
Frasers Commercial Trust

2QFY18 Financial Results

20 April 2018



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This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of REIT and the Manager is not necessarily indicative of the future performance of Frasers Commercial Trust and the Manager.

This Presentation contains certain information with respect to the trade sectors of the Trust’s tenants. The Manager has determined the trade sectors in which the Trust’s tenants are primarily involved based on the Manager’s general understanding of the business activities conducted by such tenants. The Manager’s knowledge of the business activities of the Trust’s tenants is necessarily limited and such tenants may conduct business activities that are in addition to, or different from, those shown herein.

This Presentation includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While the Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Manager has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

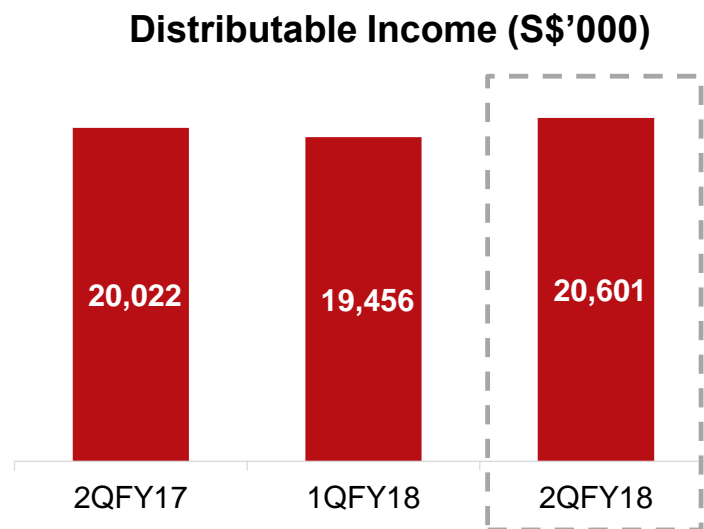
Contents

- ◆ Results
- ◆ Capital Management
- ◆ Portfolio Review
- ◆ Growth from Acquisitions and Asset Enhancement Initiatives
- ◆ Appendix: Asset Details and Market Overview

Results

Results 2QFY18 key highlights

- ◆ 2QFY18 DPU of 2.40 cents¹ was stable vs 1QFY18
- ◆ 2QFY18 distribution income of S\$20.6 million²
- ◆ Maiden contribution from Farnborough Business Park following completion of acquisition on 29 January 2018



1. Total DPU for 2QFY18 of 2.400 cents comprised:
 - a. advanced distribution of 0.800 cents per Unit for the period from 1 January 2018 to 31 January 2018, which was paid out in cash on 12 March 2018 (see announcement dated 14 February 2018); and
 - b. distribution of 1.600 cents per Unit for the period from 1 February 2018 to 31 March 2018.
2. For 2QFY18, distribution from capital returns includes S\$2.9 million which relates to a portion of net consideration received from the disposal of the Hotel development rights at China Square Central in August 2015, which is classified as capital distribution from tax perspective. See accompanying 2QFY18 Financial Statements announcement for more details, and refer to the Circular to Unitholders dated 3 June 2015 for details on the disposal of the Hotel development rights at China Square Central in August 2015.

Results 2QFY18 key highlights

2QFY18 distributable income up 3% Y-o-Y

1 Jan 2018 – 31 Mar 2018	2QFY18 (S\$ '000)	Y-o-Y Change (%)	Contributing factors
Gross Revenue	33,014	18%	Lower occupancy rates for Alexandra Technopark, China Square Central ¹ , 55 Market Street, Central Park and 357 Collins Street, absence of one-off payment in relation to a termination of lease in Central Park and the effects of average weaker Australian dollar.
Net Property Income	22,432	25%	As above and higher repair and maintenance expense at Caroline Chisholm Centre.
Distributable income to Unitholders	20,601	3%	Includes contribution from Farnborough Business Park ² , distribution from capital returns ³ and management fee in units ⁴ .
DPU ⁵	2.40¢	4%	

See 2QFY18 Financial Statements announcement for details.

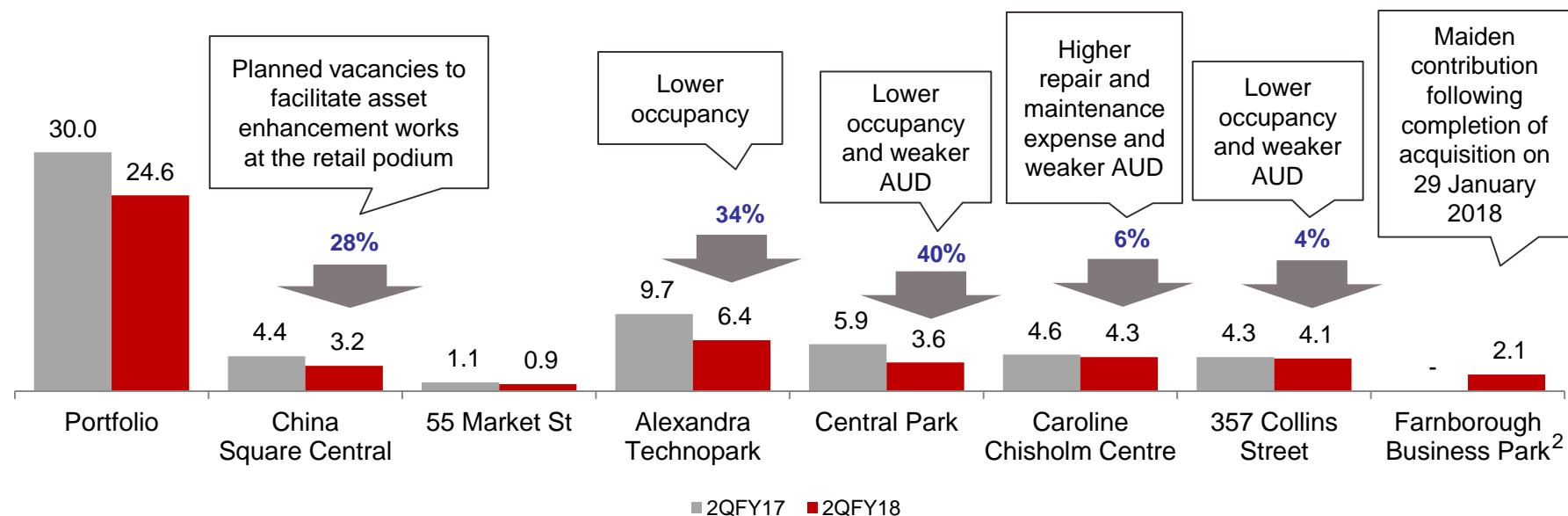
1. Impacted by planned vacancies to facilitate asset enhancement works at the retail podium at 18 Cross Street.
2. Maiden share of result of joint venture for FCOT's 50% interest in Farnborough Business Park, from 29 January 2018 to 31 March 2018.
3. For 2QFY18, distribution from capital returns includes S\$2.9 million which relates to a portion of net consideration received from the disposal of the Hotel development rights at China Square Central in August 2015, which is classified as capital distribution from tax perspective. See accompanying 2QFY18 Financial Statements announcement for more details, and refer to the Circular to Unitholders dated 3 June 2015 for details on the disposal of the Hotel development rights at China Square Central in August 2015.
4. In 2QFY18, 100% (2QFY17: 0%) of the Manager's management fee was paid in Units.
5. Total DPU for 2QFY18 comprise:
 - a. advanced distribution of 0.800 cents per Unit for the period from 1 January 2018 to 31 January 2018 (computed based on 810,654,842 Units); and
 - b. distribution of 1.600 cents per Unit for the period from 1 February 2018 to 31 March 2018 (computed based on 882,217,408 Units).
 The number of Units used to compute DPU for 2QFY17 was 799,065,416. See accompanying 2QFY18 Financial Statements announcement for more details.

Results 2QFY18 portfolio NPI

- ◆ Lower occupancy rates at the Singapore properties, Central Park and 357 Collins Street, effects of weaker Australian dollar and higher repair and maintenance expense for Caroline Chisholm Centre

Singapore: S\$10.5 million (42%)
 Australia: S\$12.0 million (49%)
 United Kingdom: S\$2.1 million (9%)²
Total NPI: S\$24.6 million (100%)¹

Net Property Income (S\$m)¹

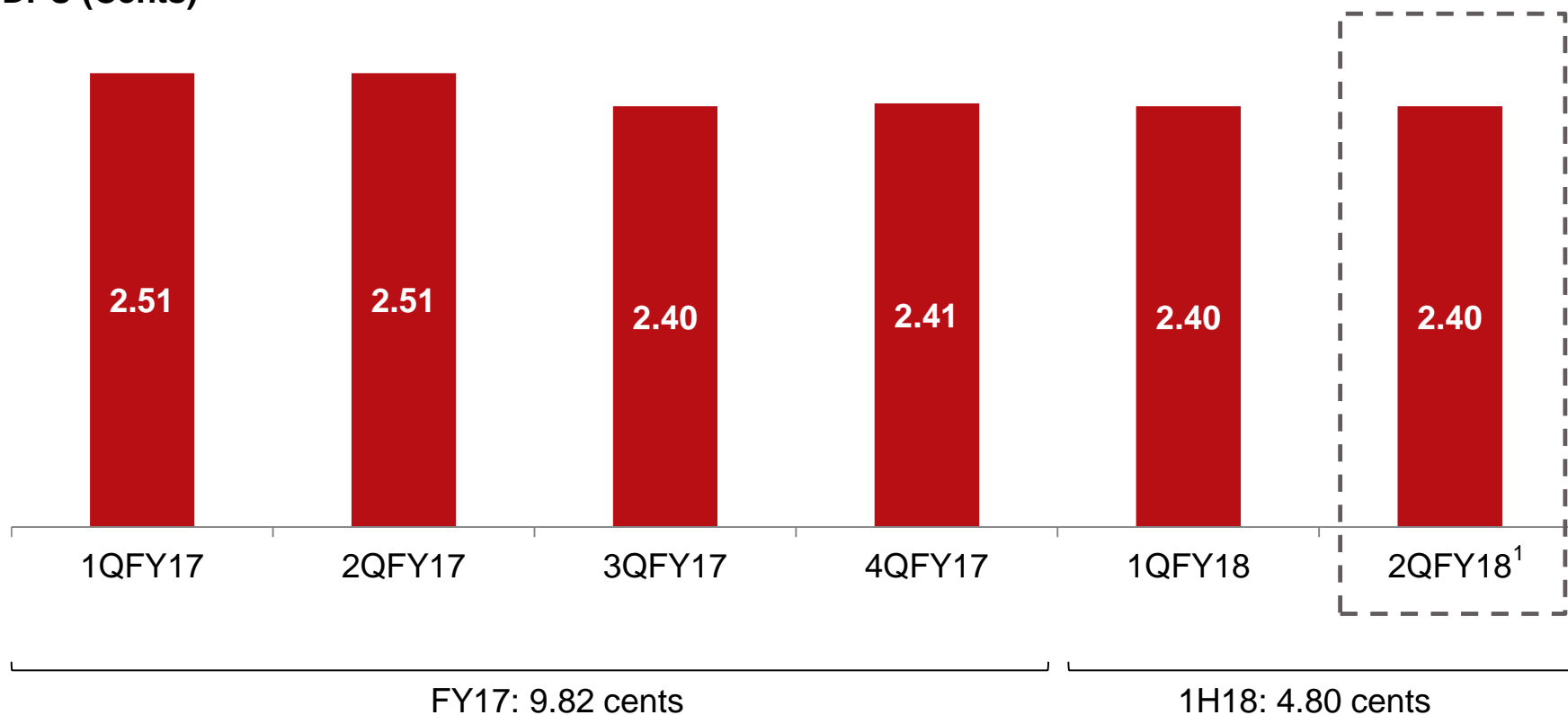


1. Portfolio net property income for 2QFY18 including 50% of net property income of Farnborough Business Park for the period from 29 January to 31 March 2018 (held as a joint venture and equity-accounted in the financial statements).
 2. Maiden share of FCOT's 50% interest in Farnborough Business Park, from 29 January 2018 to 31 March 2018. Includes reimbursements of lease incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details).

DPU profile

- ◆ 2QFY18 DPU was stable q-o-q

DPU (Cents)



1. Total DPU for 2QFY18 of 2.400 cents comprised:
 - a. advanced distribution of 0.800 cents per Unit for the period from 1 January 2018 to 31 January 2018 which was paid out in cash on 12 March 2018 (see announcement dated 14 February 2018); and
 - b. distribution of 1.600 cents per Unit for the period from 1 February 2018 to 31 March 2018.

Distribution payment

- ◆ **DRP will be applied for the distribution for the period from 1 February 2018 to 31 March 2018**

Distribution Period	1 February 2018 to 31 March 2018
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Ordinary Unit Distribution Rate¹	Distribution of 1.6000 cents per Unit comprising: a) taxable income distribution of 0.7592 cents; b) tax-exempt income distribution of 0.4090 cents; and c) capital distribution of 0.4318 cents.
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Last day of trading on “cum” basis	Wednesday, 25 April 2018
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Ex-distribution trading commence	Thursday, 26 April 2018
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Distribution Books Closure Date	Wednesday, 30 April 2018 at 5.00 pm
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Cash distribution payment date	Wednesday, 30 May 2018
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Credit of Units to Unitholders’ securities accounts/ listing of Units issued under the DRP on SGX-ST	Wednesday, 30 May 2018
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An advanced distribution of 0.800 cents per Unit for the period from 1 January 2018 to 31 January 2018 was paid out in cash on 12 March 2018.

See accompanying 2QFY18 Financial Statements announcement for more details.

1. Total DPU for 2QFY18 is 2.400 cents and comprises:
a. advanced distribution of 0.800 cents per Unit for the period from 1 January 2018 to 31 January 2018 which was paid out in cash on 12 March 2018 (see announcement dated 14 February 2018); and
b. distribution of 1.600 cents per Unit for the period from 1 February 2018 to 31 March 2018.

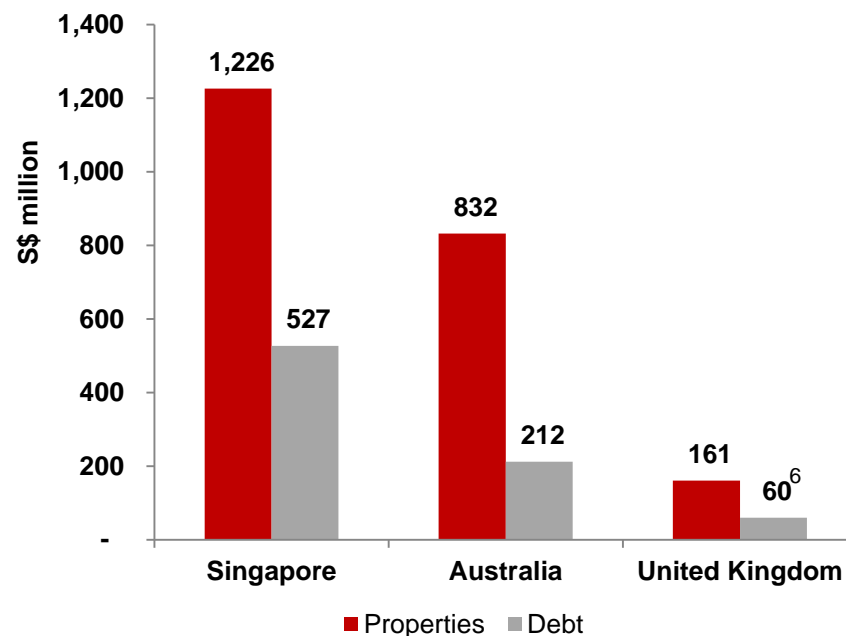
Capital Management

Debt statistics

- ◆ Healthy gearing of 35.3%
- ◆ Healthy interest coverage ratio of 4.1 times
- ◆ Borrowings in local currencies provide natural hedge
- ◆ All assets are unencumbered

Statistics	As at 31 Mar 2018
Total Assets (S\$'000)	2,265,407
Gross Borrowings (S\$'000)	799,225
Units on Issue and Issuable entitled to distribution	882,217,408
NAV per Unit (ex-DPU) (S\$) ¹	1.51
Gearing ²	35.3%
Interest coverage ratio (times) ³	4.1
Average borrowing rate ⁴	2.99% p.a.
FCOT Issuer rating by Moody's ⁵	Baa2

Borrowings and assets by currency



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

2. Gross borrowing as a percentage of total assets.

3. Net income before changes in fair values of investment properties, interest, other investments and derivative instruments, income tax and distribution, and adding back certain non-recurring items/cash finance costs for the quarter ended 31 March 2018. See accompanying 2QFY18 Financial Statements announcement for details.

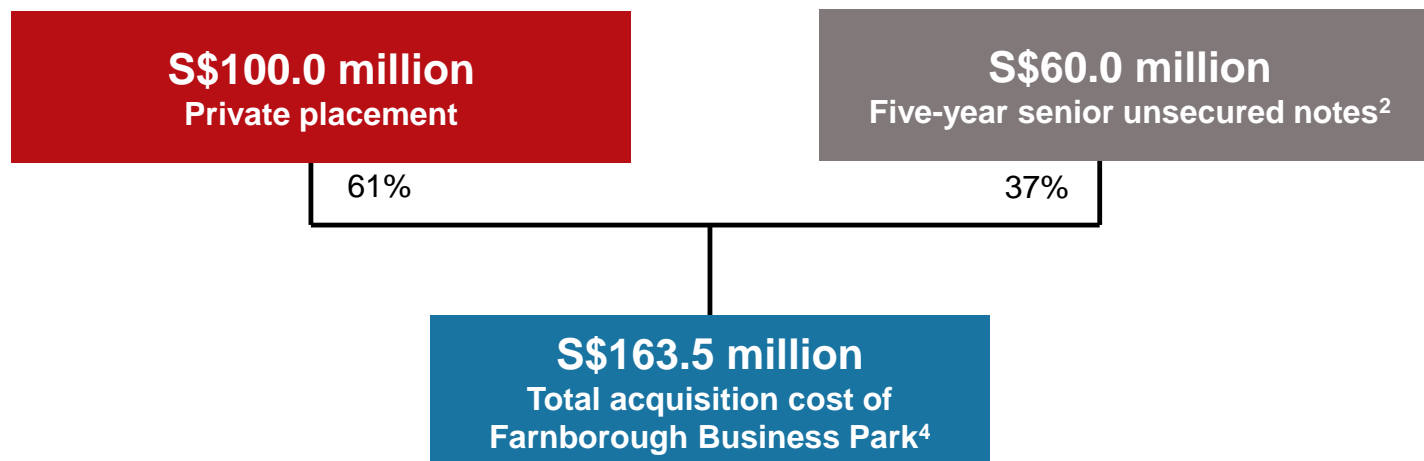
4. For quarter ended 31 March 2018.

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

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

Successfully raised S\$160.0 million debt and equity

- ◆ Raised S\$160.0 million in February 2018 to finance the total acquisition cost of 50% interest in Farnborough Business Park:
 - S\$100.0 million from a private placement which was over five times subscribed, at a price of S\$1.48 per Unit (implying 1.4% discount to adjusted VWAP)¹
 - S\$60.0 million five-year senior unsecured notes due in 2023 with a fixed rate of 3.185%²
- ◆ 67,567,000 new Units from private placement increased free float by more than 10% to 661.1 million Units³



Data as at 31 March 2018.

1. Refer to announcement dated 31 January 2018 for details.

2. Swapped into Sterling Pound.

3. Computed based on total Units in issue excluding Units held by Frasers Property Group.

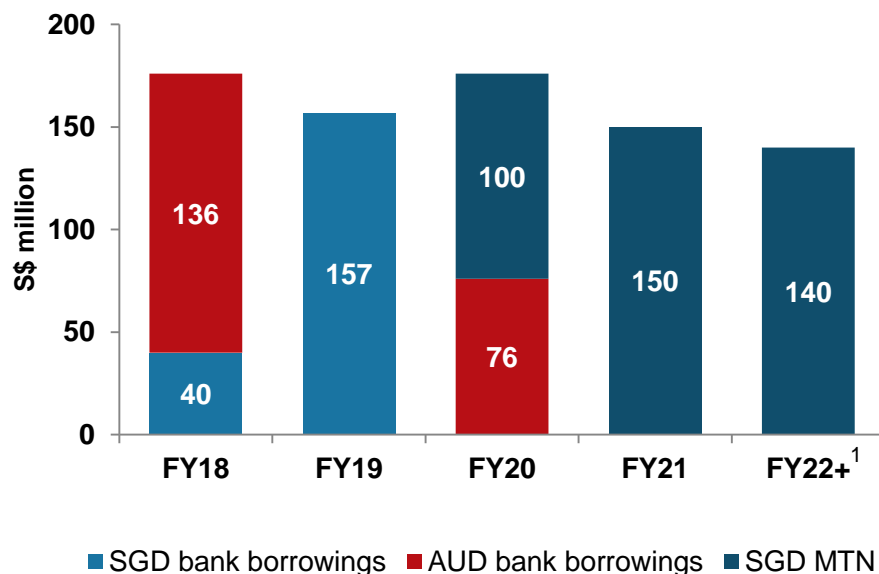
4. Comprised (i) purchase consideration of S\$161.3 million; and (ii) transaction costs of S\$2.2 million. The remaining total acquisition cost not covered by proceeds from the private placement and notes issuance was funded by internal funds.

Well-spread debt expiry profile

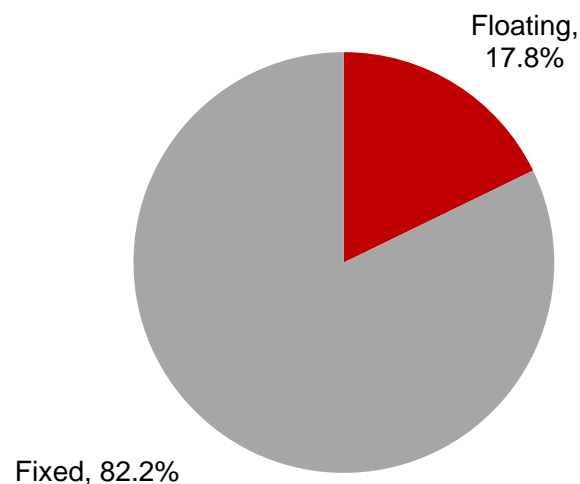
- ◆ Well-spread debt maturity profile, with not more than S\$176 million due in any financial year
- ◆ Refinancing of debt due in FY18 on-going
- ◆ 82% of gross borrowings on fixed rate

Debt maturity

Total facilities: S\$799 million
Weighted average term to maturity: 2.2 years



Debt composition – floating vs. fixed interest rates



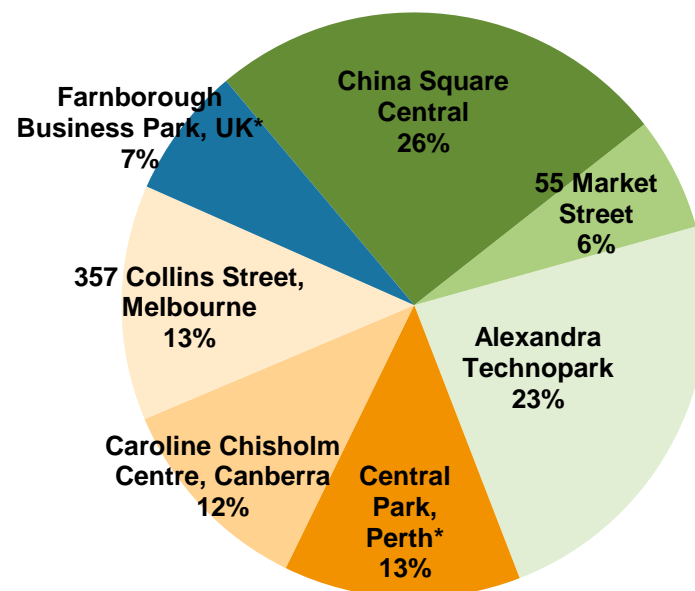
Data as at 31 March 2018.

1. Inclusive of S\$60.0 million senior unsecured notes issued in February 2018 swapped into Sterling Pound.

Portfolio Review

Portfolio Review Asset values

- ◆ Diversified portfolio with no single property accounting for more than 26% of portfolio value



Asset values as at 31 March 2018

Singapore	\$	1,226.0 mil	55%
Australia	\$	832.4 mil	38%
United Kingdom	\$	160.8 mil	7%
Portfolio asset value	\$	2,219.2 mil	100%

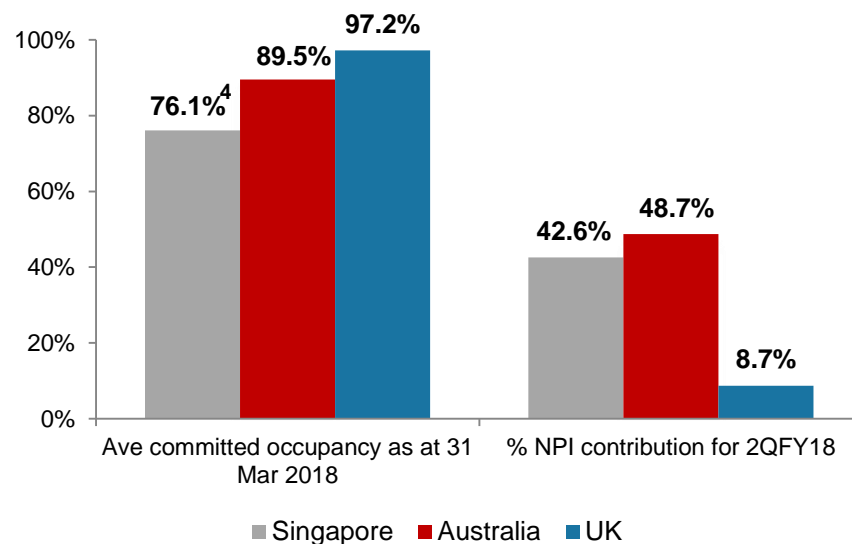
* Reflects FCOT's 50% interest each in Central Park and Farnborough Business Park (held as a joint venture and equity-accounted in the financial statements).

Portfolio Review Occupancy & WALE

- ◆ Average committed occupancy rate of 83.5%¹
- ◆ Committed WALE of 4.0 years^{1,2}

Key portfolio statistics as at 31 Mar 2018	Actual occupancy	Committed occupancy ¹
Ave Occupancy	79.4%	83.5%
Portfolio WALE by gross rental income ²	3.5 years	4.0 years
Portfolio WALB by gross rental income ^{2,3}	3.1 years	3.7 years

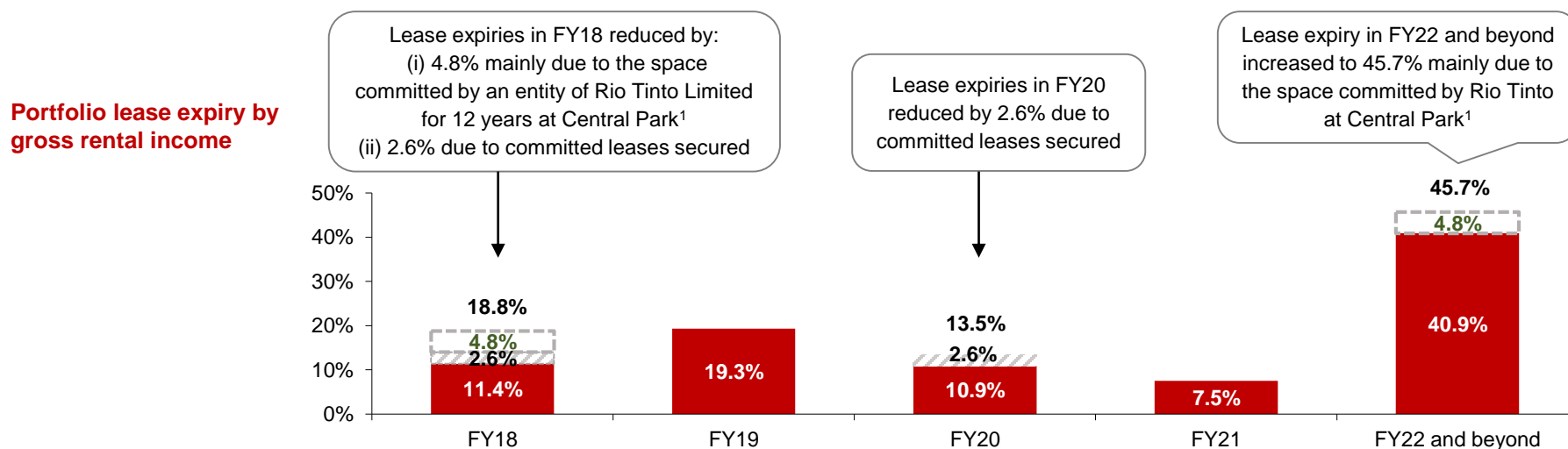
Geographical occupancy¹ and NPI² contribution



- Adjusted for, among other things, space committed by an entity of Rio Tinto Limited on a new 12-year lease commencing in FY18 and space that Rio Tinto Limited will be returning by end-FY18 as part of its partial relocation to new premises under the new lease. In addition, the total NLA of the portfolio used in the computation of occupancy rate has excluded 18 Cross Street retail podium (NLA c. 64,000 sf) which is currently closed for asset enhancement.
- Excludes lease incentives and retail turnover rents, if any. For Farnborough Business Park, reimbursements of rent free incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details) are included.
- WALB - weighted average lease to break, reflecting contractual rights for tenants to pre-terminate leases in certain cases.
- Mainly affected by lease expiration for Hewlett-Packard Enterprise Singapore Pte Ltd and phased reduction in lease area by Hewlett-Packard Singapore Pte Ltd at Alexandra Technopark (refer to the announcements dated 22 September 2017 and 3 November 2017 for further details).

Portfolio Review Lease expiry profile

- ◆ Well-spread lease expiry profile provides income defensiveness



Portfolio lease expiry by gross rental income²

Number of leases expiring	32	70	43	23	73 ³
NLA (sq ft) expiring	296,000	421,448	279,798	148,469	1,104,029
Expiries as % total NLA	10.5%	14.9%	9.9%	5.3%	39.1%
Expiries as % total Gross Rental Income	14.0%	19.3%	13.5%	7.5%	45.7%

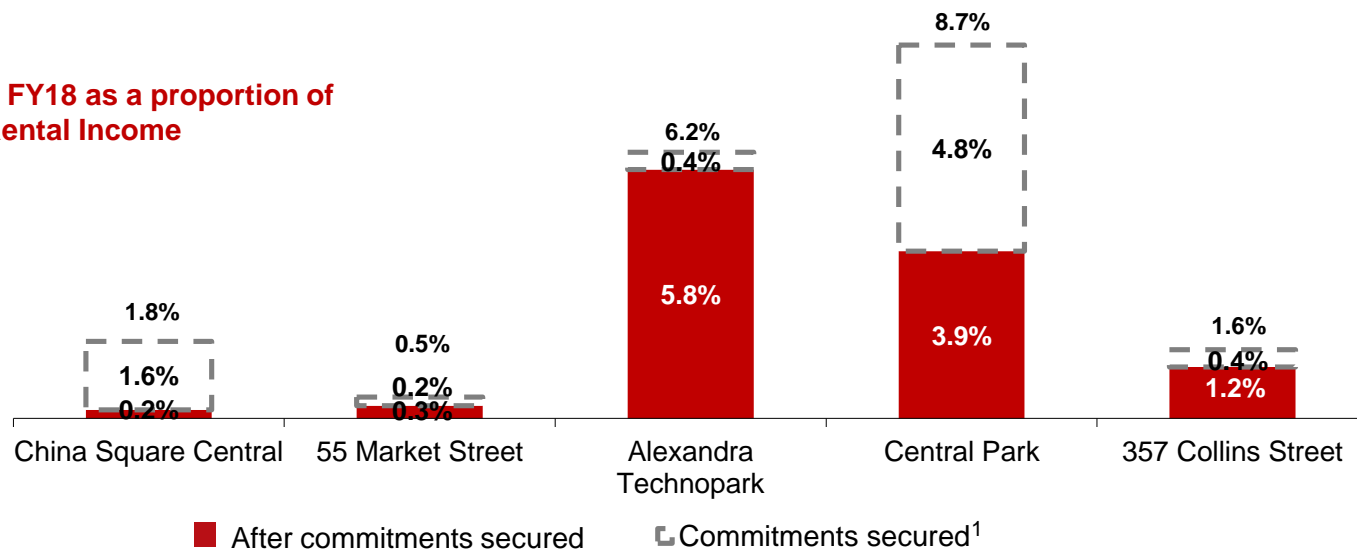
Data as at 31 March 2018. Exclude lease incentives and retail turnover rents, if any. For Farnborough Business Park, reimbursements of rent free incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details) are included.

1. Based on the space committed by an entity of Rio Tinto Limited on a new 12-year lease at Central Park commencing in FY18.
2. Adjusted for, among other things, space committed by an entity of Rio Tinto Limited on a new 12-year lease commencing in FY18. In addition, the total NLA of the portfolio used in the computation has excluded 18 Cross Street retail podium (NLA c. 64,000 sf) which is currently closed for asset enhancement.
3. Pending confirmation of actual number of leases to be executed in respect of the overall space committed by an entity of Rio Tinto Limited under a Heads of Agreement.

Portfolio Review Lease expiry profile for FY18

◆ Proactive management of leases

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



As at 31 March 2018

Number of leases expiring ¹	3 (office)	1 (office) 1 (retail)	9	3 (office) 1 (retail)	3 (office) 1 (retail)
Average passing rents for expiring leases ²	\$7.15 (office)	\$7.00 (office) \$5.60 (retail)	\$4.18	A\$610 (office) A\$2,627 (retail)	A\$557 (office) A\$2,148 (retail)

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

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

Portfolio Review Leasing activities

- ◆ Selected new/renewed leases committed in 2QFY18:

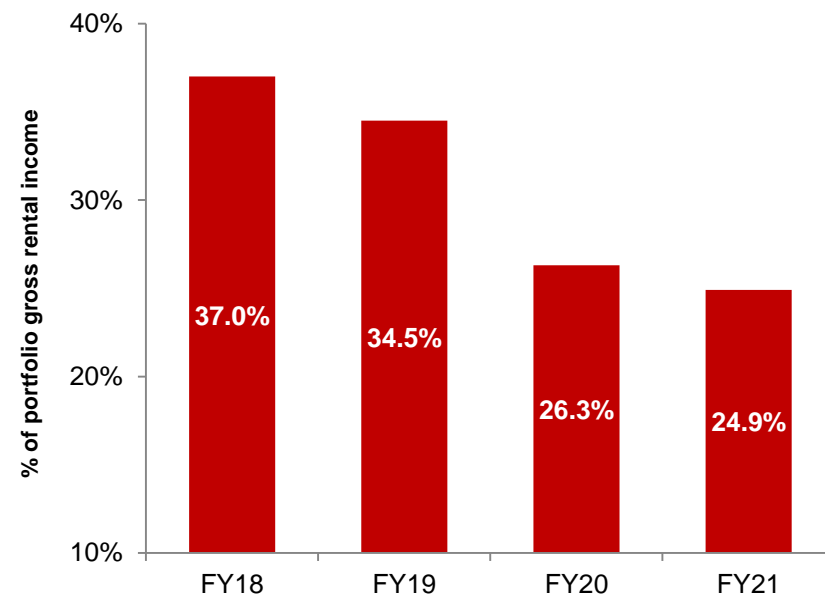
Tenant	Industry	Property
Pacific Prime Brokers Singapore Pte Ltd	Financial Services	China Square Central
WT Partnership (S) Pte Ltd	Real estate	China Square Central
PR Communications Pte Ltd	Consultancy/ business services	China Square Central
ABeam Consulting (Singapore) Pte Ltd	Consultancy/ business services	China Square Central
Il Lido Pte Ltd	F&B	55 Market Street
Harps Holdings Pte Ltd	Oil & gas	55 Market Street
Nokia Solutions and Networks Singapore Pte Ltd	Multimedia & telecommunications	Alexandra Technopark
Glory Global Solutions (Singapore) Pte Ltd	Consultancy/ business services	Alexandra Technopark
Rio Tinto Shared Services Pty Ltd	Resources	Central Park
Grant Thornton Australia Limited	Financial Services	Central Park
Meridian Energy Australia Pty Ltd	Resources	357 Collins Street
Service Stream Limited	Multimedia & telecommunications	357 Collins Street
Harmonic (UK) Limited	Consultancy/ business services	Farnborough Business Park
Winsopia Limited	IT products & services	Farnborough Business Park

Portfolio Review Mid-term rent reviews

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

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

FY18 – FY21 Portfolio Gross Revenue with Step-Up Rents for Existing Leases



Weighted average fixed step-ups	2.9%	2.8%	2.3%	2.0%
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1. Excludes lease incentives and turnover rent, if any.

Portfolio Review Top-10 tenants

- ◆ Established names and well diversified across various sectors
- ◆ Contribute 52% of portfolio gross rental income, with a WALE of 4.9¹ years at 31 March 2018

Top 10 tenants by gross rental income

Tenant	Property	Sector	Lease Expiry	% Gross Rental Income ²
Commonwealth of Australia	Caroline Chisholm Centre	Government	Jul-25	16.1%
Rio Tinto Limited ³	Central Park	Mining/ resources	Jun-18/ Jun-30 ³	7.2%
Commonwealth Bank of Australia	357 Collins Street	Banking, insurance & financial services	Dec-22	6.4%
Hewlett-Packard Singapore Pte Ltd	Alexandra Technopark	IT Products & Services	Apr-18 to Dec-18	5.3%
Service Stream Ltd	357 Collins Street	Multimedia & Telecommunications	Dec-19	3.4%
GroupM Singapore Pte Ltd	China Square Central	Consultancy/ business services	Mar-19	3.3%
Fluor Limited	Farnborough Business Park	Engineering	May-19 to Jun-25	3.2%
Microsoft Operations Pte Ltd	Alexandra Technopark	IT Products & Services	Jan-22	2.9%
Suntory Beverage & Food Asia Pte Ltd	China Square Central	Food & beverage	May-20	2.2%
Nokia Solutions and Networks (S) Pte Ltd	Alexandra Technopark	Multimedia & telecommunications	Feb-21	2.1%
Total				52.1%



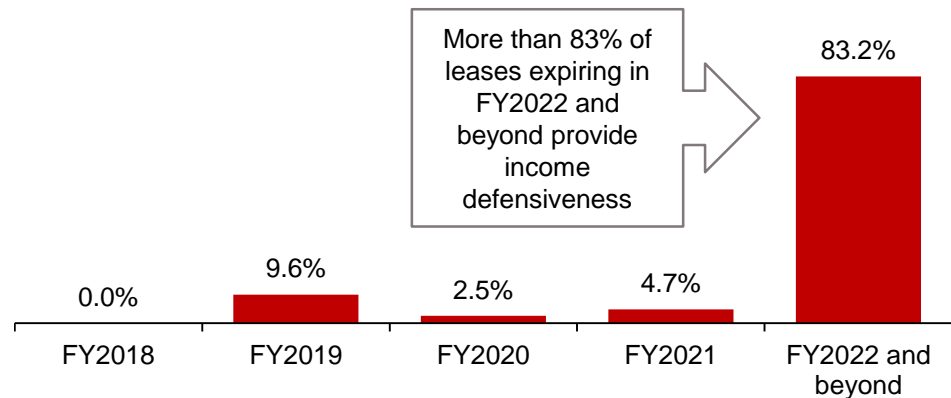
Data as at 31 March 2018.

1. The WALB (after accounting for rights to break) is 4.5 years.
2. Excludes lease incentives and retail turnover rents, if any. For Farnborough Business Park, reimbursements of rent free incentives and rent guarantee for certain outlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details), are included.
3. Based on the space committed by an entity of Rio Tinto Limited on a new 12-year lease at Central Park commencing in FY18.

Growth from Acquisitions and Asset Enhancement Initiatives

Acquisition 50% interest in Farnborough Business Park, UK

- ◆ Acquisition of 50% interest in Farnborough Business Park (“FBP”) at a property value of £87.5 million¹ completed on 29 January 2018
- ◆ Total acquisition cost was funded mainly by a combination of debt (37%) and equity (c. 61%)²
- ◆ FBP is an award-winning business park with solid fundamentals in a well-connected location in Thames Valley
- ◆ FCOT granted right of first refusal for Frasers Property’s relevant office/business space/business park assets in Europe (including UK)



Data as at 31 March 2018.

1. Represents FCOT’s 50.0% interest in FBP. Refer to the announcement dated 14 December 2017.
2. The remaining total acquisition cost was funded by internal funds.
3. By gross rental income and including reimbursements of rent free incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details). The WALB (after accounting for rights to break) is 5.1 years.
4. After adjusting for leases for which the tenants have exercised their rights to break.

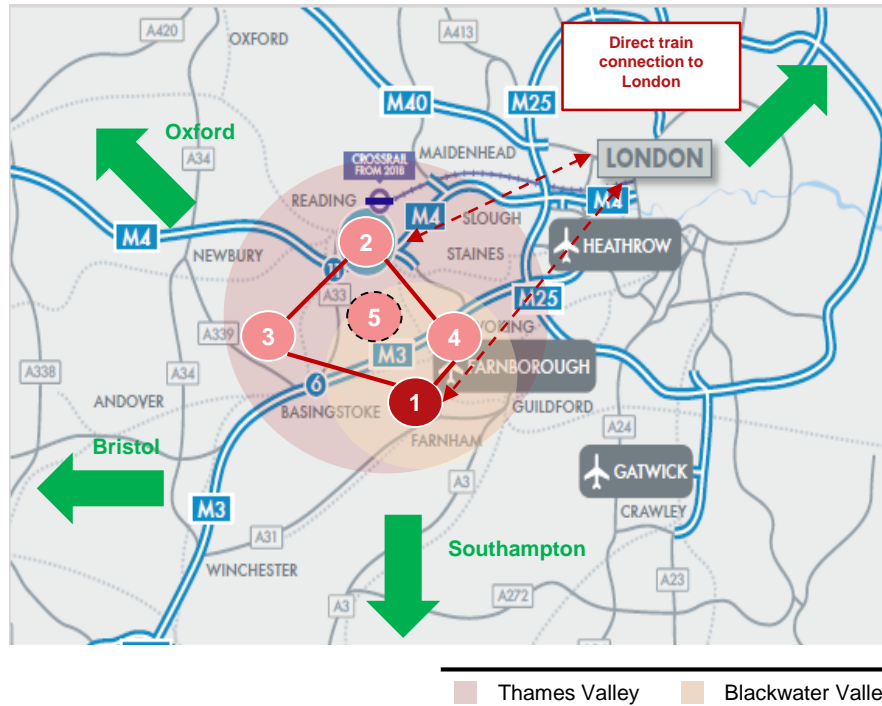
Farnborough Business Park portfolio synergies and platform strength

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



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

Frasers Property Group's Thames Valley network



Excellent transport connectivity

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

● FCOT / Frasers Property ● Frasers Property

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

Over S\$4bn ROFR Pipeline

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

Selected Singapore assets owned by Frasers Property



Frasers Tower¹



Alexandra Point



51 Cuppage Road



Valley Point

Selected Australia assets owned by Frasers Property



1B Homebush Bay Drive



2 Southbank Boulevard



1D Homebush Bay Drive



Rhodes Corporate Park (Bldg F)

Selected UK assets owned by Frasers Property



Winnersh Triangle



Chineham Park



Watchmoor Park



Farnborough Business Park² (50%)

Source: Frasers Property 2017 annual report and announcements.

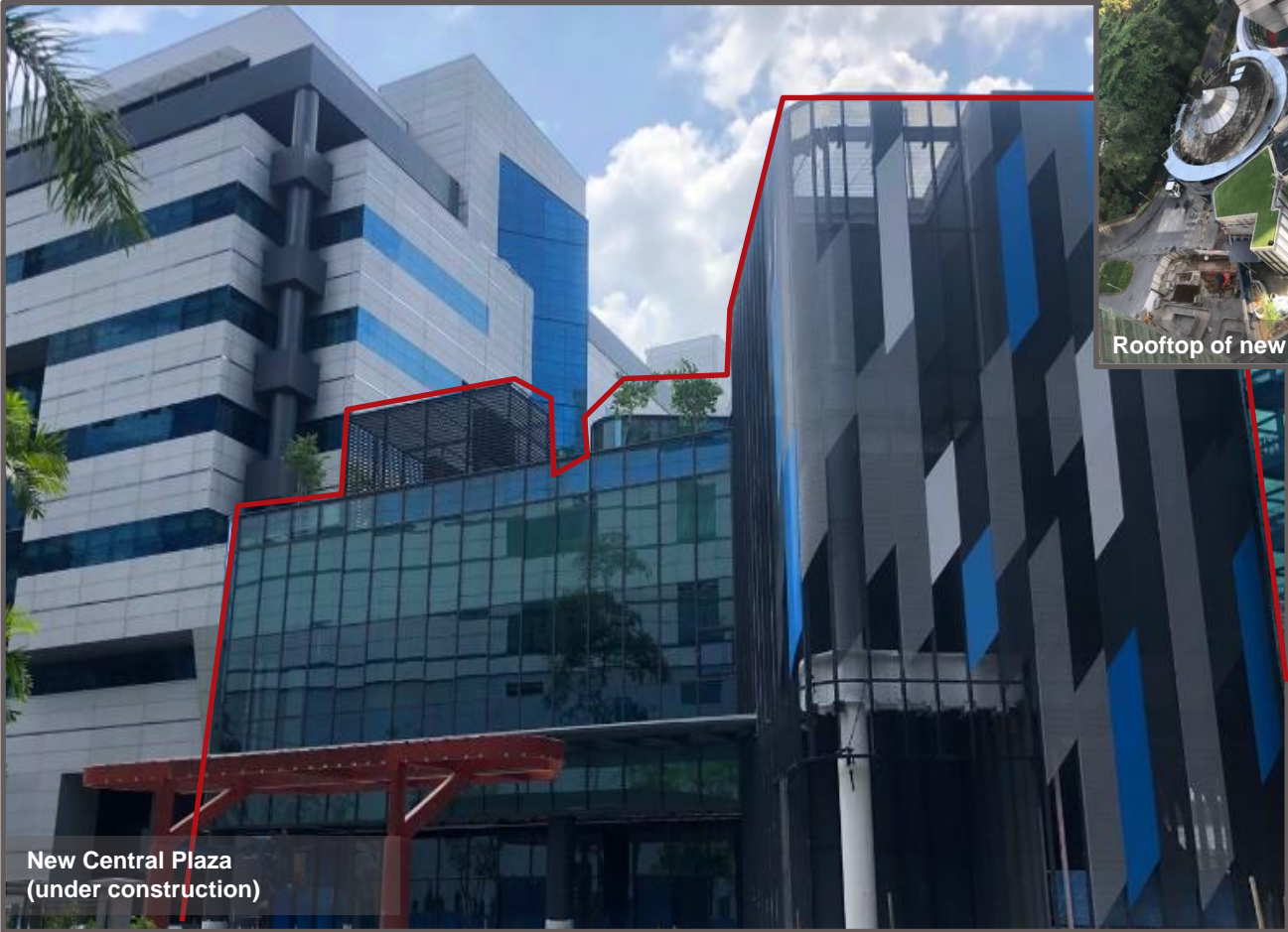
1. Currently under development.
2. Refers to Frasers Property's 50% interest.

Asset Update Asset enhancement at Alexandra Technopark

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

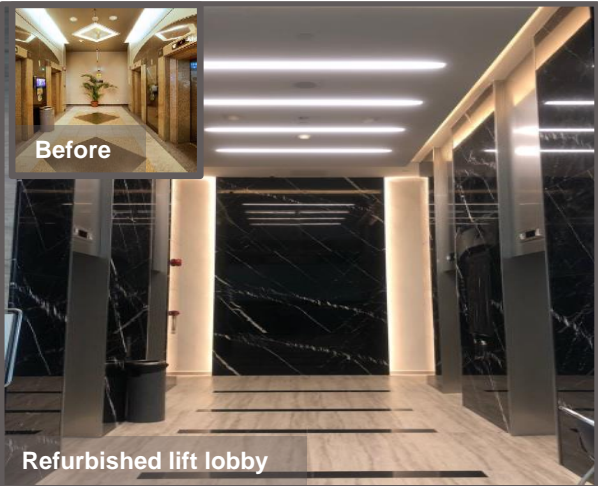
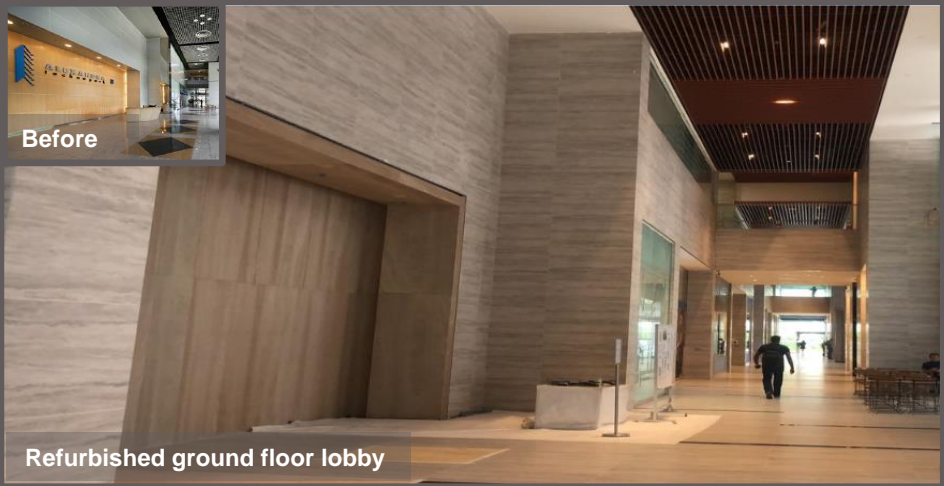


Asset Update Asset enhancement at Alexandra Technopark



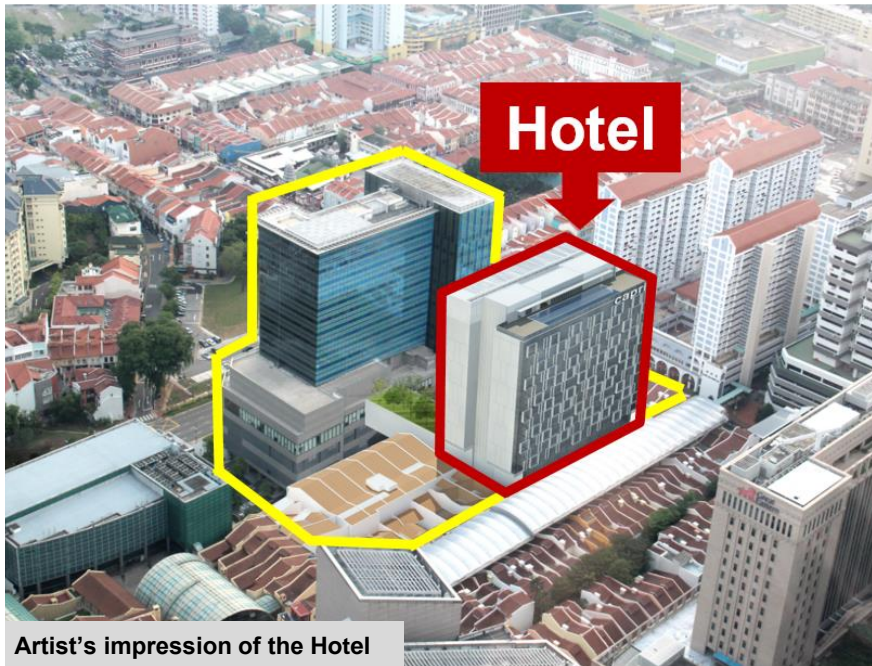
Asset Update Asset enhancement at Alexandra Technopark

- ◆ Completed/completing works:



Asset Update Developments at China Square Central

- ◆ Construction works for the development of the 16-storey Hotel and Commercial Project¹ are on track and expected to be completed by mid-2019
- ◆ New retail and commercial spaces with better frontages and visibility will also be created²
- ◆ The new 304-room Capri by Fraser hotel will bring increased activity to rejuvenate China Square Central



Artist's impression of the Hotel



Topping-up ceremony for Capri by Fraser, China Square/Singapore

 China Square Central

 Proposed Hotel

1. Undertaken by an entity of Frasers Property Limited. Refer to the Circular to Unitholders dated 3 June 2015 for details.
2. New spaces to be created from relocated spaces from part of the existing basement at 18 Cross Street and a section of 22 Cross Street. Refer to the Circular to Unitholders dated 3 June 2015 for details.

Asset Update Enhancement of China Square Central retail podium

- ◆ S\$38 million project commenced in 1Q 2018 and expected to complete by mid-2019¹
- ◆ NLA to potentially increase to c.75,000 sf¹ from c.64,000 sf currently
- ◆ Improved tenant mix focusing on F&B, wellness and services
- ◆ To benefit from uplift in human traffic from Capri by Fraser opening in 2019
- ◆ Retail podium closed during construction period for safety reasons



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

Appendix: Asset Details and Market Overview

Portfolio Update Singapore assets

China Square Central – stable occupancy for office tower



55 Market Street – stable occupancy



Alexandra Technopark – rejuvenation and repositioning underway



Occupancy	92.8% ^{1,2} (office tower: 91.6% ¹)	87.9% ¹	70.4% ¹
WALE	1.7 years	1.8 years	1.6 years
WALB	1.7 years	1.8 years	1.2 years
New leases, committed and renewals	Pacific Prime Brokers Singapore Pte Ltd, WT Partnerships (S) Pte Ltd, PR Communications Pte Ltd, ABeam Consulting (Singapore) Pte Ltd	Il Lido Pte Ltd, Harps Holdings Pte Ltd	Nokia Solutions and Networks Singapore Pte Ltd, Glory Global Solutions (Singapore) Pte Ltd

Tenants



Data as at 31 March 2018.

1. Committed occupancy as at 31 March 2018.
2. Excluding 18 Cross Street retail podium (NLA c 64,000 sq ft) which is currently closed for asset enhancement.

Portfolio Update Australia assets

Central Park – long WALE of 6.1 years¹



Caroline Chisholm Centre – full occupancy with long WALE of 7.3 years



357 Collins Street – high occupancy in a strong market



Occupancy	68.3% ^{1,2}	100.0%	98.1%
WALE	2.3 years (6.1 years with new leases ¹)	7.3 years	3.2 years
WALB	2.2 years (6.0 years with new leases ¹)	7.3 years	3.2 years
New leases, committed and renewals	Rio Tinto Shared Services Pty Ltd	Property occupied until July 2025 by a single tenant, the Commonwealth of Australia (AAA rated ³)	Grant Thornton Australia Limited, Meridian Energy Australia Pty Ltd, Service Stream Limited

Tenants



Data as at 31 March 2018.

- Adjusted for, among other things, space committed by an entity of Rio Tinto Limited on a new 12-year lease commencing in FY18 and space that Rio Tinto Limited will be returning by end-FY18 as part of its partial relocation to new premises under the new lease. Actual occupancy on 31 March 2018 was 64.6%.
- Committed occupancy as at 31 March 2018.
- Based on Standard and Poor's rating in January 2018.

Portfolio Update United Kingdom asset

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



Occupancy	97.2% ¹
WALE	7.5 years
WALB	5.1 years
New leases, committed and renewals	Harmonic (UK) Limited, Winsopia Limited

Tenants	
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Data as at 31 March 2018.

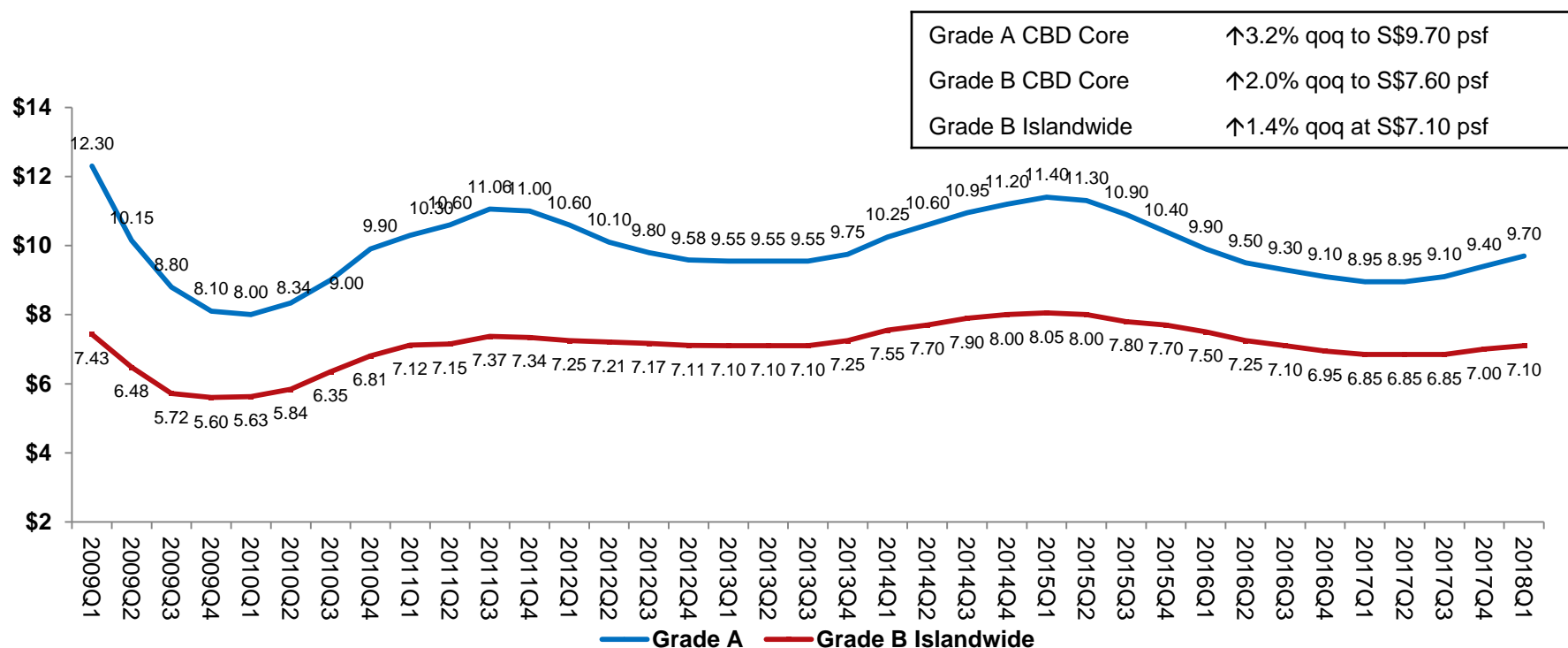
1. After adjusting for leases for which the tenants have exercised their rights to break.

Singapore office rents

Singapore office:

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

Singapore Grade A and Grade B office rents¹

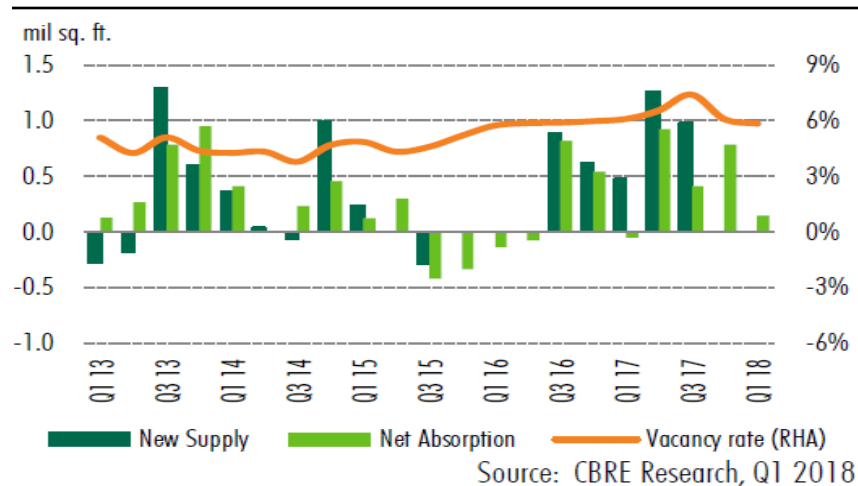


Source: CBRE Research

1. CBRE, Singapore Market View, Q1 2018

Demand, supply and outlook for Singapore CBD office market

Office supply-demand dynamics¹



Office vacancy rates¹

	Q1 18	Q-o-q	Y-o-y
Islandwide	5.9%	-25 bps	-26 bps
Core CBD	5.9%	-33 bps	149 bps
Fringe CBD	6.5%	-17 bps	-211 bps
Decentralised	5.0%	-17 bps	-161 bps
Grade A	5.8%	-41 bps	242 bps

Source: CBRE Research, Q1 2018

- ◆ Leasing momentum continued in 1Q 2018 albeit at a slower pace compared to 4Q 2017
- ◆ Island-wide vacancy decreased to 5.9% in 1Q 2018 from 6.1% in 4Q 2017
- ◆ Co-working operators continue to seek out new locations and there were also new entrants coming into the market
- ◆ CBRE is of the opinion that the medium term outlook for rents is positive with tapering future supply and new office developments in the immediate horizon garnering healthy pre-commitments coupled with improving business confidence

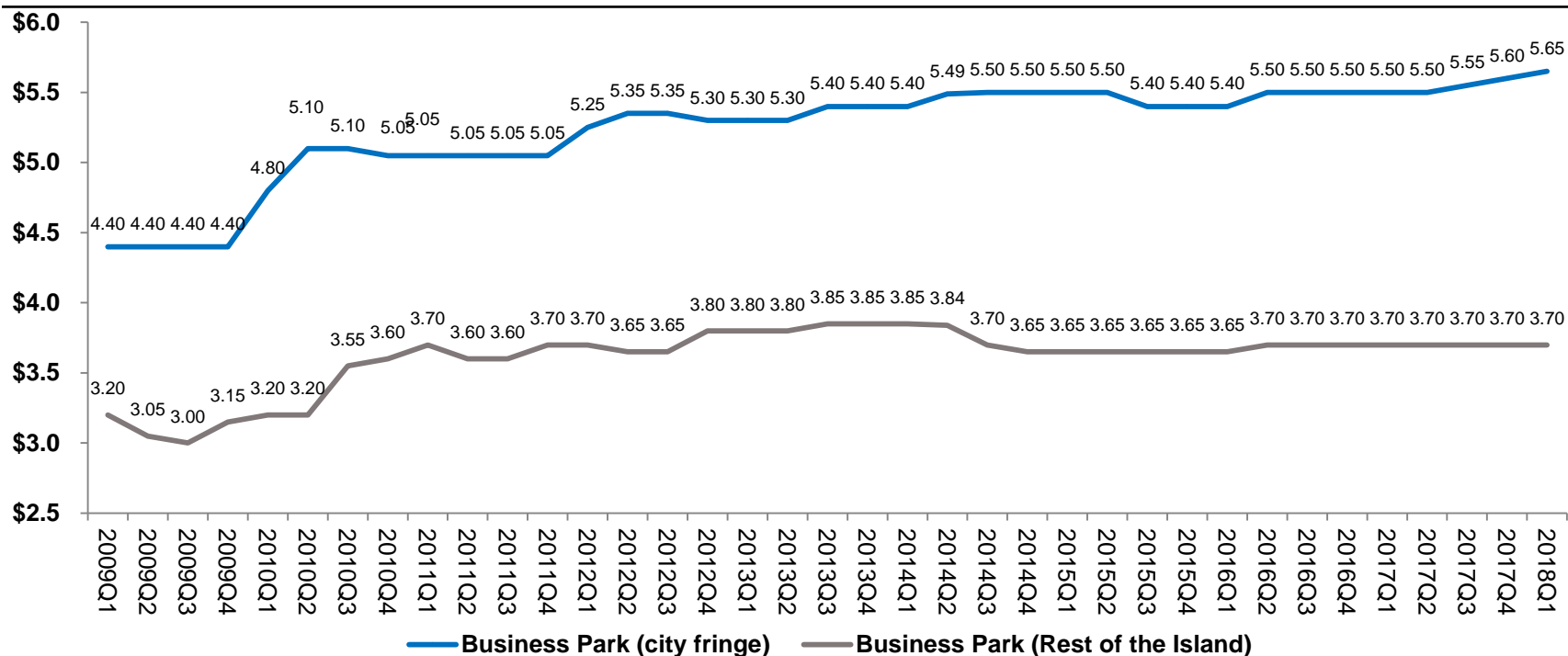
1. CBRE, Singapore Market View, Q1 2018

Singapore business park rents¹

Singapore business parks²:

- ◆ City fringe business park average rent increased for the third consecutive quarter, by 0.9% qoq in 1Q 2018
- ◆ Rest of the island average rent remained flat

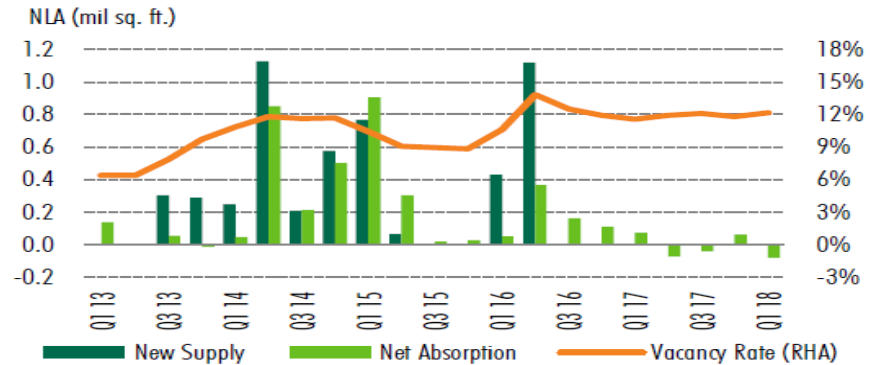
Singapore Business Park (city fringe) rents²



1. Alexandra Technopark is a high-specification B1 industrial development located at the city-fringe, with certain physical attributes similar to business parks. In the absence of comprehensive market research information directly relevant to the asset class of Alexandra Technopark, market research information for business parks is provided for indicative reference.
2. CBRE, Singapore Market View, Q1 2018

Demand, supply and outlook for Singapore business park market¹

Business park supply-demand dynamics²



Source: CBRE Research, Q1 2018

Business park future pipeline²

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

Source: CBRE Research, Q1 2018

- ◆ Island-wide net absorption recorded a negative 77,924 sf as at end 1Q 2018, which resulted in an increase in vacancy to 12.2% from 11.8% in 4Q 2017
- ◆ City fringe business parks of higher quality and better locations continue to outperform the rest of the island
- ◆ Leasing demand was mainly driven by technology and financial services company
- ◆ CBRE is of the opinion that rents for business parks in the city fringe are expected to grow as vacancy tightens further, while the outlook for business parks for the rest of the island, especially for lower quality buildings, is generally less positive

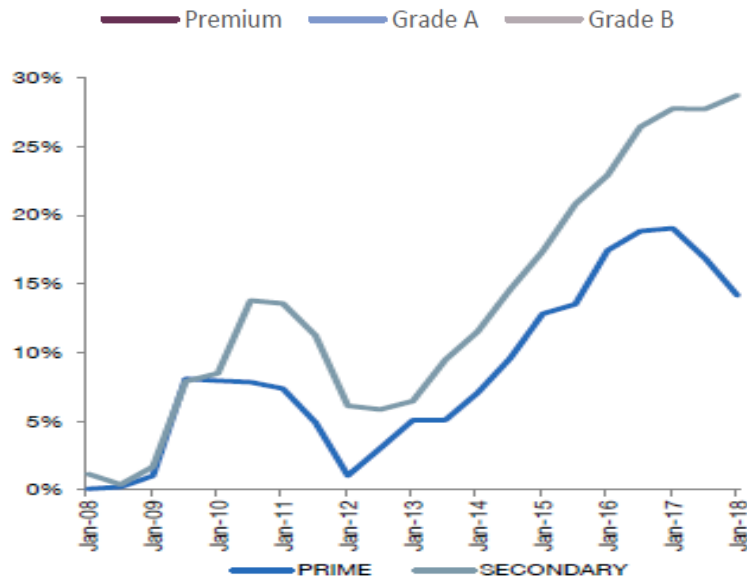
1. Alexandra Technopark is a high-specification B1 industrial development located at the city-fringe, with certain physical attributes similar to business parks. In the absence of comprehensive market research information directly relevant to the asset class of Alexandra Technopark, market research information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

2. CBRE, Singapore Market View, Q1 2018

Perth CBD office supply and rents

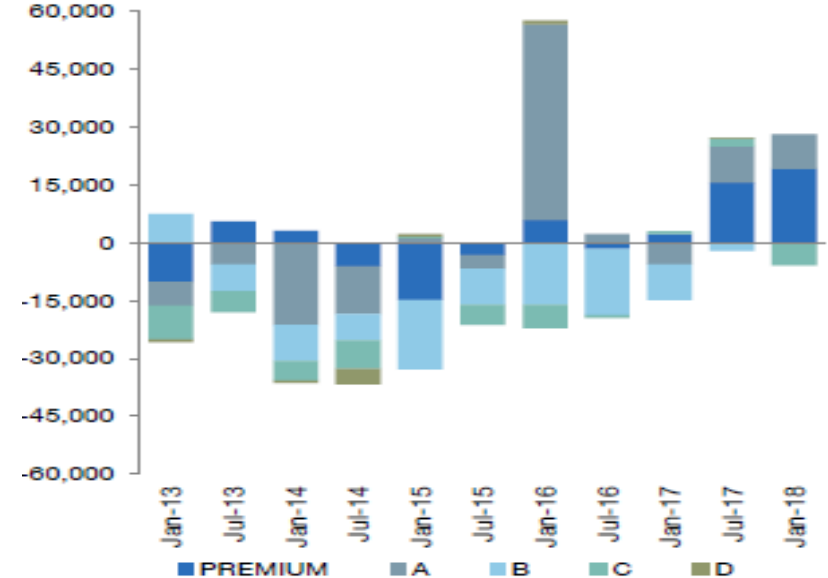
- ◆ Business confidence continues to improve, healthy demand for Prime Grade office space due to ‘flight to quality’ and tenants relocations to CBD
- ◆ Prime Grade office vacancy reduced by 2.7%-point over six months to 14.2% as at January 2018
- ◆ Prime Grade average net face rent was A\$500 to A\$700 per sqm per annum as at February 2018, with average lease incentives between 45% and 50%

Perth CBD office vacancy rate by grade (%)



Source: Knight Frank Research/PCA

Perth CBD net absorption by grade ('000 sqm)

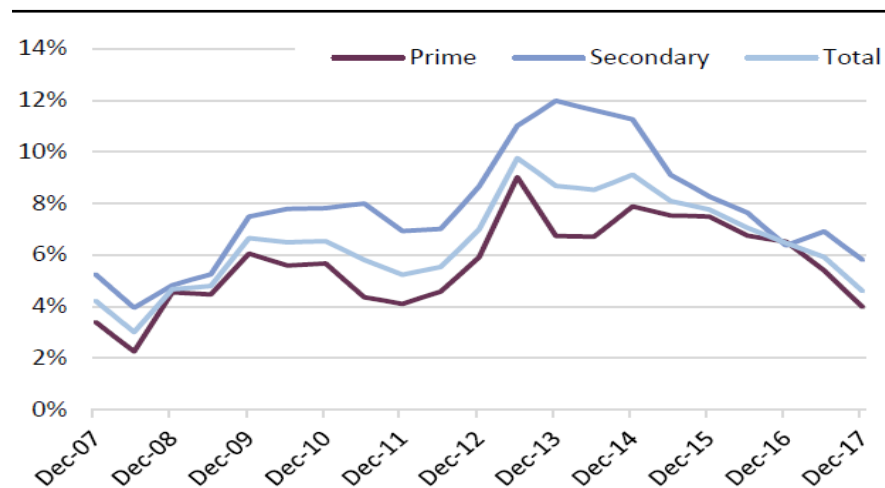


Source: Knight Frank Research/ PCA

Melbourne CBD office supply and rents

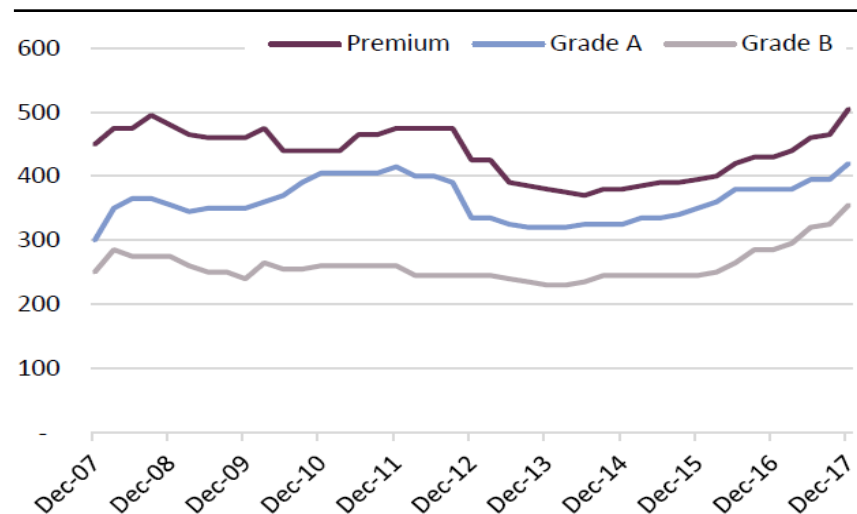
- ◆ Net absorption of 74,800 sqm for 2017 for Melbourne CBD was the strongest among Australian cities
- ◆ Healthy demand for space supported by employment growth across Victoria, among other factors
- ◆ Grade A average net face rent for Melbourne CBD office space was between A\$520 to A\$640 per sqm per annum as at December 2017, with lease incentives around 25% to 30%
- ◆ Overall vacancy rate of 4.6% as at December 2017 was the lowest in Australia, further decline anticipated in the next twelve months
- ◆ Office net face rent is forecast to grow over the next two years

Melbourne CBD office vacancy rate (%)



Source: PCA/ Savills Research

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

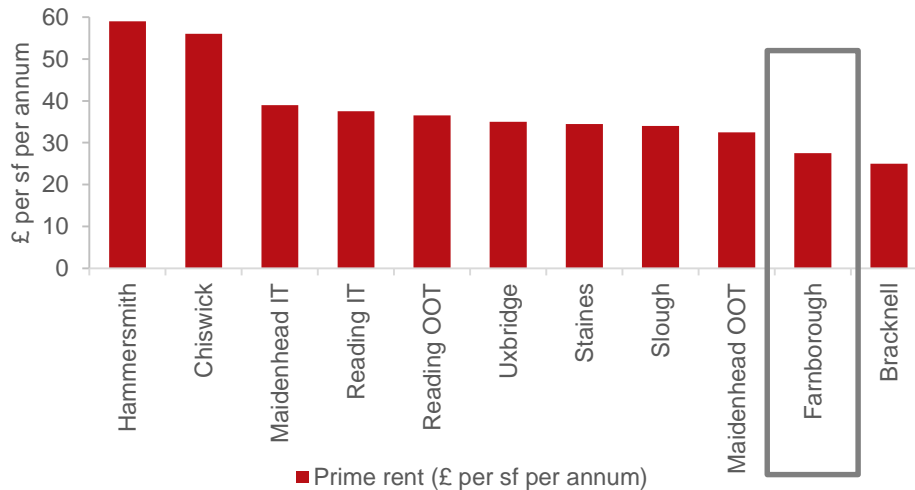


Source: Savills Research

Thames Valley office supply and rents

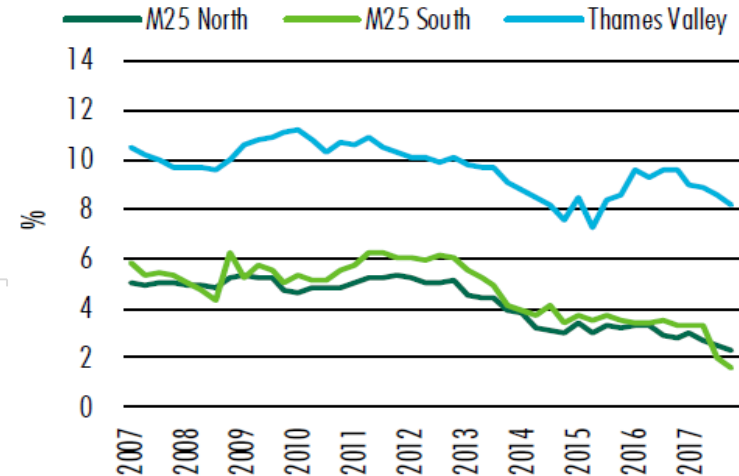
- ◆ Total absorption of 1.6 million sq ft in 2017 was 15% higher than 2016
- ◆ Grade A office rent for Farnborough area was £27.5 per sq ft per annum as at December 2017 and is expected to increase in the next twelve months, while incentives of around 17.5% (for typical 10-year lease term) is expected to remain unchanged in the next twelve months
- ◆ Vacancy rate of c.8% as at December 2017 lower than c.9% a year ago

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



Source: CBRE Research, Q4 2017

Thames Valley and M25 vacancy rates (%)



Source: CBRE Research, Q4 2017

**Experience
matters.**



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