 2)	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 2)	
			No. of Units	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of FCOT to be held on Friday, 18 January 2019 at 10.00 a.m., at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958, and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the Annual General Meeting.

NO.	RESOLUTIONS RELATING TO:	No. of Votes For*	No. of Votes Against*
	ROUTINE BUSINESS		
1.	To receive and adopt the Trustee's Report, the Statement by the Manager, the Audited Financial Statements of FCOT for the financial year ended 30 September 2018 and the Auditors' Report thereon		
2.	To re-appoint KPMG LLP as Auditors of FCOT to hold office until the conclusion of the next Annual General Meeting, and to authorise the Manager to fix their remuneration		
	SPECIAL BUSINESS		
3.	To authorise the Manager to issue Units and to make or grant convertible instruments		

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (√) within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Units in the boxes provided.

Dated this ______________ day of ______________ 2018/2019

Total number of Units held (Note 5)

____

Signature(s) of Unitholder(s)/Common Seal

IMPORTANT: PLEASE READ NOTES TO THE PROXY FORM

Apply glue here

Apply glue here

fold here Do not staple. Glue all sides firmly.

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes To Proxy Form

1. A Unitholder who is not a Relevant Intermediary entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote instead of the Unitholder. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the proportion of the Unitholder's holdings (expressed as a percentage of the whole) to be represented by each proxy.
2. A Unitholder who is a Relevant Intermediary entitled to attend and vote at the meeting is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than two proxies, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.

   "**Relevant Intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. The instrument appointing a proxy or proxies (as the case may be) (the "**Proxy Form**") must be deposited with the company secretary of the Manager at the office of FCOT's Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, not less than 72 hours before the time appointed for holding the meeting.
4. Completion and return of this Proxy Form shall not preclude a Unitholder from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the meeting in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under this Proxy Form, to the meeting.
5. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against the Unitholder's name in the Depository Register maintained by the Central Depository (Pte) Limited ("**CDP**"), the Unitholder should insert that number of Units. If the Unitholder has Units registered in the Unitholder's name in the Register of Unitholders of FCOT, he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in the Unitholder's name in the Register of Unitholders, the Unitholder should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. A corporation which is a Unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against the Unitholder's name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by CDP to the Manager.

fold here

FRASERS COMMERCIAL TRUST

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 09061

The Company Secretary
Frasers Commercial Asset Management Ltd.
(as manager of Frasers Commercial Trust)
c/o Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

Corporate Information

Manager
Frasers Commercial Asset Management Ltd.
438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958
Phone: +65 6276 4882
Fax: +65 6276 8942
Email: fcot@frasersproperty.com
Website: www.fraserscommercialtrust.com

Directors of the Manager
Mr Bobby Chin Yoke Choong
Chairman & Independent
Non-Executive Director

Mr Chang Tou Chen
Independent Non-Executive Director

Mr Chay Wai Chuen
Independent Non-Executive Director

Mr Chia Khong Shoong
Non-Executive Director

Mr Low Chee Wah
Non-Executive Director

Mr Christopher Tang Kok Kai
Non-Executive Director

Audit, Risk and Compliance Committee
Mr Chay Wai Chuen (Chairman)
Mr Bobby Chin Yoke Choong
Mr Chang Tou Chen

Nominating and Remuneration Committee
Mr Chang Tou Chen (Chairman)
Mr Bobby Chin Yoke Choong
Mr Chay Wai Chuen
Mr Christopher Tang Kok Kai

Company Secretary of the Manager
Ms Catherine Yeo

SGX Short Trading Name
Frasers Com Tr

Bankers
Barclays Bank Plc (Singapore Branch)
BNP Paribas Singapore Branch
Citibank N.A., Singapore Branch
Commonwealth Bank of Australia, Singapore Branch
DBS Bank Limited
Oversea-Chinese Banking Corporation Limited
The Bank of East Asia, Singapore Branch

Trustee
British and Malayan Trustees Limited
1 Coleman Street #08-01
The Adelphi
Singapore 179803
Phone: +65 6535 4922
Fax: +65 6535 1258

Unit Registrar and Unit Transfer Office
Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
Phone: +65 6536 5355
Fax: +65 6536 1360

Auditor
KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Phone: +65 6213 3388
Fax: +65 6225 0984
Partner-in-charge: Ms Karen Lee Shu Pei
Appointed: 20 January 2016

Managed by:
FRASERS COMMERCIAL ASSET MANAGEMENT LTD.
Company Registration Number: 200503404G

438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

Phone: +65 6276 4882
Fax: +65 6276 8942

fraserscommercialtrust.com

MIX
Paper from responsible sources
FSC™ C001507
www.fsc.org