ANNUAL REPORT 2017

CREATING LONG-TERM VALUE

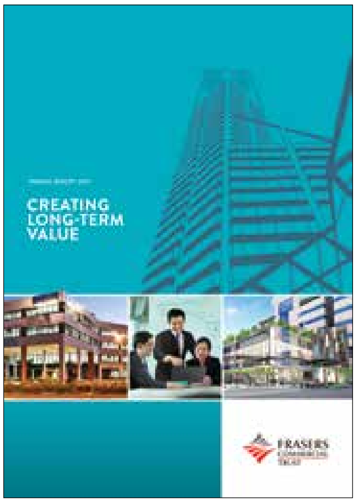
FRASERS COMMERCIAL TRUST

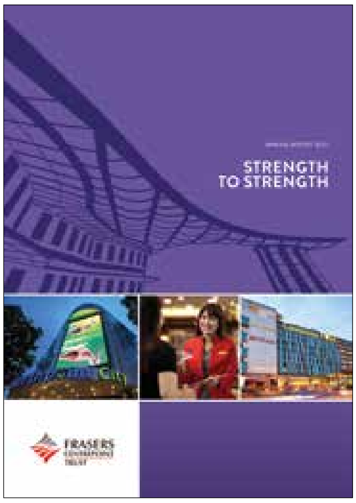
Top: Central Park, Perth, Australia
Above left: Caroline Chisholm Centre, Canberra, Australia
Above right: Artist's impression of Central Plaza, a new amenity hub at Alexandra Technopark, Singapore

CREATING LONG-TERM VALUE

Beyond providing physical space, a building represents the successful combination of thoughtful design, curated experiences, and respectful stewardship. Like a blueprint, these form the foundation of a building. For this year's annual report design, the Frasers Centrepoint group of companies chose to feature line drawings of our key properties – a symbolic representation of our role as designer, curator and steward, not only of our properties, but also of our group. It represents our continuous efforts to build on solid foundations to transform our blueprints of growth for the group into reality for our stakeholders.

In managing Frasers Commercial Trust, we continuously focus on creating and delivering long-term value for our Unitholders, tenants, employees and the community. Over the years we have strengthened the Trust's asset portfolio, proactively managed the properties, prudently managed capital and risks and maintained high standards of corporate governance, and will continue to do so as we uphold our commitment of creating and delivering long-term value to our stakeholders.





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 Centrepoint Limited (FCL). As at 30 September 2017, its portfolio consists of six quality office and business space buildings located in Singapore and Australia 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 Centrepoint Asset Management (Commercial) Ltd (the Manager), a subsidiary of FCL.

FCL is a full-fledged international real estate company and one of Singapore's top property companies with total assets of around S$27 billion as at 30 September 2017. FCL has three strategic business units – Singapore, Australia and Hospitality. In Singapore and Australia, the focus is on residential, commercial, retail and industrial properties. In hospitality, the business spans more than 80 cities across Asia, Australia, Europe, and the Middle East and North Africa region. FCL also has an International Business unit that focuses on China, Europe and Southeast Asia.

Frasers Commercial Trust 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, FCL.

OUR UNIFYING IDEA

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 sponsor's legacy is valuable and inspires our approach. We bring the right expertise to create value for our customers. We celebrate the diversity of our staff and the expertise they bring, and we commit ourselves to enabling their professional and personal development.

China Square Central, Singapore

OUR PROPERTIES

SINGAPORE

55 Market Street,
Singapore

Alexandra Technopark,
Singapore

China Square Central,
Singapore

AUSTRALIA


357 Collins Street,
Melbourne, Australia


Caroline Chisholm Centre,
Canberra, Australia


Central Park,
Perth, Australia

SOUND FUNDAMENTALS

FCOT's sound fundamentals coupled with the Manager's proactive asset management approach and prudent capital and risk management strategies continue to be key in delivering healthy results.

Central Park,
Perth, Australia

55 Market Street, Singapore

S$78.6 million

Highest distributable income to Unitholders since listing[1]

9.82 cents

Stable distribution per Unit[2]

S$2.1 billion

4.1% year-on-year increase in portfolio valuation[3]

34.7%

Healthy gearing[3,4]

1 Distributable income for FY2017. FCOT was listed on the SGX-ST on 30 March 2006.
2 Full-year distribution per Unit for FY2017, which was in-line with that of FY2016.
3 As at 30 September 2017.
4 Gross borrowings as a percentage of total assets.

DRIVING GROWTH THROUGH VALUE ACCRETIVE ACQUISITIONS

The Manager pursues acquisitions in a disciplined manner, to provide stable cash flows with opportunities for growth for FCOT. One such acquisition was 357 Collins Street, Melbourne in August 2015, which continues to generate stable and growing NPI and full occupancy, as well as recording a 28.1% increase in valuation since acquisition[1]. By leveraging on its prime position on Collins Street in the Melbourne CBD, the property is poised to deliver long-term value to FCOT.

357 Collins Street,
Melbourne, Australia


357 Collins Street,
Melbourne, Australia


357 Collins Street,
Melbourne, Australia

357 Collins Street,
Melbourne, Australia

357 Collins Street

3.6 years

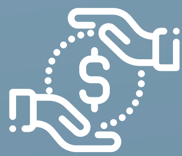
Healthy weighted average lease expiry[2,3]

100.0%

Continued strong occupancy[3]

89.7%

Good organic growth as 89.7%[3] of the property's leases by gross rental income incorporate fixed periodic rent increases or rent reviews



50.4%

Stable income with 50.4% of leases by gross rental income expiring in FY2022 and beyond[3]

Green features for operational efficiency

5.5 star NABERS Energy base building rating (with green power) and 4.5 star NABERS Water rating[4]

1 3.7% higher NPI year-on-year in FY2017. Occupancy rate was 100.0% as at 30 September 2017. The growth in valuation is based on valuation denominated in Australian Dollar for the period from 18 August 2015, being the date of the completion of the acquisition, up to 30 September 2017.
2 Weighted average lease expiry by gross rental income. Excluding retail turnover rents.
3 As at 30 September 2017.
4 Environmental performances of buildings in Australia are measured by the National Australian Built Environment Rating System (NABERS).

STAYING AHEAD WITH ASSET ENHANCEMENT INITIATIVES

The Manager proactively undertakes asset enhancement initiatives for FCOT's properties, where appropriate, so as to maintain the properties' competitiveness and to create long-term value for FCOT. Alexandra Technopark is poised to benefit from a S$45 million asset enhancement initiative[1] which aims to create a vibrant and stimulating business campus that is well-stocked with wellness and lifestyle amenities for work-life balance. Plans have also been initiated to reposition and rejuvenate the retail podium of 18 Cross Street at China Square Central[2] for S$38 million, with the aims of updating and upgrading the shopper experience and tenancy mix in the mall, and increase its lettable area. Both these asset enhancement initiatives will bolster the market competitiveness and income-generating potential of the properties in the long-term.

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

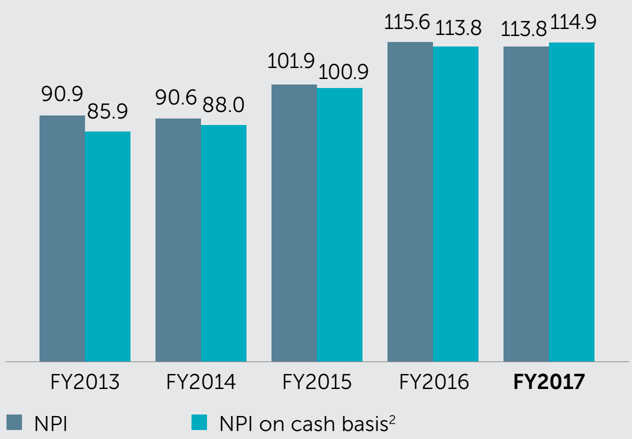
1 See announcement dated 23 January 2017 for details. Works commenced in Q1 2017 and are expected to be completed around mid-2018.
2 See press release dated 20 October 2017 for details. Works are currently expected to commence in Q1 2018 and complete by mid-2019.

Artist's impression of Central Plaza, a new amenity hub at Alexandra Technopark, Singapore

FINANCIAL HIGHLIGHTS

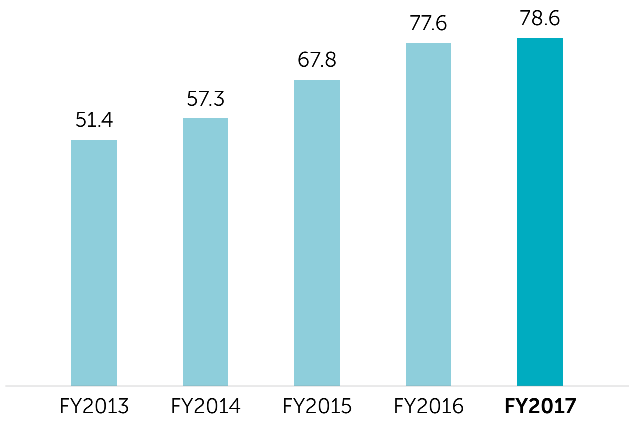
NET PROPERTY INCOME (NPI)[1]
(S$ million)

- NPI decreased slightly by 1.6% year-on-year (although increased 1.0% on cash basis) due to better performance by Australian portfolio and effects of average stronger Australian Dollar
- The decrease was offset by higher repair and maintenance expenses for Caroline Chisholm Centre and lower occupancy rates for Alexandra Technopark, China Square Central and Central Park



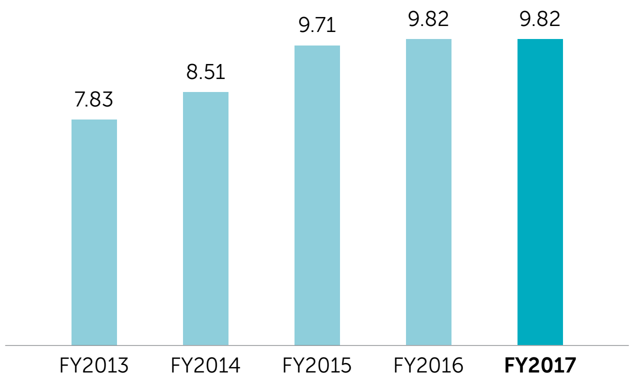
DISTRIBUTABLE INCOME TO UNITHOLDERS[1]
(S$ million)

Full-year distributable income was the highest since FCOT's listing in 2006 and also 1.3% above that of FY2016



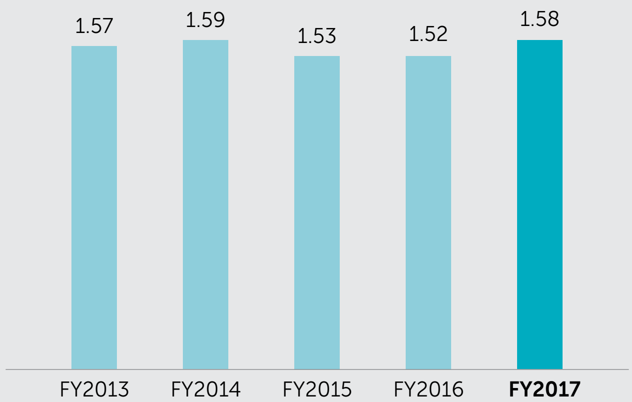
DISTRIBUTION PER UNIT (DPU)[1]
(cents)

DPU was stable year-on-year



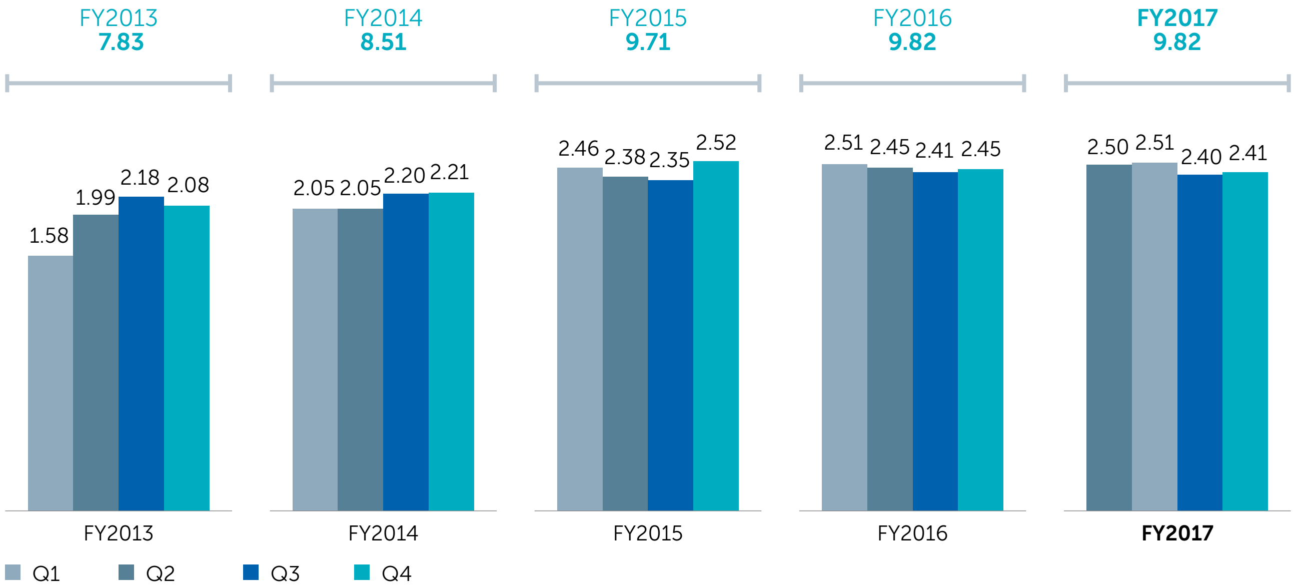
NET ASSET VALUE (NAV) PER UNIT [1,3]
(S$)

NAV per Unit increased due to 3.9% increase in portfolio valuation



1 FCOT divested the Japanese properties, namely Azabu Aco Building, Galleria Otemae Building and Ebara Techno-Serve Headquarters Building, on 25 October 2012.
2 NPI excluding the effects of recognising accounting income on a straight line basis over the terms of leases.
3 Excludes distributable income.

QUARTERLY DPU
(cents)



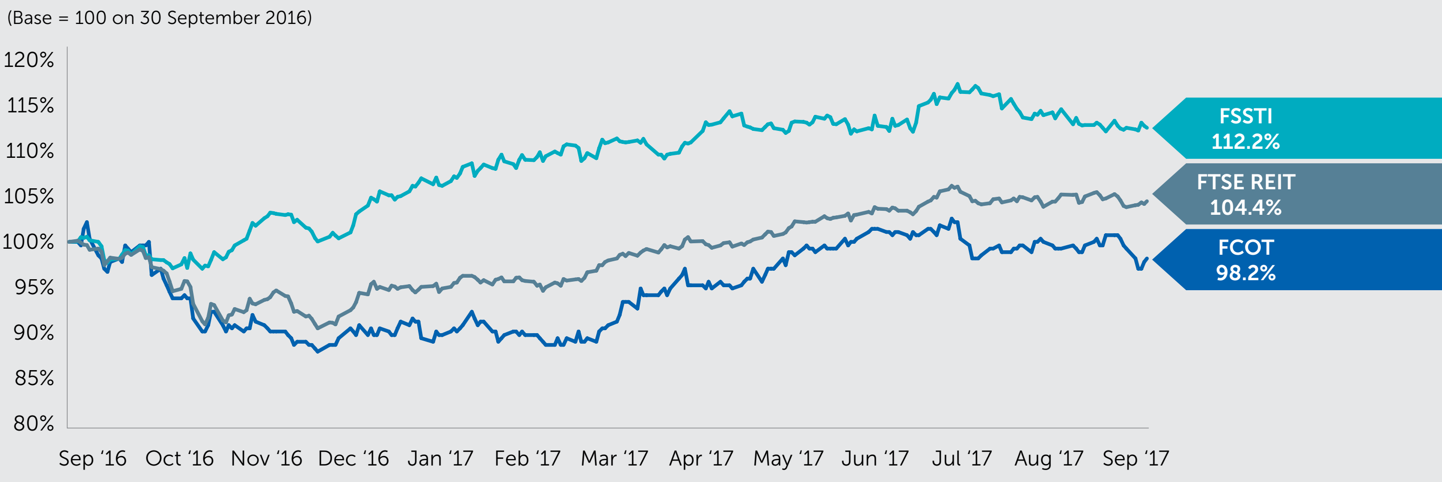
Statement of Total Return highlights (S$ million)	FY2013[1]	FY2014	FY2015	FY2016	FY2017
Gross revenue	118.2	118.8	142.2	156.5	156.6
NPI	90.9	90.6	101.9	115.6	113.8
NPI on cash basis[2]	85.9	88.0	100.9	113.8	114.9
Distributable income to Unitholders	51.4	57.3	67.8	77.6	78.6
Balance Sheet highlights (as at 30 September) (S$ million)					
Total assets	1,862.5	1,881.8	2,034.4	2,069.4	2,158.9
Portfolio property valuation	1,811.4	1,824.9	1,954.8	1,989.3	2,070.9
Total liabilities	801.2	790.4	827.6	840.9	869.6
Total borrowings	701.2	698.6	736.8	745.4	750.0
Net assets	1,061.4	1,091.4	1,206.9	1,228.4	1,289.3
Key Financial Indicators					
DPU (cents)	7.83	8.51	9.71	9.82	9.82
NAV per Unit[3] (S$)	1.57	1.59	1.53	1.52	1.58
Gearing[4] (%)	37.7	37.1	36.2	36.0	34.7
Interest cover[5] (times)	4.3	4.3	4.5	4.6	4.4
Average cost of debt (% per annum)	3.0	2.7	2.9	3.0	3.0
Fixed borrowings as a % of total borrowings (%)	51.0	46.0	81.0	85.0	80.7
Unencumbered assets as a % of property portfolio (%)	20.2	100.0	100.0	100.0	100.0

1 FCOT divested the Japanese properties, namely Azabu Aco Building, Galleria Otemae Building and Ebara Techno-Serve Headquarters Building, on 25 October 2012.
2 NPI excluding the effects of recognising accounting income on a straight line basis over the terms of leases.
3 Excludes distributable income.
4 Gross borrowings as a percentage of total assets.
5 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.

FINANCIAL HIGHLIGHTS

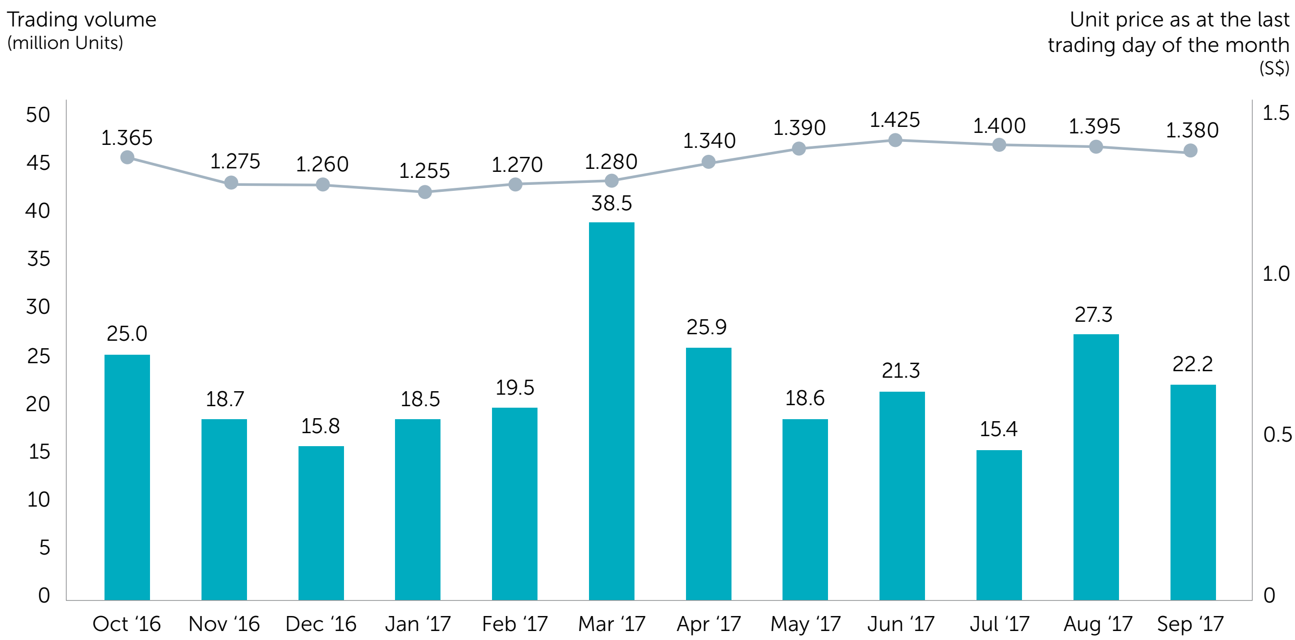
TRADING PERFORMANCE IN FY2017

Global financial markets continued to be volatile in FY2017 and was affected by unexpected geopolitical events and concerns over the timings of interest rate increases by the US Federal Reserve, among others. As at 30 September 2017, the US Federal Reserve has raised interest rates by 50 basis points in total in 2017, comprising two 25-basis point increases in March and June, respectively. While the global economy appears to be strengthening on the whole, downside risks remain. As at 29 September 2017, FCOT's closing unit price of S$1.380 was 1.8% below the opening unit price of S$1.405 on 3 October 2016, the first trading day of the financial year. The FTSE STI and REIT Indices outperformed FCOT during the same period as liquidity inflows may have favoured companies and REITs with larger market capitalisations, among other reasons.



Source: Bloomberg

FCOT MONTHLY TRADING PERFORMANCE IN FY2017



Source: Bloomberg

TRADING PERFORMANCE

	FY2013	FY2014	FY2015	FY2016	FY2017
Opening price (S$)	1.165	1.250	1.360	1.330	1.405
Closing price (S$)	1.260	1.350	1.330	1.405	1.380
High price (S$)	1.595	1.440	1.580	1.430	1.450
Low price (S$)	1.135	1.215	1.180	1.145	1.235
Trading volume (million Units)	320.4	189.9	218.0	187.7	266.7
Average daily trading volume (million Units)	1.3	0.8	0.9	0.7	1.1
Market capitalisation (S$ million)[1]	828.5	913.5	1,041.0	1,116.0	1,111.4

Source: Bloomberg

1 Based on the closing prices and number of issued Units at the last trading day for the respective financial year.

FCOT'S TOTAL RETURNS HAVE GENERALLY OUTPERFORMED THOSE OF THE FTSE REIT AND STRAITS TIMES 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	-1.8	5.7	2.2	26.4	17.4	65.9
FTSE REIT Index	4.4	10.9	7.3	29.6	7.6	46.1
FTSE Straits Times Index	12.2	16.0	-1.7	9.2	5.2	24.1

Source: Bloomberg

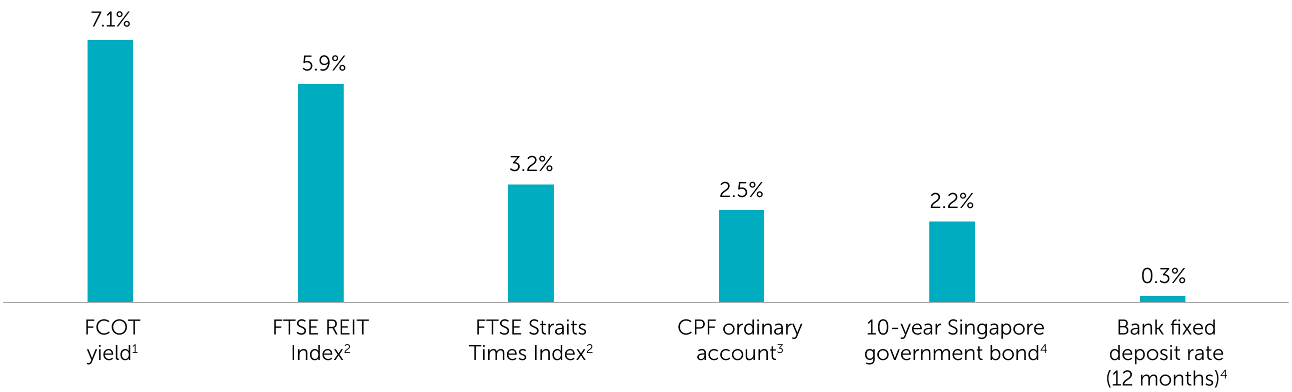
1 Up to 29 September 2017.
2 Assumes dividends are reinvested.

FCOT TOTAL RETURN FOR FY2013-FY2017 65.9%

FCOT's 5-year total return of 65.9% exceeds FTSE REIT and FTSE Straits Times Indices' 5-year total return of 46.1% and 24.1% respectively.

FCOT OFFERS ATTRACTIVE YIELD COMPARED TO OTHER INVESTMENTS

FCOT offers an attractive distribution yield of 7.1%[1] (before tax, if any) as at 29 September 2017, higher than the investment yields of the FTSE Straits Times and REIT Indices.



1 Based on FCOT's closing price of S$1.380 per Unit as at 29 September 2017 and total DPU of 9.82 cents for FY2017.
2 As at 29 September 2017. Source: Bloomberg.
3 Based on interest rate paid on the Central Provident Fund ordinary account from July to September 2017. Source: www.cpf.gov.sg.
4 As at 29 September 2017. Source: www.mas.gov.sg.

LETTER TO UNITHOLDERS

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

"We are pleased to have delivered a distributable income of S$78.6 million for FY2017, the highest since FCOT's listing in 2006."

S$78.6 million

1.3%

Distributable income to Unitholders

S$2.1 billion

4.1%

Portfolio value

9.82¢

Stable

Distribution per Unit

7.1%

Distribution yield*

Dear Unitholders,

On behalf of Frasers Centrepoint Asset Management (Commercial) Ltd, the Manager of FCOT, we are pleased to present the Annual Report for FY2017.

DISTRIBUTABLE INCOME INCREASED 1.3% YEAR-ON-YEAR IN FY2017

We are pleased to have delivered a stable set of results for our Unitholders in FY2017, despite continued challenges and uncertainties in the market environment. Full-year distributable income of S$78.6 million was the highest since FCOT's listing in 2006 and also 1.3% above that of FY2016. Full-year distribution per Unit remained stable at 9.82 cents due to the increase in number of Units in issue. Our proactive asset management approach and prudent capital and risk management strategies continue to be key in delivering long-term value.

For FY2017, portfolio gross revenue of S$156.6 million was in-line with that of FY2016. Net property income (NPI) recorded a slight decline of 1.6% year-on-year to S$113.8 million. This was mainly due to higher repair and maintenance expenses for Caroline Chisholm Centre and lower occupancy rates at Alexandra Technopark, China Square Central and Central Park. However, we achieved better occupancy and passing rents at 357 Collins Street and benefitted from the effect of the stronger Australian Dollar. On cash basis (excluding the effects of recognising accounting income on a straight line basis over the terms of the leases), portfolio NPI increased by 1.0% year-on-year to S$114.9 million in FY2017.

In FY2017, finance cost decreased by 1.3% year-on-year mainly due to the lower amortisation of borrowing costs, coupled with lower capitalised borrowing costs being expensed off as a result of partial early refinancing of loan facilities.

CREATING LONG-TERM VALUE BY ENHANCING THE PROPERTIES

We continuously look for opportunities to create additional and long-term value for our properties.

In January 2017 we announced a S$45 million asset enhancement initiative for Alexandra Technopark (ATP AEI). The ATP AEI, which is on-track to complete by around mid-2018, aims to transform the property into a vibrant, engaging and stimulating business campus

* Based on closing price of S$1.380 per Unit as at 30 September 2017 and FY2017 aggregate DPU of 9.82 cents.

and a sought-after business address. With emphasis on creating a well-balanced work environment and a connected community, many new amenities and facilities will be introduced. These will include a new amenity hub, futsal courts, end-of-trip facilities, community farming plots and social and fitness-related programmes, among others.

In September and November this year, we were informed by two key tenants, Hewlett-Packard Enterprise Singapore Pte Ltd and Hewlett-Packard Singapore Pte Ltd, of the non-renewal of a portion of their leases at Alexandra Technopark[1]. We will continue to carry out proactive leasing and asset management measures to normalise occupancy at the property. We also see the downsizing of these tenants as an opportunity to introduce a more refreshed and diverse tenant mix into Alexandra Technopark. This will not only dovetail with the aims of the ATP AEI, but also provide greater risk diversification for FCOT in the longer term.

In October this year, we announced plans to carry out a S$38 million[2] asset enhancement initiative for the retail podium of China Square Central (CSC Retail AEI). The CSC Retail AEI aims to rejuvenate the mall, improve its tenancy mix and upgrade the shopper experience. The lettable area within the mall is also expected to increase by more than 10,000 sq ft to around 75,000 sq ft[2]. The CSC Retail AEI is expected to commence in early-2018 and be completed around mid-2019. This timely and forward-looking move will enable the mall to better capitalise on the uplift in human traffic and general activity level that are expected to come about from the planned opening of the new Capri by Fraser hotel[3] within the development in 2019.

Both the ATP AEI and CSC Retail AEI aim to improve the long-term income potential of the assets, so as to create long-term value for FCOT.

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

1 Refer to the announcements dated 22 September 2017 and 3 November 2017 for details.
2 Refer to press release dated 20 October 2017 for details.
3 Refer to the Circular to Unitholders dated 3 June 2015 for further details.

Caroline Chisholm Centre, Canberra, Australia

PORTFOLIO VALUE INCREASED 4.1% TO S$2.1 BILLION

The independent valuers have valued FCOT's properties at S$2.1 billion as at 30 September 2017, an increase of S$81.6 million or 4.1% compared to a year ago. In-line with market conditions, the values of the properties as at 30 September 2017 generally gained from firmer capitalisation rates versus those prevailing a year ago. The Australia portfolio accounted for S$79.1 million of the increase, partly also due to higher rents for Caroline Chisholm Centre and 357 Collins Street and the stronger Australian Dollar compared to a year ago.

As at 30 September 2017, the net asset value per Unit (excluding distributable income) increased to S$1.58 or 3.9% compared to a year ago.

CONTINUED PRUDENT AND PROACTIVE CAPITAL MANAGEMENT

In the first half of FY2017 we took advantage of favourable market conditions to carry out early refinancing of all debts due in the financial year, as well as partially pre-paying debt maturing in FY2019.

In aggregate, FCOT raised S$230.0 million from the issuances of three tranches of fixed and floating rate unsecured notes under its S$1.0 billion Multicurrency Medium Term Note Programme, with the funds raised deployed towards the aforesaid refinancing.

FCOT has an overall healthy debt position. As at 30 September 2017, gearing[4] of 34.7% was well below the 45% limit for Singapore REITs set by the Monetary Authority of Singapore, and interest rate coverage ratio[5] was 4.4 times. In addition, all debts are unsecured, which provides a greater degree of financial flexibility; and the interest rates for approximately 80.7% of borrowings as at 30 September 2017 have either been fixed or hedged, providing certainty in interest cost and protecting FCOT from interest rate hikes.

DRIVING SUSTAINABILITY

We are committed in our sustainability efforts and in upholding good corporate governance practices, and continue to make good progress across various fronts. We believe that our commitment and resources invested in improving the environment, social and governance aspects of the business and operations of FCOT will be financially, socially and environmentally beneficial to our Unitholders and other stakeholders in the long-term.

Our third Sustainability Report, which is included in this Annual Report, was prepared in accordance with the international guideline for sustainability reporting, namely the Global Reporting Initiative (GRI) Standards 2016 - Core Option, and we hope that it provides to you a good summary of our progress to-date and our plans for the future. We are also pleased to note that FCOT continues to be constituents of the SGX Sustainability and Sustainability Enhanced Indices[6]. Also noteworthy is that FCOT is a signatory to the 2017 Corporate Governance Statement of Support organised by the Securities Investors Association (Singapore), where the Trust has pledged its commitment to uphold high standards in corporate governance.

Last but not least, we are delighted that FCOT received three major awards in FY2017 relating to good corporate governance and communications and investor relations. FCOT received Gold awards for the 'Best Governed and Most Transparent Company' and the 'Best Corporate

4 Gross borrowings as a percentage of total assets.
5 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.
6 Source: SGX Sustainability Indices as at September 2017.

LETTER TO UNITHOLDERS

Communications and Investor Relations' categories at The Global Good Governance Awards 2017TM, as well as Gold award for 'Best Annual Report' in the REITs and Business Trusts category at the prestigious Singapore Corporate Awards 2017. These awards are clear testaments of our longstanding commitment and efforts towards upholding high standards of corporate governance and investor relations practices.

OUTLOOK

The Ministry of Trade and Industry expects the Singapore economy to grow by 3.0% to 3.5% in 2017, and by 1.5% to 3.5% in 2018[7]. As for Australia, the Reserve Bank of Australia expects the economy to grow between 2.0% to 3.0% in 2017, before increasing to around 2.75% to 3.75% in 2018.

For the Singapore office market, there are indications that sentiments are beginning to turn more positive on the back of stronger economic fundamentals. Nonetheless, rental growth is expected to be modest over the near term as the market works to absorb and accommodate the significant supply that has been added over the last two years[8]. For the FCOT portfolio, we are looking forward to the upgrading and repositioning of both Alexandra Technopark and the retail podium of China Square Central, as we see these enhancements as key in improving and sustaining the long-term income performance and market potential of these assets.

For Australia, Caroline Chisholm Centre in Canberra and 357 Collins Street in Melbourne enjoyed full occupancies as at 30 September 2017, and are expected to continue to provide income stability to the portfolio in FY2018. As for Central Park in Perth, it is expected to benefit from signs of the market bottoming and the 'flight to quality'[9] situation that is playing out as businesses actively seek to upgrade to better locations during this period of time when market conditions are tilted in tenants' favour.

We will continue to be proactive and prudent in managing the assets and the Trust as a whole, while looking into opportunities in new markets so as to continue to deliver long-term value to our Unitholders. We will continue to source for appropriate investment opportunities, including outside the Trust's current geographical footprint of Singapore and Australia, with a view to diversifying and strengthening the asset portfolio and providing long-term value and income growth potential for Unitholders.

ACKNOWLEDGEMENTS

Dr Chua Yong Hai and Mr Tan Guong Ching retired from the Board of the Manager with effect from 30 November 2017. Dr Chua and Mr Tan had both served as Non-Executive and Independent Directors since 2006. In addition, Dr Chua was the Chairman of the Board since 2006, while Mr Tan was the Chairman of the Nominating and Remuneration Committee of the Board since its establishment in FY2016. We would like to express our sincere appreciation for their significant and valuable contributions to the Board and wise counsel to the management team over more than a decade of service.

The Board is pleased to welcome Mr Bobby Chin Yoke Choong and Mr Chang Tou Chen as Non-Executive and Independent Directors. Mr Chin has also been appointed as the Chairman of the Board and Mr Chang as Chairman of the Nomination and Remuneration Committee of the Board, with effect from 30 November 2017. Mr Chin and Mr Chang will both bring on-board considerable wealth of business knowledge and work experiences from their extensive careers. The Board looks forward to their contributions in setting and guiding the strategic direction of FCOT going forward.

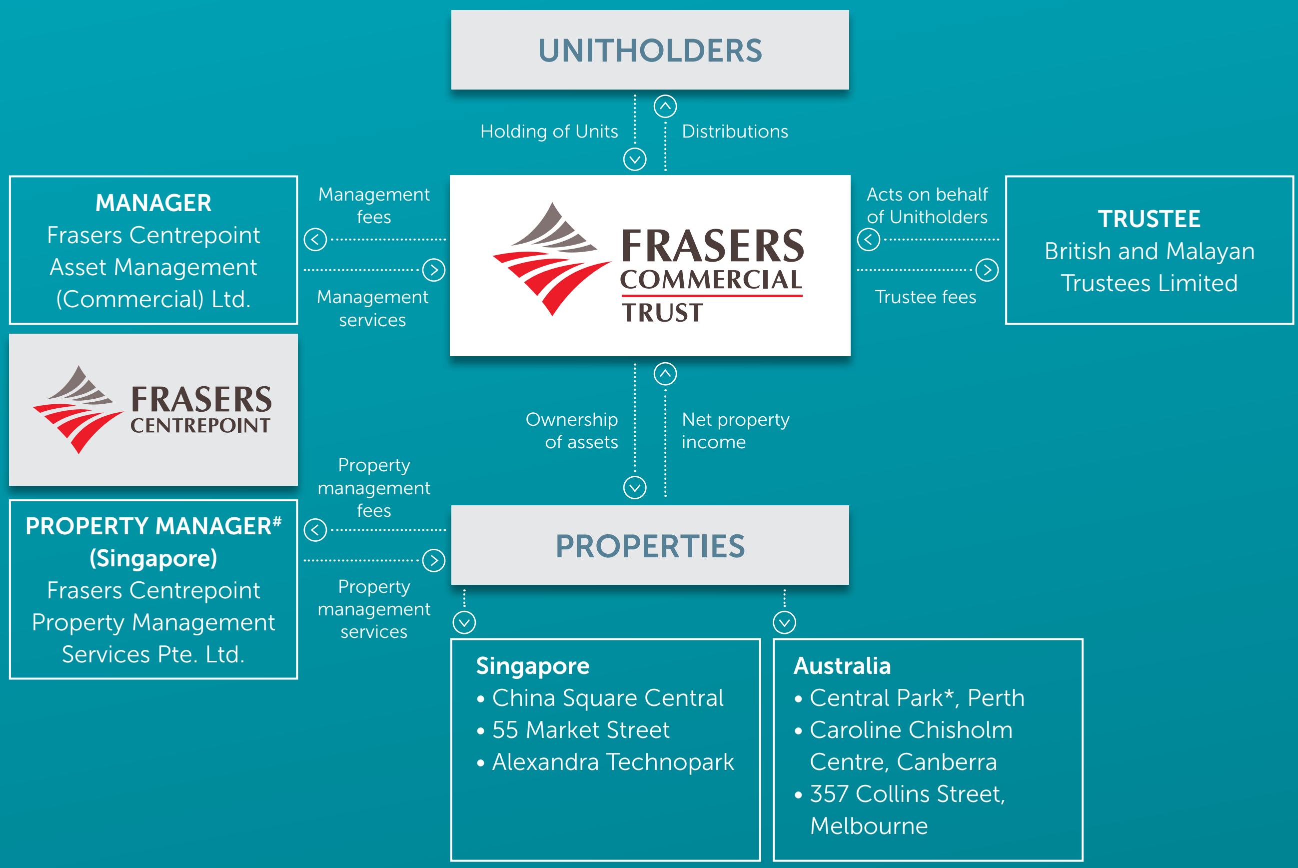
In conclusion, the Board would like to thank our Unitholders, the Trustee, tenants, service partners and other stakeholders for their continued support of FCOT. We would also like to express our appreciation to the management team for their continued dedication and commitment in managing and growing the Trust. We look forward to meeting with our Unitholders at the upcoming Annual General Meeting to be held on 22 January 2018.

BOBBY CHIN YOKE CHOONG
Chairman and Independent Non-Executive Director

JACK LAM
Chief Executive Officer

7 Source: Ministry of Trade and Industry Singapore, 23 November 2017.
8 Source: CBRE, Singapore Market View, Q3 2017.
9 Colliers International, Research and Forecast Report, CBD Office second Half 2017.

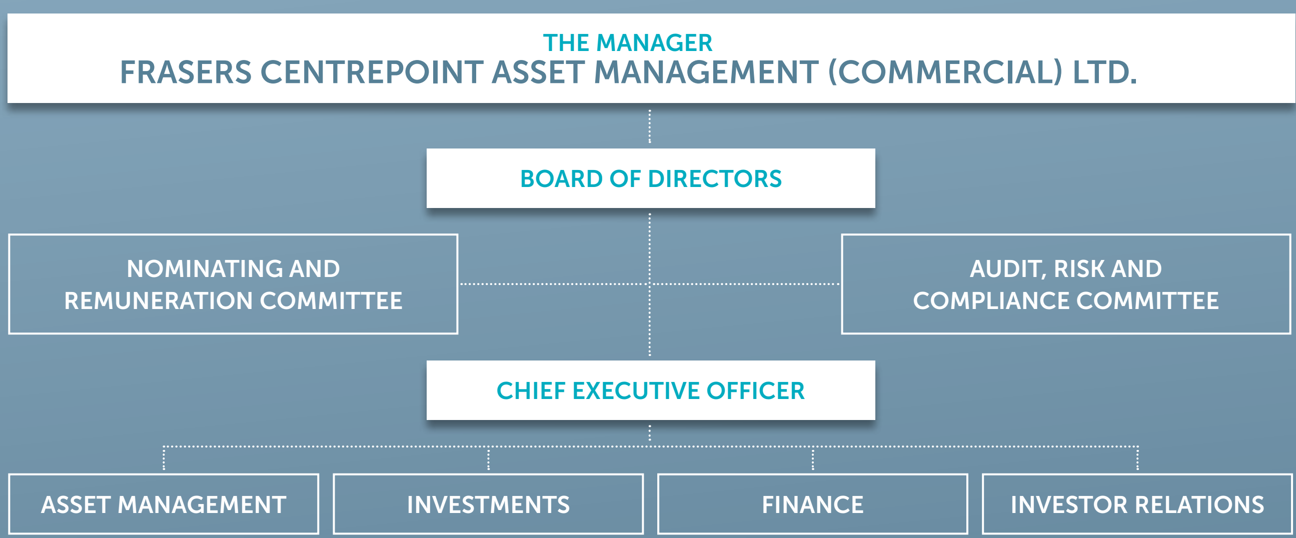
CORPORATE STRUCTURE



* Represents FCOT's 50.0% indirect interest in the property.

\# 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 and Caroline Chisholm Centre are not related parties of the Manager.

ORGANISATION STRUCTURE



KEY EVENTS

2016

OCTOBER 2016

Distribution of 2.4531 cents per Unit was declared for the financial period from 1 July 2016 to 30 September 2016 and the Distribution Reinvestment Plan (DRP) was applied.

NOVEMBER 2016

Appointment of Mr Jack Lam as Chief Executive Officer (Designate) of the Manager as part of succession planning.

1,520,539 new Units were allotted and issued pursuant to the DRP for the distribution declared for the financial period from 1 July 2016 to 30 September 2016.

The inaugural sustainability report of FCOT for FY2015 was an award finalist for Asia's Best First Time Sustainability Report at the Asia Sustainability Reporting Awards 2016.

DECEMBER 2016

Cessation of Mr Low Chee Wah, and appointment of Mr Jack Lam, as Chief Executive Officer of the Manager with effect from 1 January 2017.

2017

JANUARY 2017

The 8th Annual General Meeting of FCOT was held on 23 January 2017 and all resolutions proposed were duly passed.

Distribution of 2.5055 cents per Unit was declared for the financial period from 1 October 2016 to 31 December 2016 and the DRP was applied.

Announced the S$45.0 million asset enhancement initiative for Alexandra Technopark.

FEBRUARY 2017

Issuance of S$100.0 million three-year senior unsecured notes due 2020 with a fixed rate of 2.625% per annum (Series 002 Notes) under the Multicurrency Medium Term Note Programme (MTN Programme). Moody's Investor Service (Moody's) assigned a rating of Baa2 for the Series 002 Notes.

Appointment of Mr Chang Tou Chen as Non-Executive and Independent Director of the Manager.

MARCH 2017

3,246,753 new Units were allotted and issued pursuant to the DRP for the distribution declared for the financial period from 1 October 2016 to 31 December 2016.

Partially prepaid S$100.0 million of the S$180.0 million transferable term loan facility maturing in September 2017 with proceeds from the issuance of the Series 002 Notes.

Issuance of S$50.0 million four-year senior unsecured notes due 2021 with a fixed rate of 2.783% per annum (Series 003 Notes) under the MTN Programme. Moody's assigned a rating of Baa2 for the Series 003 Notes.

Partially prepaid S$50.0 million of the five-year transferable term loan facility maturing in FY2019 with proceeds from the issuance of the Series 003 Notes.

APRIL 2017

FCOT clinched Gold awards for 'Best Governed and Most Transparent Company' and 'Best Corporate Communications and Investor Relations' at The Global Good Governance Awards 2017™, held in conjunction with the 9th Annual Global CSR Summit and Awards 2017™.

Distribution of 2.5057 cents per Unit was declared for the financial period from 1 January 2017 to 31 March 2017 and the DRP was applied.

MAY 2017

Issuance of S$80.0 million five-year senior unsecured notes due 2022 with a floating rate comprising of the prevailing 6-month Singapore Dollar swap offer rate with respect to the relevant interest payment date and a spread of 0.88% per annum (Series 004 Notes) under the MTN Programme. Moody's assigned a rating of Baa2 for the Series 004 Notes.

Prepaid the remaining S$80.0 million of the three-year transferable term loan facility maturing in September 2017 with proceeds from the issuance of the Series 004 Notes.

Appointment of Ms Yeo Whay Teng, Tricia as Chief Financial Officer (Designate) of the Manager as part of succession planning.

3,095,724 new Units were allotted and issued pursuant to the DRP for the distribution declared for the financial period from 1 January 2017 to 31 March 2017.

JUNE 2017

Appointment of Mr Chang Tou Chen, a Non-Executive and Independent director, as members of both the Audit, Risk and Compliance Committee and the Nominating and Remuneration Committee of the Manager.

JULY 2017

FCOT clinched the Gold award for 'Best Annual Report Award' in the REITs and Business Trusts category at the Singapore Corporate Awards 2017.

A distribution of 2.3979 cents per Unit was declared for the period from 1 April 2017 to 30 June 2017 and the DRP was applied.

Appointment of Mr Bobby Chin Yoke Choong as Non-Executive and Independent Director, and as members of both the Audit, Risk and Compliance Committee and the Nominating and Remuneration Committee of the Manager.

Cessation of Ms Chew Chiu Shan as the Financial Controller of the Manager with effect from 1 August 2017.

Appointment of Ms Yeo Whay Teng, Tricia as the Chief Financial Officer of the Manager with effect from 1 August 2017.

AUGUST 2017

2,915,308 new Units were allotted and issued pursuant to the DRP for the distribution declared for the financial period from 1 April 2017 to 30 June 2017.

SEPTEMBER 2017

The Manager announced that Hewlett-Packard Enterprise Singapore Pte Ltd would be vacating an aggregate of 178,843 sq ft of space at Alexandra Technopark upon the expiration of relevant leases on 30 September and 30 November in 2017.

Moody's affirmed FCOT's Baa2 issuer rating and changed outlook from stable to negative.

Alexandra Technopark, Singapore

BOARD OF DIRECTORS

MR BOBBY CHIN YOKE CHOONG, 65
Chairman, Non-Executive and Independent Director[1]

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

Board committees served on
- Audit, Risk and Compliance Committee[2]
- Nominating and Remuneration Committee[2]

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 2017
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 2014 to 30 September 2017)
- Oversea-Chinese Banking Corporation Limited
- Sembcorp Industries Limited
- Singapore Power Ltd
- 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

1 Appointed as Chairman of the Board of the Manager with effect from 30 November 2017.
2 Appointed as a member of the Audit, Risk and Compliance Committee and the Nominating and Remuneration Committee on 1 August 2017.

DR CHUA YONG HAI, 73
Chairman, Non-Executive and Independent Director[3]

Date of appointment as Director: 27 February 2006
Length of service as Director: 11 years 08 months
(as at 30 September 2017)

Board committees served on
- Audit, Risk and Compliance Committee[3]
- Nominating and Remuneration Committee[3]

Academic & Professional Qualifications
- Bachelor of Science (Honours), University of Singapore
- Graduate Diploma in Business Administration, University of Singapore
- PhD in Chemical Engineering from the University of New South Wales
- Qualified Chemical Engineer

Present Directorships in other companies as at 30 September 2017
Listed companies or REITs
- Nil

Others
- Lend Lease Asian Retail Investment Funds (No 1-5) Limited

Major appointments (other than Directorships)
- Nil

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2014 to 30 September 2017)
- Chiwayland International Limited
- Cambridge Industrial Trust Management Limited, Manager of Cambridge Industrial Trust (Chairman) (now known as ESR Funds Management (S) Limited, Manager of ESR-REIT)

Past major appointments
- Board Director of Lend Lease Corporation Limited
- General Manager of Temasek Holdings Pte Limited
- Managing Director and Chief Executive of United Engineers Limited
- Group General Manager of Suntec City Development Private Limited
- Singapore's Non-resident High Commissioner to Namibia, Swaziland and the Maldives

Others
- Public Service Medal (PBM), Public Service Star (BBM) and Justice of Peace
- Singapore Government Scholar and Australian Commonwealth Fellowship

3 Retired as Chairman of the Board of the Manager and as a member of the Audit, Risk and Compliance Committee and the Nominating and Remuneration Committee with effect from 30 November 2017.

MR CHANG TOU CHEN, 48
Non-Executive and Independent Director

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

Board committees served on
- Nominating and Remuneration Committee (Chairman)[4]
- Audit, Risk and Compliance Committee[5]

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 2017
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 2014 to 30 September 2017)
- Nil

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

Others
- Nil

MR CHAY WAI CHUEN, 67
Non-Executive and Independent Director

Date of appointment as Director: 29 July 2010
Length of service as Director: 7 years 03 months
(as at 30 September 2017)

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 2017
Listed companies or REITs
- Nil

Others
- Singapore Corporation of Rehabilitative Enterprises (SCORE)
- Chairman of Investment and Finance Committee (SCORE)

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 2014 to 30 September 2017)
- 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

Others
- Nil

4 Appointed as a member of the Nominating and Remuneration Committee on 30 June 2017 and as the Chairman of the Nominating and Remuneration Committee on 30 November 2017.
5 Appointed as a member of the Audit, Risk and Compliance Committee on 30 June 2017.

BOARD OF DIRECTORS

MR CHIA KHONG SHOONG, 46
Non-Executive and Non-Independent Director

Date of appointment as Director: 01 September 2009
Length of service as Director: 8 years 01 month
(as at 30 September 2017)

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 2017
Listed companies or REITs
- Nil

Major appointments (other than Directorships)
- Chief Corporate Officer and Chief Financial Officer, Frasers Centrepoint Limited[6]

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2014 to 30 September 2017)
- Frasers Centrepoint Asset Management Ltd, Manager of Frasers Centrepoint Trust

Past major appointments
- Director, Investment Banking, The Hongkong & Shanghai Banking Corporation Ltd

Others
- Nil

MR LOW CHEE WAH, 52
Non-Executive and Non-Independent Director

Date of appointment as Director: 14 August 2008
Length of service as Director: 9 years 02 months
(as at 30 September 2017)

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 2017
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 Centrepoint Limited

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2014 to 30 September 2017)
- Nil

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

Others
- Nil

6 Stepped down as the Chief Financial Officer of Frasers Centrepoint Limited in line with succession planning with effect from 1 December 2017.

MR TAN GUONG CHING, 71
Non-Executive and Independent Director[7]

Date of appointment as Director: 27 February 2006
Length of service as Director: 11 years 08 months
(as at 30 September 2017)

Board committees served on
- Nominating and Remuneration Committee (Chairman)[7]
- Audit, Risk and Compliance Committee[7]

Academic & Professional Qualifications
- Bachelor of Engineering (Dean's Honours), McMaster University, Canada
- Master of Engineering, McMaster University, Canada
- Advanced Management Programme, Wharton University

Present Directorships in other companies as at 30 September 2017
Listed companies or REITs
- Nil

Others
- Singapore Technologies Telemedia Pte Ltd (Chairman)
- STT Communications Ltd (Chairman)
- Asia Mobile Holdings Pte Ltd (Chairman)
- Singapore Millennium Foundation Ltd

Major appointments (other than Directorships)
- Nil

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2014 to 30 September 2017)
- StarHub Limited (Chairman)
- Singapore Shipping Corporation Limited
- Cambridge Industrial Trust Management Limited, Manager of Cambridge Industrial Trust (now known as ESR Funds Management (S) Limited, Manager of ESR-REIT)

Past major appointments
- Chief Executive Officer of the Housing & Development Board
- Principal Private Secretary to the Prime Minister
- Permanent Secretary of the Ministry of Home Affairs, Ministry of Environment and the then Ministry of Communications & Information
- Director of Singapore Pools Pte Ltd
- Chairman of Singapore Technologies Aerospace Ltd

Others
- Nil

7 Retired from the Board of the Manager and as the Chairman of the Nominating and Remuneration Committee and as a member of the Audit, Risk and Compliance Committee with effect from 30 November 2017.

MR CHRISTOPHER TANG KOK KAI, 56
Non-Executive and Non-Independent Director

Date of appointment as Director: 14 August 2008
Length of service as Director: 9 years 02 months
(as at 30 September 2017)

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 2017
Listed companies
- Nil

Listed REITs
- Frasers Centrepoint Asset Management Ltd, Manager of Frasers Centrepoint Trust
- Hektar Asset Management Sdn Bhd, Manager of Hektar REIT

Others
- Republic Polytechnic (Member of Board of Governors)

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

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2014 to 30 September 2017)
- Nil

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

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

MANAGEMENT TEAM

From left to right:
Ms Wang Mei Ling,
Ms Tricia Yeo,
Ms Cheah Yoke Lan,
Mr Jack Lam,
Ms Janet Soh and
Mr Wong Soon Yean

MR JACK LAM
Chief Executive Officer

Mr Jack Lam 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.

Mr Lam has more than 23 years of experience in the real estate industry, spanning the areas of investment, asset management, advisory and research, among others. He has also been involved in REIT management since 2002. Before joining the Manager in January 2017, Mr Lam had held several senior positions in Frasers Centrepoint Group over a 10-year period, including Deputy CEO and Head, Investment of Frasers Centrepoint Asset Management Ltd (the manager of Frasers Centrepoint Trust).

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

MS TRICIA YEO
Chief Financial Officer

Ms Tricia Yeo 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.

Ms Yeo has more than 16 years of experience in audit, advisory and banking. Ms Yeo 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.

Ms Yeo 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

Head, Investments

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

Mr Wong has more than 26 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.

Mr Wong 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.

MS CHEAH YOKE LAN

Assistant General Manager, Asset Management

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

Ms Cheah has more than 25 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 a Masters in Business Administration 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

Senior Manager, Asset Management

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

Ms Soh has more than 21 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

Senior Manager, Investor Relations

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

Ms Wang has more than 10 years of banking, asset management and auditing experience. Prior to joining the Manager, she was a fund manager and in alternative asset management. She was also previously an investment banker and an auditor in a Big Four accounting firm. Ms Wang 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.

Proactive asset management strategies have yielded positive results

3.4 years
Healthy weighted average lease expiry[1]

1.9%
Positive rental reversions for FY2017[2]

Robust leasing
Signed 55 new and renewal leases across 302,339 sq ft of space in FY2017

S$45 million revamp of Alexandra Technopark
Create a new campus environment to increase leasing appeal and long-term competitiveness[3]

S$38 million rejuvenation of the retail podium of China Square Central
Reposition and upgrade the shopper experience at the retail podium of 18 Cross Street, China Square Central[4]

Green features for operational efficiency
FCOT is a constituent of SGX Sustainability and SGX Sustainability Enhanced Indices[5]

1 Adjusted for, among others, space committed by an entity of Rio Tinto Limited on a new 12-year lease commencing in FY2018 and leases constituting 6.8% portfolio GRI which were not renewed by Hewlett-Packard Enterprise Singapore Pte Ltd upon lease expirations on 30 September 2017 and 30 November 2017 (refer to the announcement dated 22 September 2017 for further details). On 3 November 2017, FCOT announced that premises constituting a further 1.5% of portfolio GRI would not be renewed by Hewlett-Packard Singapore Pte Ltd upon lease expiration on 30 November 2017. (refer to the announcement dated 3 November 2017 for details).

2 Income-weighted average reversion rate for new/renewal leases that commenced in FY2017. Reversions are calculated by comparing the initial rent for a new lease versus the rent at expiry of the previous lease, excluding lease incentives and turnover rent, if any. For China Square Central, the weighted average rent reversions are for 18 Cross Street office tower only, as the retail podium at 18 Cross Street, and 20 and 22 Cross Street are partially affected by the construction works for the Hotel and Commercial Project. Refer to the Circular to Unitholders dated 3 June 2015 for details.

3 Commenced in Q1 2017 and expected to complete around mid-2018.

4 Refer to the press release dated 20 October 2017 for details.

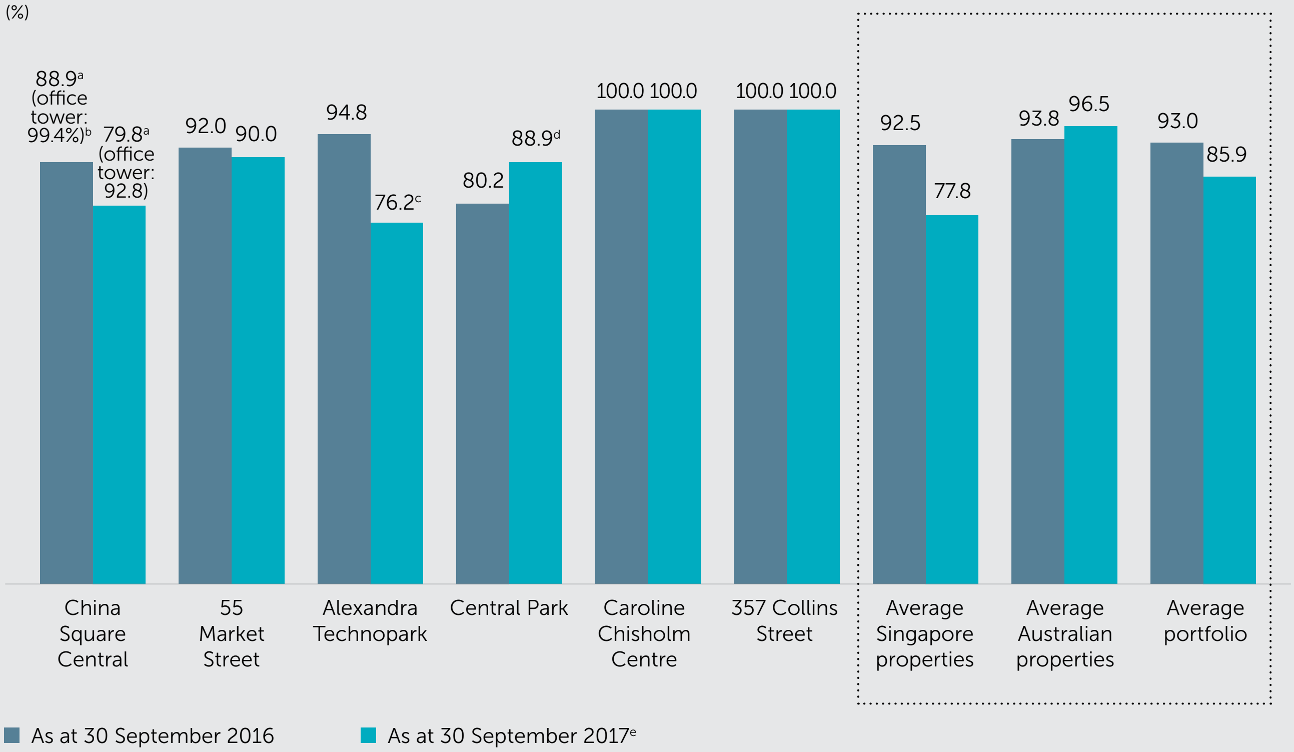
5 Source: SGX Sustainability Indices as at September 2017.

PORTFOLIO OCCUPANCY RATE

As at 30 September 2017, FCOT's average portfolio committed occupancy was 85.9%. The average committed occupancy rate for the Singapore properties was 77.8% (14.7 percentage points lower year-on-year), which has adjusted for, among others, non-renewal of leases at Alexandra Technopark by Hewlett-Packard Enterprise Singapore Pte Ltd upon lease expirations on 30 September 2017 and 30 November 2017, as announced on 22 September 2017. The actual occupancy as at 30 September 2017 for the Singapore portfolio was 88.1%. The average committed occupancy rate for the Australian properties was 96.5% (2.7 percentage points higher year-on-year), which has taken into account the space committed at Central Park by an entity of Rio Tinto Limited on a new 12-year lease from FY2018, among others. The Manager will continue its proactive leasing initiatives to improve the occupancy rates of the properties.

OCCUPANCY RATES

(%)



Notes:

a Includes planned vacancies for certain units affected by the construction works for the Hotel and Commercial Project (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 Committed occupancy as at 30 September 2016.

c Adjusted to reflect 17.1% which was not renewed by Hewlett-Packard Enterprise 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%.

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

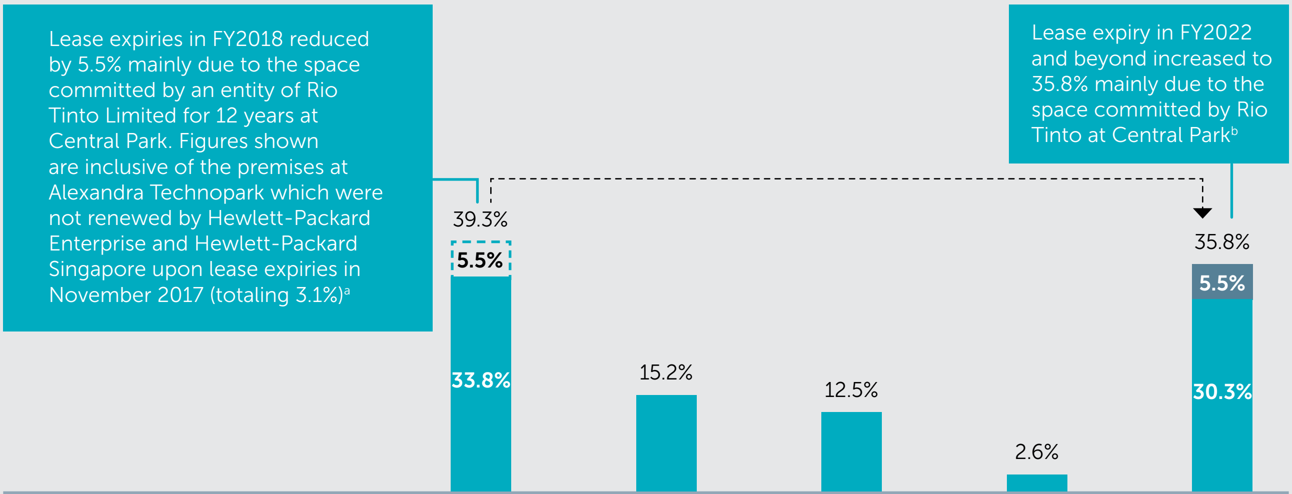
OPERATIONAL REVIEW

WELL-SPREAD LEASE EXPIRY PROFILE

FCOT has a large tenant base of 196 tenants under 225 leases as at 30 September 2017, and a well-spread lease expiry profile where not more than 34.0% of portfolio leases by gross rental income (GRI) will expire in a single financial year. With the execution of the Heads of Agreement with an entity of Rio Tinto Limited for a new 12-year lease at Central Park commencing from FY2018, leases by GRI expiring in FY2018 will be reduced by 5.5 percentage points, providing greater stability to portfolio income.

PORTFOLIO LEASE EXPIRY BY GRI

(as at 30 September 2017)



Portfolio lease expiry by GRI[c]	FY2018	FY2019	FY2020	FY2021	FY2022 & beyond
Number of leases expiring	92	56	35	10	32[d]
NLA (sq ft) expiring	749,953	308,514	263,497	46,012	823,005
Expiries as % total NLA	28.6	11.8	10.1	1.8	31.4
Expiries as % total GRI	33.8	15.2	12.5	2.6	35.8

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

a Refer to the announcements dated 22 September and 3 November 2017 for further details.

b Based on the space committed by an entity of Rio Tinto Limited on a new 12-year lease at Central Park commencing in FY2018.

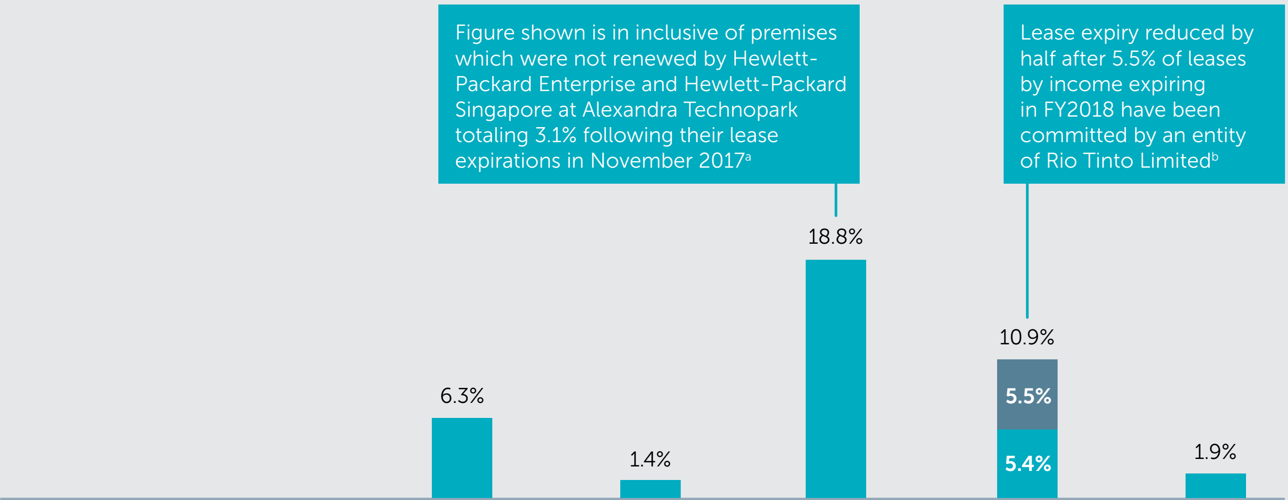
c Adjusted for the space committed by an entity of Rio Tinto Limited at Central Park and inclusive of the premises which were not renewed by Hewlett-Packard Enterprise Singapore Pte Ltd and Hewlett-Packard Singapore Pte Ltd at Alexandra Technopark upon lease expiration on 30 November 2017, among others.

d Pending confirmation of the 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.

Alexandra Technopark, Singapore

PROPERTY LEASE EXPIRIES IN FY2018 AS A PROPORTION OF PORTFOLIO GRI

(as at 30 September 2017)



	China Square Central	55 Market Street	Alexandra Technopark	Central Park	357 Collins Street
Number of leases expiring	16 (office) 36 (retail)	5 (office) 2 (retail)	17	4 (office) 1 (retail)	6 (office) 5 (retail)
Average passing rents for expiring leases[c]	S$7.62 (office) S$4.85 (retail)	S$7.33 (office) S$6.71 (retail)	S$4.07	A$642 (office) A$2,627 (retail)	A$554 (office) A$2,073 (retail)

a Refer to the announcements dated 22 September 2017 and 3 November 2017 for further details.
b Based on the space committed by an entity of Rio Tinto Limited on a new 12-year lease at Central Park commencing in FY2018.
c Excluding lease incentives and turnover rent, if any. Figures for Singapore properties are on a gross rent per sq ft per month basis, while figures for Australian properties are based on net face rent per sq m per annum basis.

In FY2018, 33.8%[1] of leases by portfolio GRI will be expiring. This includes 18.8%[2] at Alexandra Technopark, of which 1.6% and 1.5% were not renewed by Hewlett-Packard Enterprise Singapore Pte Ltd[3] and Hewlett-Packard Singapore Pte Ltd[4] respectively following lease expirations on 30 November 2017. The Manager will continue to carry out proactive leasing and asset management strategies to normalise occupancy at Alexandra Technopark. The opportunity to refresh and diversify the tenant base at Alexandra Technopark dovetails well with the estimated S$45 million on-going revamp of the property which is expected to be completed around mid-2018[5]. At Central Park, the original 10.9% of leases by portfolio GRI expiring in FY2018 was reduced by half to 5.4% following commitment by an entity of Rio Tinto Limited on a new 12-year lease commencing in FY2018.

HEALTHY WEIGHTED AVERAGE LEASE EXPIRY

As at 30 September 2017, the portfolio weighted average lease expiry (WALE) by GRI was 3.4 years[6]. The portfolio WALE was anchored by Caroline Chisholm Centre's long WALE of 7.8 years as at 30 September 2017. In addition, portfolio WALE and income stability also benefitted from the Manager proactively securing a new 12-year lease at Central Park by an entity of Rio Tinto Limited that will commence in FY2018.

1 Adjusted for the space committed by an entity of Rio Tinto Limited for a new 12-year lease from FY2018 at Central Park and inclusive of the premises which were not renewed by Hewlett-Packard Enterprise Singapore Pte Ltd and Hewlett-Packard Singapore Pte Ltd upon lease expiration on 30 November 2017, among others.
2 Inclusive of the premises which were not renewed by Hewlett-Packard Enterprise Singapore Pte Ltd and Hewlett-Packard Singapore Pte Ltd upon lease expiration on 30 November 2017.
3 Refer to the announcement dated 22 September 2017 for further details.
4 Refer to the announcement dated 3 November 2017 for further details.
5 Refer to the announcement dated 23 January 2017 for further details.
6 Adjusted for, among others, space committed by an entity of Rio Tinto Limited on a new 12-year lease commencing in FY2018 and leases constituting 6.8% portfolio GRI which were not renewed by Hewlett-Packard Enterprise Singapore Pte Ltd upon lease expirations on 30 September 2017 and 30 November 2017 (refer to the announcement dated 22 September 2017 for further details). On 3 November 2017, FCOT announced that premises constituting a further 1.5% of portfolio GRI would not be renewed by Hewlett-Packard Singapore Pte Ltd upon lease expiration on 30 November 2017 (refer to the announcement dated 3 November 2017 for details).

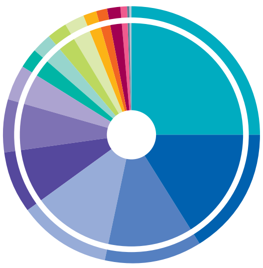
WALE OF NEW AND RENEWAL LEASES ENTERED INTO IN FY2017 AND THE PROPORTION OF REVENUE ATTRIBUTED TO THOSE LEASES

The Manager engages tenants regularly and proactively with regard to their lease requirements and discussions are held well in advance of lease expiration. In FY2017, FCOT signed 55 new and renewal leases across 302,339 sq ft of space, representing 11.6% of the portfolio NLA. These leases have a WALE of 3.3 years as at 30 September 2017, and generate rental revenue of approximately S$18.7 million per annum.

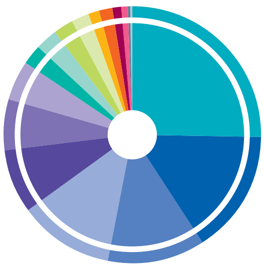
New and renewal leases entered into in FY2017	Number of leases	NLA (sq ft)	% of portfolio NLA (%)	WALE as at 30 September 2017 (years)	Rental per annum (S$ million)
Renewals	35	237,661	9.1	3.1	14.4
New leases	20	64,678	2.5	4.1	4.3
Total	**55**	**302,339**	**11.6**	**3.3**	**18.7**

DIVERSE TRADE SECTOR MIX

FCOT's portfolio is well-diversified with a large tenant base of 225 office and retail leases across various industries. As at 30 September 2017, no single industry accounted for more than 26.0% of portfolio GRI, thereby limiting concentration risk. IT Products & Services was the largest contributor at 25.3% of the portfolio GRI.



AS AT 30 SEPTEMBER 2016



AS AT 30 SEPTEMBER 2017

Trade sector mix by GRI	30 September 2016 (%)	30 September 2017 (%)
IT Products & Services	25.2	25.3
Government & Government Linked	16.1	15.7
Banking, Insurance & Financial Services	12.2	12.1
Mining/Resources	11.5	11.9
Consultancy/Business Services	8.0	8.2
Food & Beverage	6.5	6.4
Multimedia & Telecommunications	4.5	4.9
Real Estate/Property Services	2.6	2.7
Electronics	2.4	2.6
Legal	2.5	2.6
Others	2.6	2.2
Retail	1.6	1.5
Medical/Pharmaceuticals	1.5	1.4
Shipping/Freight	1.6	1.3
Amenities	0.8	0.8
Consumer Goods/Trading	0.3	0.3
Travel	0.1	0.1

TOP TEN TENANTS BY GRI

The top ten tenants by GRI accounted for 59.9% of FCOT's portfolio GRI as at 30 September 2017, and comprised a well-diversified mix across listed companies, multinational corporations and government bodies. Collectively, the top ten tenants as at 30 September 2017 occupied 56.9% of the portfolio NLA. 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 2017 was 4.2 years.

Top ten tenants	Property	Sector	Lease expiry	% of portfolio GRI[a]
Commonwealth of Australia	Caroline Chisholm Centre	Government	July 2025	15.2
Hewlett-Packard Singapore Pte Ltd[b]	Alexandra Technopark	IT Products & Services	November 2017	11.1
Hewlett-Packard Enterprise Singapore Pte Ltd[c]	Alexandra Technopark	IT Products & Services	September 2017/ November 2017	7.1
Rio Tinto Limited[d]	Central Park	Mining/Resources	June 2018/ June 2030	7.0
Commonwealth Bank of Australia	357 Collins Street	Banking, Insurance & Financial Services	December 2022	6.0
GroupM Singapore Pte Ltd	China Square Central	Consultancy/Business Services	March 2019	3.2
Service Stream Ltd	357 Collins Street	Multimedia & Telecommunications	December 2019	3.1
Microsoft Operations Pte Ltd	Alexandra Technopark	IT Products & Services	January 2022	2.8
Suntory Beverage & Food Asia Pte Ltd	China Square Central	Food & Beverage	May 2020	2.6
BHP Billiton Iron Ore Pty Ltd	Central Park	Mining/Resources	July 17 to October 17	1.8
Total				**59.9**

a Data as at 30 September 2017. Excludes lease incentives and turnover rent, if any.
b Hewlett-Packard Singapore Pte Ltd has informed that lease constituting 1.4% of portfolio GRI as at 30 September 2017 will not be renewed upon lease expiration on 30 November 2017 (refer to the announcement dated 3 November 2017 for further details).
c Hewlett-Packard Enterprise Singapore Pte Ltd has informed that leases constituting 6.6% of portfolio GRI as at 30 September 2017 will not be renewed upon lease expirations on 30 September 2017 and 30 November 2017 (refer to the announcement dated 22 September 2017 for further details).
d Based on the space committed by an entity of Rio Tinto Limited on a new 12-year lease at Central Park commencing in FY2018.

PORTFOLIO NLA MIX AS AT 30 SEPTEMBER 2017

As at 30 September 2017, office space constitutes 55.0% of the portfolio NLA.

OPERATIONAL REVIEW

1.9% POSITIVE RENTAL REVERSIONS FOR FY2017

	Weighted average rental reversions[a]				
Property	**Q1FY2017**	**Q2FY2017**	**Q3FY2017**	**Q4FY2017**	**FY2017**
China Square Central[b]	–[c]	-0.1% (for c. 14,700 sq ft)	-2.6% (for c. 45,700 sq ft)	-2.7% (for c. 5,900 sq ft)	-2.3% (for c. 66,300 sq ft)
55 Market Street	–[c]	+3.1% (for c. 3,000 sq ft)	–[c]	-6.5% (for c. 6,600 sq ft)	-3.7% (for c. 9,600 sq ft)
Alexandra Technopark	+8.5% (for c. 16,700 sq ft)	+4.7% (for c. 101,300 sq ft)	0.0% (for c. 5,200 sq ft)	+1.1% (for c. 44,900 sq ft)	+3.9% (for c. 168,100 sq ft)
Central Park	-17.2% (for c. 200 sq ft)	-43.2% (for c. 110 sq ft)	–[c]	+27.4% (for c. 9,600 sq ft)	+16.5% (for c. 9,900 sq ft)
Portfolio	**+5.9% (for c. 16,900 sq ft)**	**+3.6% (for c. 119,100 sq ft)**	**-2.5% (for c. 50,900 sq ft)**	**+3.1% (for c. 67,000 sq ft)**	**+1.9% (for c. 253,900 sq ft)**

a Income-weighted average reversion rate for new/renewal leases that commenced in the respective financial period. Reversions are calculated by comparing the initial rent for a new lease versus the rent at expiry of the previous lease, excluding lease incentives and turnover rents, if any. Caroline Chisholm Centre and 357 Collins Street were fully occupied for the whole of FY2017.

b Average rental reversions for 18 Cross Street office tower only, excluding the retail podium at 18 Cross Street and 20 & 22 Cross Street which were affected by the construction works for the Hotel and Commercial Project. Refer to the Circular to Unitholders dated 3 June 2015 for details of the Hotel and Commercial Project.

c There were no new/renewal leases that commenced during the quarter.

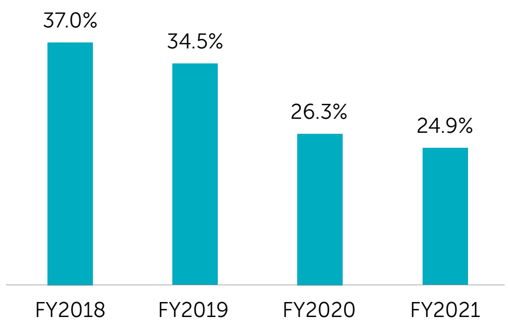
In FY2017, leasing activity was generally healthy across the portfolio. The portfolio achieved positive weighted average rental reversion of 1.9%[7] for around 253,900 sq ft of new and renewal leases that commenced in FY2017. China Square Central and 55 Market Street recorded negative reversions of 2.3% and 3.7% respectively, in-line with generally challenging conditions in the Singapore office market as a result of cautious economic sentiment and concerns of excess supply, among others.

STEP-UP RENTS AND RENT REVIEWS PROVIDE GOOD ORGANIC GROWTH

Rents during a lease term may be subject to periodic fixed escalations, market reviews or inflation adjustments, particularly in Australia. Fixed rents escalations in particular provide good organic growth for the revenue of FCOT. In FY2018, 37.0% of portfolio GRI has a weighted average fixed rent step-up of 2.9% per annum. In addition to this, certain leases in Central Park and 357 Collins Street, constituting 7.5% of portfolio GRI, have periodic rent reviews based on market rent or consumer price index (CPI) movements. In total, leases with periodic fixed rent escalations and rent reviews constitute 44.2% of portfolio GRI in FY2018. In FY2018, rents in respect of 1,055,708 sq ft of space will be subject to fixed escalations or review based on market rent or CPI movements.

PORTFOLIO GRI WITH FIXED PERCENTAGE RENT STEP-UPS IN FY2018-2021

as at 30 September 2017



	FY2018	FY2019	FY2020	FY2021
Weighted average fixed step-ups	2.9%	2.8%	2.3%	2.0%

7 Weighted average rent reversions based on signing rents (excluding lease incentives and turnover rent, if any), for new and renewal leases which commenced in FY2017. For China Square Central, the weighted average rent reversions are for 18 Cross Street office tower only, as the retail podium at 18 Cross Street, and 20 and 22 Cross Street are partially affected by the construction works for the Hotel and Commercial Project. Refer to the Circular to Unitholders dated 3 June 2015 for details.

LEASES WITH FIXED PERCENTAGE RENT STEP-UPS AND OTHER PERIODIC RENT REVIEWS

as at 30 September 2017

Property	Leases	Average step-up rent /other reviews (%)	% of property GRI	% of portfolio GRI
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
Central Park	1	Market	5.5	0.9
Central Park	3	CPI	1.6	0.3
357 Collins Street	4	Market	39.7	6.3
Total	**56**			**44.2**

ASSET ENHANCEMENT INITIATIVES TO STRENGTHEN AND SUSTAIN PROPERTY PERFORMANCE

Artist's impression of new entrance gateway to Alexandra Technopark, Singapore

CREATING A NEW CAMPUS ENVIRONMENT AT ALEXANDRA TECHNOPARK

- Rejuvenate and transform Alexandra Technopark into a vibrant, engaging and stimulating business campus
- Emphasis on creating a well-balanced work environment with health and wellness amenities

Estimated cost	S$45 million
Benefits	Expected to boost the market profile, leasing appeal and long-term competitiveness of Alexandra Technopark, and elevate the tenant experience
New amenities/ features	End-of-trip facilities, futsal courts, fitness-related programmes and a new amenity hub to house a range of amenities such as a new food court, food and beverage outlets, a clinic and barbeque pits, among others
Timeline	Commenced in Q1 2017 and expected to complete around mid-2018

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

UPGRADING THE SHOPPER EXPERIENCE AT THE RETAIL PODIUM OF 18 CROSS STREET, CHINA SQUARE CENTRAL

- Written Permission obtained in November 2017 from the Urban Redevelopment Authority to undertake upgrading of the retail podium of 18 Cross Street, China Square Central
- Rejuvenate and reposition the retail podium to create an exciting destination focusing on food and beverage, wellness and services
- Increase leasable area by around 17% to approximately 75,000 sq ft[a]
- The retail podium will be closed during the construction period for safety reasons

Estimated cost	S$38 million[a]
Benefits	• Expected to boost the market positioning, leasing appeal and long-term income generating potential of the retail podium • Capitalise on the increased human traffic when the new Capri by Frasers hotel within China Square Central opens in 2019[b] • Complete the overall revamp of China Square Central and bring about greater vibrancy to the area[c]
Timeline	Expected to commence in Q1 2018 and to complete around mid-2019

a Refer to press release dated 20 October 2017 for details.
b Expected opening. Refer to the Circular to Unitholders dated 3 June 2015 for further details.
c The asset enhancement for the office tower at 18 Cross Street and the rejuvenation of Nankin Mall were completed in 2013.

FINANCIAL REVIEW

FCOT delivered a stable set of results for FY2017, despite continued challenges and uncertainties in the market environment in general. Full-year distributable income of S$78.6 million was the highest since FCOT's listing in 2006 and also 1.3% above that of FY2016, while full-year distribution per Unit remained stable at 9.82 cents due to the increase in number of Units in issue.

KEY HIGHLIGHTS

S$78.6 million
DISTRIBUTABLE INCOME
Highest since FCOT's listing in 2006

9.82 cents
DPU
Stable year-on-year

100.0%
Unencumbered assets provide financial flexibility

34.7%
Healthy gearing[a]

4.4 times
Healthy interest cover[b]

80.7%
Borrowings on fixed interest rates provide certainty in interest cost and protect FCOT from interest rate hikes

a Gross borrowings as a percentage of total assets.
b 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.

FINANCIAL REVIEW

Financial Highlights	FY2016 (S$ million)	FY2017 (S$ million)	Increase/ (decrease) (%)
Gross revenue	156.5	156.6	-
Property operating expenses	(40.9)	(42.8)	4.6
NPI	115.6	113.8	(1.6)
NPI on cash basis[a]	113.8	114.9	1.0
Distributable income to Unitholders	77.6	78.6	1.3
DPU	9.82	9.82	-

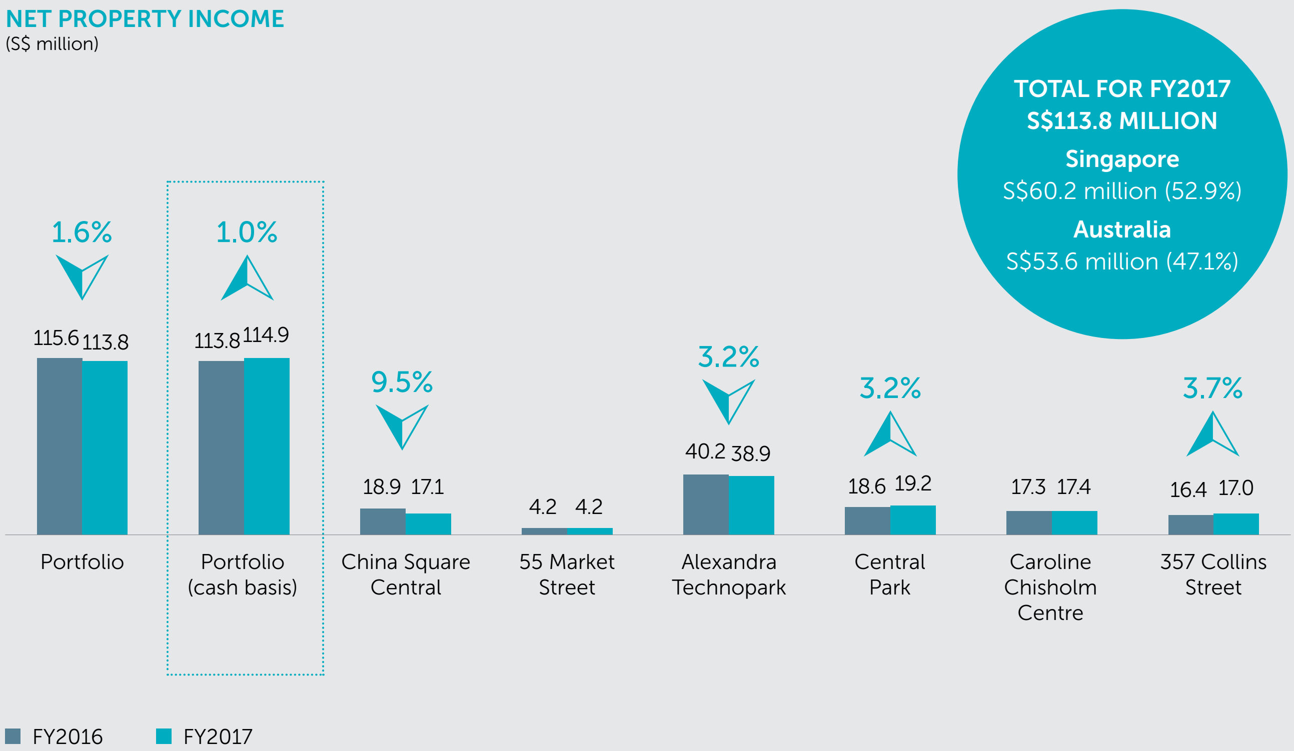
a Excluding the effects of recognising accounting income on a straight line basis over the terms of the leases.

GROSS REVENUE AND NPI

Gross revenue of S$156.6 million for FY2017 was in-line with that of FY2016. In FY2017, portfolio NPI declined slightly by 1.6% year-on-year to S$113.8 million, mainly due to higher repair and maintenance expenses for Caroline Chisholm Centre and lower occupancy rates at Alexandra Technopark, China Square Central and Central Park. However, NPI for the Australian properties increased by 2.5% year-on-year as result of better occupancy and passing rents at 357 Collins Street and the effect of the stronger Australian Dollar. On cash basis (excluding the effects of recognising accounting income on a straight line basis over the terms of the leases), portfolio NPI in fact increased by 1.0% year-on-year to S$114.9 million in FY2017.

NET PROPERTY INCOME

(S$ million)



FINANCE COSTS AND EXCHANGE DIFFERENCES

In FY2017, finance cost decreased by 1.3% year-on-year mainly due to the lower amortisation of borrowing costs, coupled with lower capitalised borrowing costs being expensed off as a result of partial early refinancing of loan facilities. As at 30 September 2017, interest rates for approximately 80.7% of borrowings have either been fixed or hedged, providing certainty in interest cost and protecting FCOT from interest rate hikes.

DEBT COMPOSITION – FLOATING VS. FIXED INTEREST RATES

(as at 30 September 2017)

To manage the exposure to movements in the Australian Dollar, net anticipated cash flows from the Australian properties are regularly hedged, and a portion of the investment in the Australian assets is hedged naturally with Australian Dollar denominated borrowings.

DISTRIBUTABLE INCOME AND DPU

Distributable income to Unitholders increased by 1.3% year-on-year to S$78.6 million in FY2017. FY2017 aggregate DPU of 9.82 cents was in-line with that of FY2016, as the higher distributable income was offset by the increase in number of Units. The Manager continues to pay out 100.0% of the income available for distribution to Unitholders in FY2017.

PORTFOLIO VALUE

Asset	Local currency valuation as at 30 September 2017 (million)	Translated as at 30 September 2017 (S$ million)[a,b]	Local currency valuation per NLA[c]	Variance from 30 September 2016 (local currency value) (million)	(%)	Variance from 30 September 2016 (translated value) (S$ million)	(%)	Valuation capitalisation rate
China Square Central	S$565.0	565.0	S$1,528	2.5	0.4	2.5	0.4	
55 Market Street	S$139.0	139.0	S$1,936	–	–	–	–	
Alexandra Technopark	S$508.0	508.0	S$487	–	–	–	–	
Singapore Properties	**S$1,212.0**	**1,212.0**		**S$2.5**	**0.2**	**2.5**	**0.2**	**Office: 3.3% – 3.8% Retail: 4.0% Business space: 6.0%**
Central Park	A$272.5[d]	289.8	A$8,248	A$7.5	2.8	13.7	5.0	
Caroline Chisholm Centre	A$250.0	265.9	A$6,212	A$22.5	9.9	29.0	12.2	
357 Collins Street	A$285.0	303.1	A$8,928	A$29.0	11.3	36.4	13.7	
Australia Properties	**A$807.5**	**858.9**		**A$59.0**	**7.9**	**79.1**	**10.1**	**Office: 5.3% – 7.3%**
Total		**2,070.9**				**81.6**	**4.1**	

a Translated at A$1.00=S$1.0636, being the exchange rate as at 30 September 2017.
b Figures may not add up due to mathematical rounding.
c Expressed as per sq ft for Singapore properties and per sq m for Australian properties.
d Represents FCOT's 50.0% indirect interest in the asset.

FINANCIAL REVIEW

The independent valuers have valued FCOT's properties at S$2.1 billion as at 30 September 2017, up S$81.6 million or 4.1% compared to a year ago. In-line with market conditions, the values of the properties as at 30 September 2017 generally gained from firmer capitalisation rates versus those prevailing a year ago. The increase in portfolio value was mainly attributed to higher valuations assessed for China Square Central and the Australian properties. The valuation gain for China Square Central took into consideration the CSC Retail AEI plans which is expected to commence in Q1 2018, while growth for the Australian portfolio was also partly due to higher rents for Caroline Chisholm Centre and 357 Collins Street, coupled with the effect of the stronger Australian Dollar compared to a year ago.

NAV AND NAV PER UNIT

As at 30 September 2017, FCOT's NAV increased 5.0% year-on-year to S$1.3 billion. NAV per Unit (excluding distributable income) as at 30 September 2017 was S$1.58, up 3.9% compared to a year ago.

DEBT AND RELATED INFORMATION

	FY2016	FY2017	Increase/ (decrease)
Debt	S$745.4 million	S$750.0 million	0.6%
Gearing[a]	36.0%	34.7%	(1.3% points)
Unencumbered assets as a percentage of total assets	100.0%	100.0%	–
Fixed borrowings as a % of total borrowings	85.0%	80.7%	(4.3% points)
Weighted average tenure of debt to maturity	2.6 years	2.5 years	NM[b]
Average cost of debt	3.0%	3.0%	–
Interest cover[c]	4.6 times	4.4 times	NM[b]
Issuer rating by Moody's Investors Service	Baa2	Baa2[d]	NM[b]

a Gross borrowings as a percentage of total assets.
b Not meaningful.
c 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.
d Refer to details in the main discussion in the next column.

FCOT's total debt is well-diversified across bank borrowings and fixed/floating rate notes. As at 30 September 2017, the total debt of S$750.0 million comprised S$420.0 million in bank borrowings and S$330.0 million in notes. All debts are unsecured, which provides greater financial flexibility for the Trust.

As at 30 September 2017, the weighted average debt maturity was 2.5 years and gearing was healthy at 34.7%, well below the 45% limit for Singapore REITs set by the Monetary Authority of Singapore. For FY2017, interest coverage ratio continued to be healthy at 4.4 times (average for the financial year) and the average cost of debt was 3.0% per annum.

In September 2017, Moody's Investors Service affirmed FCOT's issuer rating of Baa2 and changed the outlook from stable to negative mainly due to the leases which were not renewed by Hewlett-Packard Enterprise Singapore Pte Ltd at Alexandra Technopark[1], and the uncertainty then around Hewlett-Packard Singapore Pte Ltd's[2] lease at the same property. Moody's expected that the on-going asset enhancement at Alexandra Technopark, which was geared towards rejuvenating and transforming the property into a vibrant, engaging and stimulating business campus will improve its ability to attract new tenants to the space and boost rental income for FCOT.

ISSUANCES OF FIXED AND FLOATING RATE NOTES

In-line with the Manager's prudent and proactive approach towards capital management, in the first half of FY2017 the Manager took advantage of favourable market conditions to carry out early refinancing of all debts due in the financial year, as well as partially pre-paying debt maturing in FY2019.

In aggregate, FCOT raised S$230.0 million from the issuances of three tranches of fixed and floating rate unsecured notes under its S$1.0 billion Multicurrency Medium Term Note Programme, with the funds raised deployed towards the aforesaid refinancing.

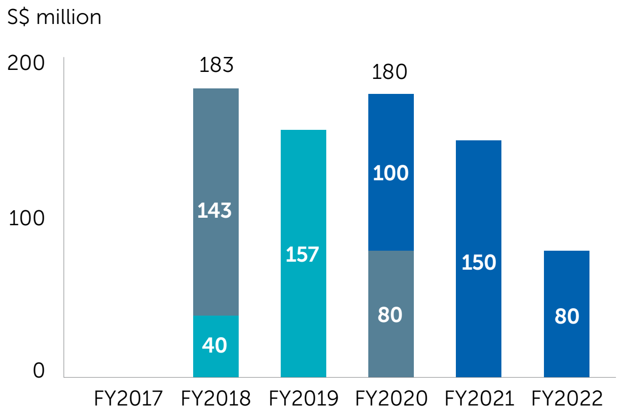
1 Refer to the announcement dated 22 September 2017 for details.
2 Partial extension of Hewlett-Packard Singapore Pte Ltd's lease was announced on 3 November 2017.

China Square Central, Singapore

Date of issuance	Description	Utilisation
February 2017	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 million used to partially prepay the S$180.0 million transferable term loan facility which matured in September 2017
March 2017	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 million used to partially prepay the S$206.6 million transferable term loan facility maturing in FY2019
May 2017	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 million used to prepay the remaining S$80.0 million transferable term loan facility which matured in September 2017

WELL-SPREAD DEBT MATURITY PROFILE

DEBT MATURITY PROFILE
(as at 30 September 2017)



% of total debt maturing (%)					
–	24.4	20.9	24.0	20.0	10.7

■ SGD bank borrowings ■ AUD bank borrowings ■ SGD MTN

The debt maturities are well-spread out and there is no debt maturing until August 2018. The Manager intends to continue to maintain a well-spread debt maturity profile for FCOT.

As at 30 September 2017, the debt of the Trust comprised the following facilities and notes:

Debt	Amount (million)	Maturity
Borrowings (all unsecured)		
SGD term loan facility	S$40.0	13 August 2018
AUD term loan facility	A$135.0	19 September 2018
SGD term loan facility	S$156.6	19 September 2019
AUD term loan facility	A$75.0	14 August 2020
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
Series 002 Notes[a]	S$100.0	28 February 2020
Series 003 Notes[a]	S$50.0	15 March 2021
Series 004 Notes[a]	S$80.0	May 2022

a See details in the table above.


357 Collins Street,
Melbourne, Australia

FOREIGN EXCHANGE RISK MANAGEMENT

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

DRP FOR DISTRIBUTIONS DECLARED FOR FY2017

The DRP was applied for the distributions declared in FY2017. The DRP provides 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 they hold. The DRP enables Unitholders to acquire new Units without incurring transaction or other related costs. Cash retained and Units issued in lieu of cash distributions under the DRP will enlarge the Trust's capital base, strengthen its working capital reserves and improve the liquidity of the Units. In FY2017, 10.8 million new Units were issued pursuant to the DRP.

SENSITIVITY ANALYSIS – EXCHANGE RATE AND INTEREST RATE

For FY2017, 47.1% of the portfolio net property income of the Trust was derived from the properties in Australia. As such, the distributable income of FCOT is subject to fluctuations in the exchange rate between the Singapore Dollar and the Australian Dollar. In this respect, a 5% strengthening of the Singapore Dollar against the Australian Dollar would result in a pro-forma decrease of approximately S$2.7 million or 3.4% in the FY2017 distributable income of the Trust.

FCOT is also subject to interest rate fluctuations, mainly in respect of its interest-earning financial assets and interest-bearing borrowings. 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 the Trust's FY2017 distributable income by S$1.4 million or 1.8%.

MARKET OVERVIEW SINGAPORE

CBRE

1 THE SINGAPORE ECONOMY

According to the third quarter data released by the Ministry of Trade and Industry (MTI), the Singapore economy performed better than expected as it expanded by 5.2% year-on-year (Y-o-Y) in Q3 2017, higher than the 2.9% growth in Q2 2017. Q3 2017 growth was led by the manufacturing sector which registered a robust expansion at 18.4% Y-o-Y, supported by the expansion of all clusters within the sector, with the exception of transport engineering cluster due to sustained weakness in the marine and offshore engineering segment. The construction sector contracted by 7.6% Y-o-Y in Q3 2017 primarily due to continued weakness in both public and private sector construction activities. Underpinned by growth in the finance and insurance, information and communications, and transportation and storage sectors, the services producing industries grew 3.0% Y-o-Y in 3Q 2017; outpacing the 2.5% growth from the preceding quarter.

For the rest of 2017, growth for the Singapore economy is expected to be supported by externally-driven and domestically-driven sectors such as health, education and social services sector. The Government revised the 2017 growth forecast upwards to 3.0% to 3.5%, from 2.0% to 3.0%.

2 THE OFFICE MARKET

2.1 Existing Office Supply

Singapore's office market stock stood at 59.5 million sq ft as at Q3 2017. According to CBRE classification, 13.7 million sq ft consist of Grade A office space while 34.7 million sq ft is classified as Grade B office stock. Around half of the total office space in CBRE basket is located in the Core CBD sub-market which consists of Raffles Place, Marina Bay, Marina Centre and Shenton Way.

The Raffles Place micro-market constitute approximately 39.1% of the Core CBD office stock in Q3 2017. The amount of existing office supply in the Raffles Place micro-market increased by 2.5% Y-o-Y to 11.6 million sq ft in Q3 2017, of which, 31.0% of the Raffles Place office stock is Grade A space while 66.3% is classified as Grade B space. Both 55 Market Street and China Square Central are part of the Grade B stock in the Raffles Place micro-market.

Major office developments and refurbishments completed in 2017 consisted of Marina One (1.9 million sq ft), UIC Building (277,000 sq ft), and the completion of asset enhancement initiative (AEI) works at GSH Plaza (282,000 sq ft), which is a strata title office development in the Core CBD sub-market.

2.2 Future Office Supply

Based on CBRE estimates, around 3.9 million sq ft of office space will be completed over the next three years (Q3 2017 – Q4 2020 inclusive). 21.9% of these new office completions will be strata-titled space.

Over the next three years, the decentralised sub-market will make up the largest pipeline supply at 41.9%. The remaining 37.8% and 20.3% of new office space will be located in the Core CBD and the Fringe CBD sub-markets respectively. Excluding strata-titled space, only 3.8% of the new office supply will be in the Raffles Place micro-market. The bulk (43.5%) of the future office supply will be completed in 2018.

In the Core CBD sub-market, approximately 0.8 million sq ft of new supply will be completed in 2018. Frasers Tower (663,000 sq ft) as well as the amalgamated redevelopment of International Factors Building and Robinson Towers by Tuan Sing (145,000 sq ft) are scheduled for completion by 1H 2018. New supply in 2020 will come from the redevelopment of Afro-Asia Building (153,000 sq ft) and 79 Robinson Road (500,000 sq ft).

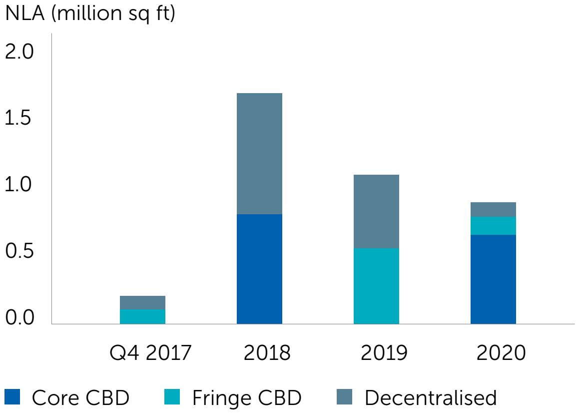
As at Q3 2017, the estimated volume of secondary space[2] for Q4 2017 – 2019 is approximately 677,900 sq ft. 52.0% of this space is located in the Core CBD area. However, the supply pressure for the rest of 2017 is relatively limited as only 5.8% of the total secondary space will be available in Q4 2017. The bulk of the secondary space will only be available in 2018 (48.4%) and 2019 (45.8%).

1 The advance gross domestic product (GDP) estimates for the third quarter of 2017 are computed largely from data in the first two months of the quarter (i.e. July and August 2017). They are intended as an early indication of the GDP growth in the quarter, and are subject to revision when more comprehensive data becomes available.

2 Secondary space refers to spaces which leases will be expiring.

The impact of secondary supply on rent is relatively manageable as secondary space is only 1.1% of total stock as at Q3 2017 and it will be staggered over the next 2 years, providing ample time for landlords to seek replacement tenants.

FUTURE OFFICE SUPPLY



Source: CBRE

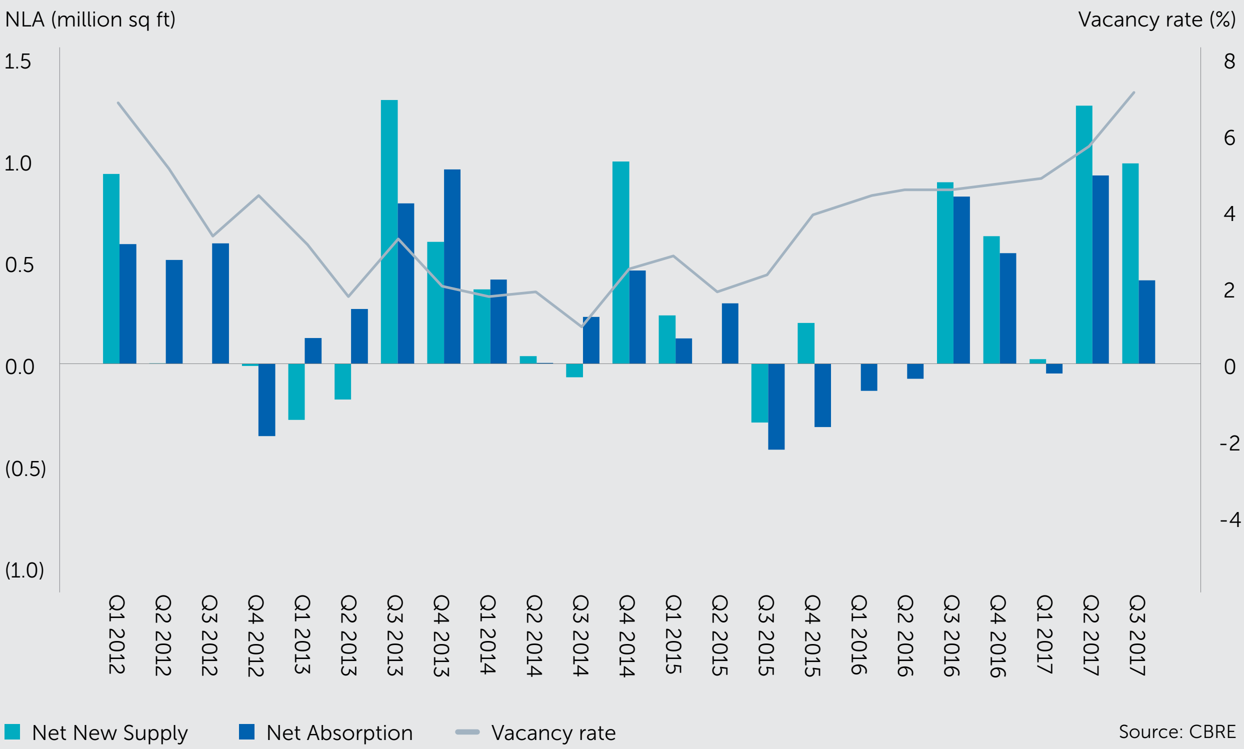
2.3 Office Demand and Occupancy

As at Q3 2017, the total island-wide office net absorption was 409,000 sq ft. Most of the leasing transactions in 2017 were driven by a diverse range of industries from technology, fund management, financial services, consumer services and trading firms.

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 the business services, information technology, professional services, and smaller fund management firms.

ISLAND-WIDE OFFICE: NET NEW SUPPLY, NET ABSORPTION AND VACANCY RATES



Source: CBRE

2.4 Office Vacancy Rates

The island-wide office vacancy rate rose by 0.8%-point from 6.6% in Q2 2017 to 7.4% in Q3 2017. Vacancy rates in the Core CBD sub-market registered an increase from 5.9% in the previous quarter to 7.5% in Q3 2017 due to the completions of Marina One and UIC building.

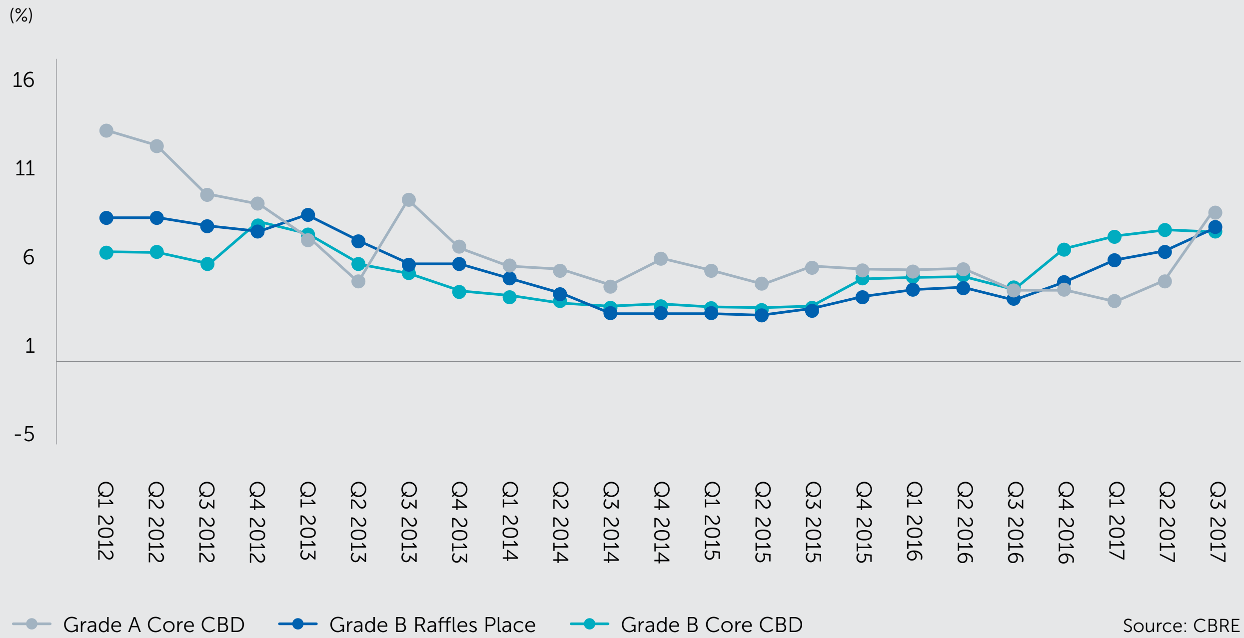
The Raffles Place micro-market enjoys relatively healthy occupancy, with an average vacancy rate of 6.2% in Q3 2017. The average vacancy rate for Grade A offices in the Raffles Place micro-market was 3.7%, while that for Grade B offices was 7.3%. As at 30 September 2017, the office tower of China Square Central at 18 Cross Street and 55 Market Street achieved healthy committed occupancy rates of 92.8% and 90.0%, 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.

In 2013, the asset enhancement for the office tower of China Square Central and the rejuvenation of Nankin Mall were completed. In Q4 2017, FCOT had obtained Written Permission from the Urban Redevelopment Authority to undertake an asset enhancement initiative to rejuvenate and reposition the retail podium of 18 Cross Street, China Square Central. This is expected commence in Q1 2018 and to be completed around mid-2019. The enhancement of the retail podium, together with the introduction of a new Capri by Fraser hotel[3] in the development in 2019, will complete the overall revamp of China Square Central and bring about greater vibrancy, market competitiveness and increase long-term income generating potential for the asset. 55 Market Street is located in the heart of Raffles Place.

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

OFFICE VACANCY RATES



Source: CBRE

3 Refer to FCOT's Circular to Unitholders dated 3 June 2015 for further details.

CBRE

2.5 Office Rents

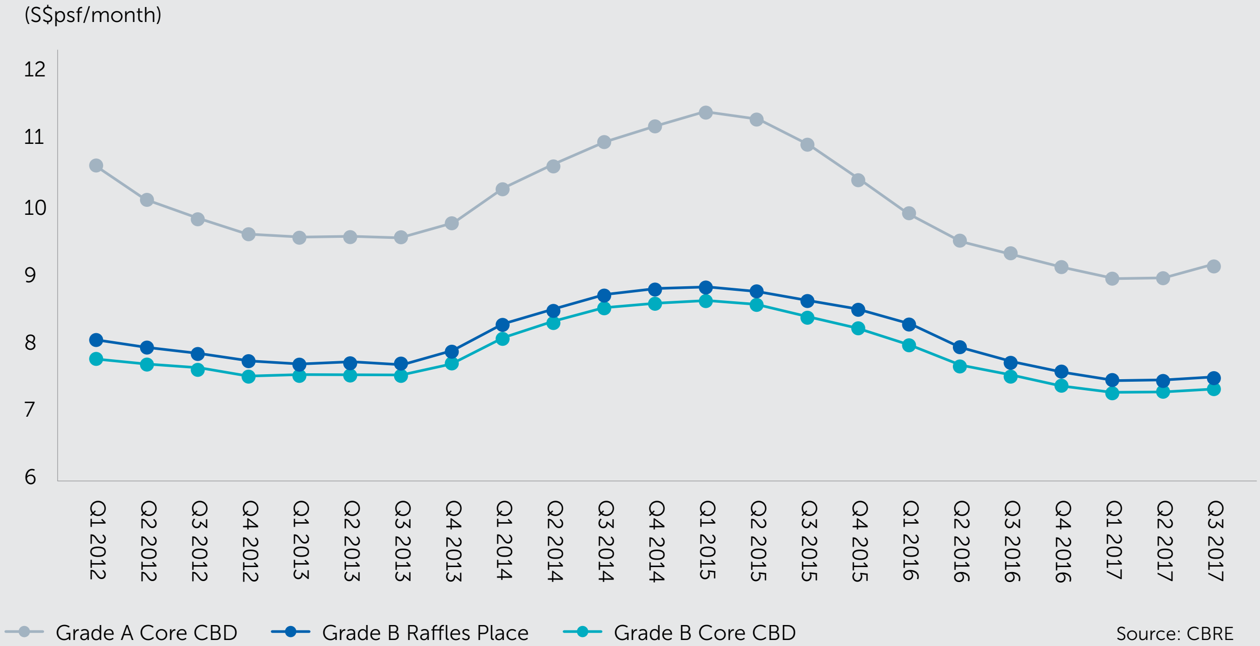
The office market is showing clear signs of confidence on the back of stronger economic fundamentals and a generally positive market sentiment. It appears that the market has likely reached the trough after a fairly long period of market correction that started since Q2 2015.

This improved confidence was evidenced by higher rental expectations from landlords particularly with high quality buildings. Grade A Core CBD rents increased the most, rising 1.7% Y-o-Y (1.7% Q-o-Q) to average S$9.10 per sq ft (psf) per month in Q3 2017. Grade B Core CBD rents increased at a pace of 0.7% Y-o-Y (0.7% Q-o-Q) to average S$7.30 psf per month in Q3 2017. Grade B rents are historically less volatile relative to Grade A rents. This is largely due to the relatively defensive nature of the Grade B tenant market.

Within the Raffles Place micro-market, office rents increased in line with the overall market. Grade A office rents in Raffles Place grew 1.7% year-to-date (YTD) and 1.7% Q-o-Q up to September 2017 to average S$9.10 psf per month, while Grade B office rents in Raffles Place increased at a slower pace of 0.4% YTD and 0.7% Q-o-Q up to September 2017 to average S$7.47 psf per month. In general, rents in the Raffles Place micro-market is supported by relatively healthy vacancy rates and limited new supply.

Looking ahead, nascent signs of rental growth coupled with encouraging pre-let figures for office space are indications that the office market is gathering strength. Barring unforeseen circumstances, office rents are expected to continue on a modest growth path in 2018.

OFFICE RENTS IN THE RAFFLES PLACE MICRO-MARKET



Source: CBRE

AVERAGE OFFICE RENTS AS OF Q3 2017

	Q3 2017 (Per sq ft/Month)	YTD 2017	Q-o-Q
Grade A Core CBD[4]	S$9.10	1.7%	1.7%
Grade B Core CBD	S$7.30	0.7%	0.7%
Grade B Raffles Place	S$7.47	0.4%	0.7%

Source: CBRE

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, commanding top rents. CBRE does not publish micro-market data for Grade A offices.

2.6 Office Investment Market and Capital Values

Investment volume for the office sector increased by 122% Q-o-Q to S$2.6 billion in Q3 2017. The total investment volume amounted to S$6.4 billion for the first three quarters of 2017. The largest office transaction in 2017 is the sale of Asia Square Tower 2 for S$2.1 billion (S$2,689 psf on NLA) to CapitaLand Commercial Trust. Some other significant office deals transacted this year included the sale of a 50.0% stake in One George Street for S$591.6 million (S$2,650 psf on NLA) to FWD Group, and the sale of Sime Darby Centre to Tuan Sing Holdings Ltd for S$365.00 mil (S$1,801 psf on NLA).

Generally, the capitalisation rate for institutional CBD office transactions in 2017 is 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 due to 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 values for Q3 2017 rose from S$2,700 psf to S$2,750 psf; this was also the first increase since Q4 2014.

2.7 Office Outlook

The office market is showing signs that it has turned the corner on the back of stronger economic fundamentals and positive market sentiment. This has translated into a noticeable increase in office development activities, resulting in the recent spate of redevelopment projects, and aggressive bids for commercial land in the government land sale tenders.

Modest rental growth is expected over the near term as the market absorbs the remaining space leftover from the supply surge over the last two years. The tightening availability of quality space in 2018-2019 is likely to translate into stronger rental performance. That said, the underlying strength of occupier demand remains patchy and uncertain. In particular, the effects of tight labour policies on the long-term expansionary plans of firms may merit caution.

3 THE HI-SPECS AND BUSINESS PARK MARKETS

The Hi-Specs Business space market typically refers to light industrial premises that are equipped with better 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 basic 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 cost conscious back-end functions of financial institutions. While the occupier profile for a Hi-Specs Business space tenant may resemble that of Business Parks, they tend to be more cost-conscious industrialists who conform to the permissible planning perimeters as written in the government's master plans for Business 1 and Business 2 space.

In contrast, Business Parks tend to be larger campus-style Hi-Specs developments occupying at least five hectares of land with modern office-like specifications. As such, tenants occupying Business Park space tend to be more image conscious industrialists who meet the permissible usage requirement 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 some of its attributes, such as large floor plates and flexible space configuration, commonly found in a Business Park development. With a land area of 4.8 hectares, Alexandra Technopark has certain office-like specifications, an open park-like environment and is well served by amenities.

3.1 Hi-Specs and Business Park Existing Supply

As at Q3 2017, there is close to 15.0 million sq ft of Hi-Specs business space island-wide, a Y-o-Y increase of 6.6% or 0.9 million sq ft.

Notable newly completed Hi-Specs business space developments include Keppel Datahub 3 at Tampines Street 92 as well as a portion of the build-to-suit (BTS) project for Hewlett-Packard located at Depot Road. The former has an estimated NLA of 110,000 sq ft while the latter is approximately 820,000 sq ft.

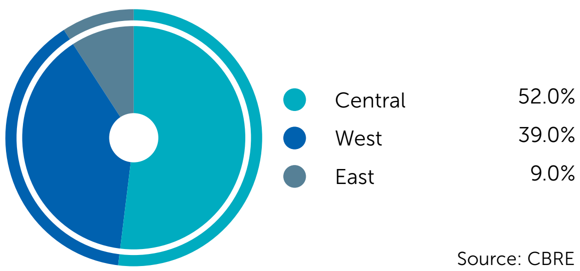
Most Hi-Specs business spaces are located in Central Singapore (43.0%), followed by North-Eastern Singapore (27.1%), and Western Singapore (19.9%). The Alexandra micro-market located in the city fringe has a limited supply of Hi-Specs space at 1.9 million sq ft. Alexandra Technopark is located in the Alexandra micro-market within Central Singapore.

No notable Business Park projects were completed in 2017 YTD. As such, the total stock of Business Park space monitored by CBRE remain at 19.7 million sq ft. The majority of the Business Park space is located at One North (28.8%) in Central Singapore, followed by Changi Business Park (21.5%) in Eastern Singapore. Following the completion of MBC II in 2016, the Alexandra micro-market consists of close to 2.4 million sq ft (12.1%) of Business Park space.

3.2 Hi-Specs and Business Park Future Supply

CBRE estimate that the total island-wide Hi-Specs and Business Park space will increase by 1.5 million sq ft over the next two years (Q4 2017 to Q4 2019 inclusive). Slightly over half of the pipeline supply (52.0%) will be coming from Central Singapore while the remaining supply will be located in Western (39.0%) and Eastern (9.0%) parts of Singapore.

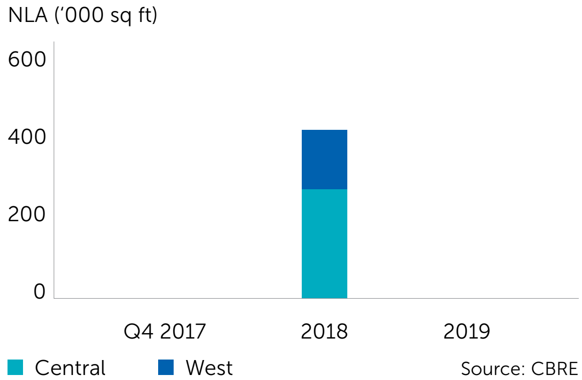
FUTURE SUPPLY OF HI-SPECS AND BUSINESS PARK SPACE BY AREA



Source: CBRE

Specifically, there are approximately 410,000 sq ft of Hi-Specs business space supply over the next two years. New supply will only come on stream in 2018. This includes a development at Kallang Basin 4 (Central Singapore) and a BTS data centre at Sunview Drive (Western Singapore), which is fully committed

FUTURE SUPPLY OF HI-SPECS BUSINESS SPACE



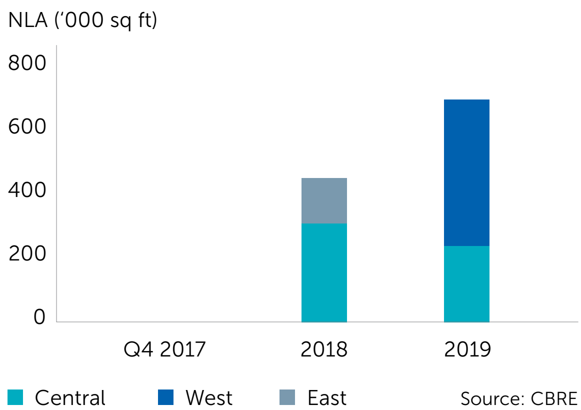
Source: CBRE

by an established data centre operator. Both projects are expected to be completed in 2018. There is currently no known new Hi-Specs development located in the Alexandra micro-market.

As at Q3 2017, the Business Park pipeline supply over the next two years (Q4 2017 – Q4 2019 inclusive) total 1.1 million sq ft. Of this, approximately 39.3% will come on-stream in 2018 with the remaining expected to be completed in the following year.

As of Q3 2017, the pre-commitment rate for total future Business Park supply stood at 23.7%. Q3 2017 saw the addition of JTC Cleantech Three at Cleantech Loop to the pipeline, with expected completion in 2019. This is a multi-tenanted facility that will cater to firms engaging in clean technology-related R&D activities. Cleantech Three will be the biggest project in Cleantech Park to-date, with a gross floor area (GFA) of 550,000 sq ft amounting to the combined size of both Cleantech One and Cleantech Two.

FUTURE SUPPLY OF BUSINESS PARK



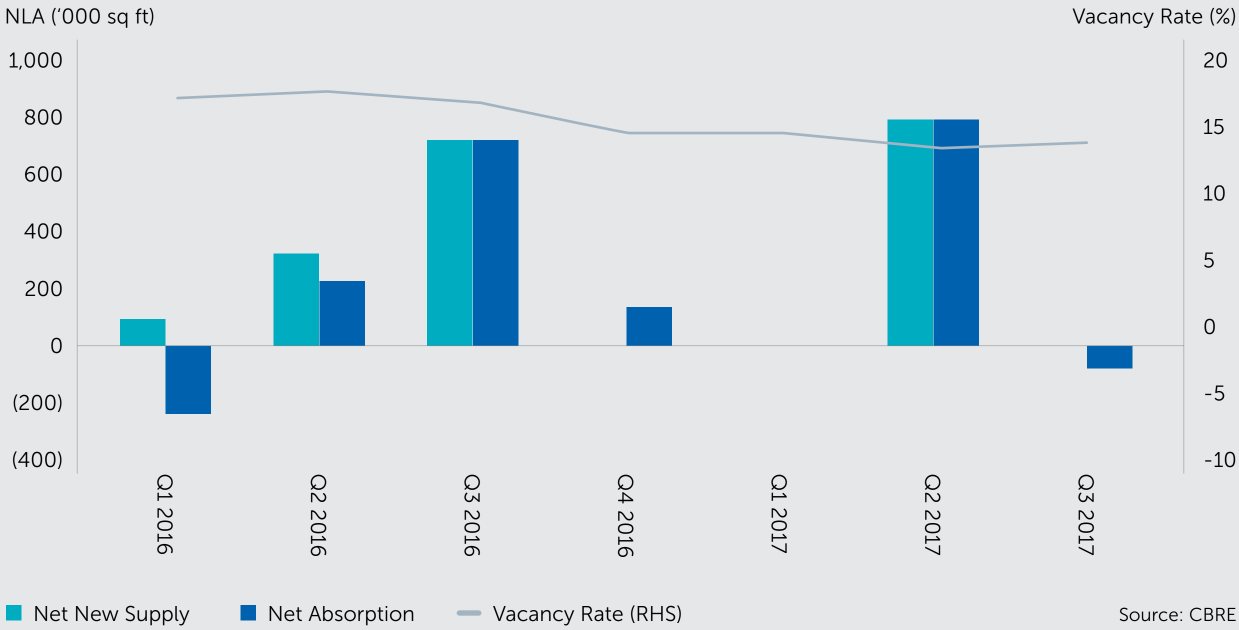
Source: CBRE

3.3 Hi-Specs and Business Park Demand and Vacancy

The island-wide net absorption for Hi-Specs business space in 2017 YTD was 713,000 sq ft. Ongoing restructuring of the industrial scene in Singapore focusing on high value-add and advance productivity activities will fundamentally increase demand for Hi-Specs space in the medium to long term.

The shift in focus towards biomedical sciences, electronics, food processing and petrochemicals has resulted in a growing number of small and medium enterprises serving the multinational companies in these sectors, which will increasingly require more Hi-Specs space. As a result, island-wide occupancy rate for Hi-Specs business space increased from 84.6% in Q3 2016 to 85.8% in Q3 2017. Given the limited pipeline supply of Hi-Specs space from Q4 2017 to Q4 2019, it is likely that occupancy rate will continue trending upwards.

ISLAND-WIDE HI-SPECS NET NEW SUPPLY, NET ABSORPTION AND VACANCY RATES



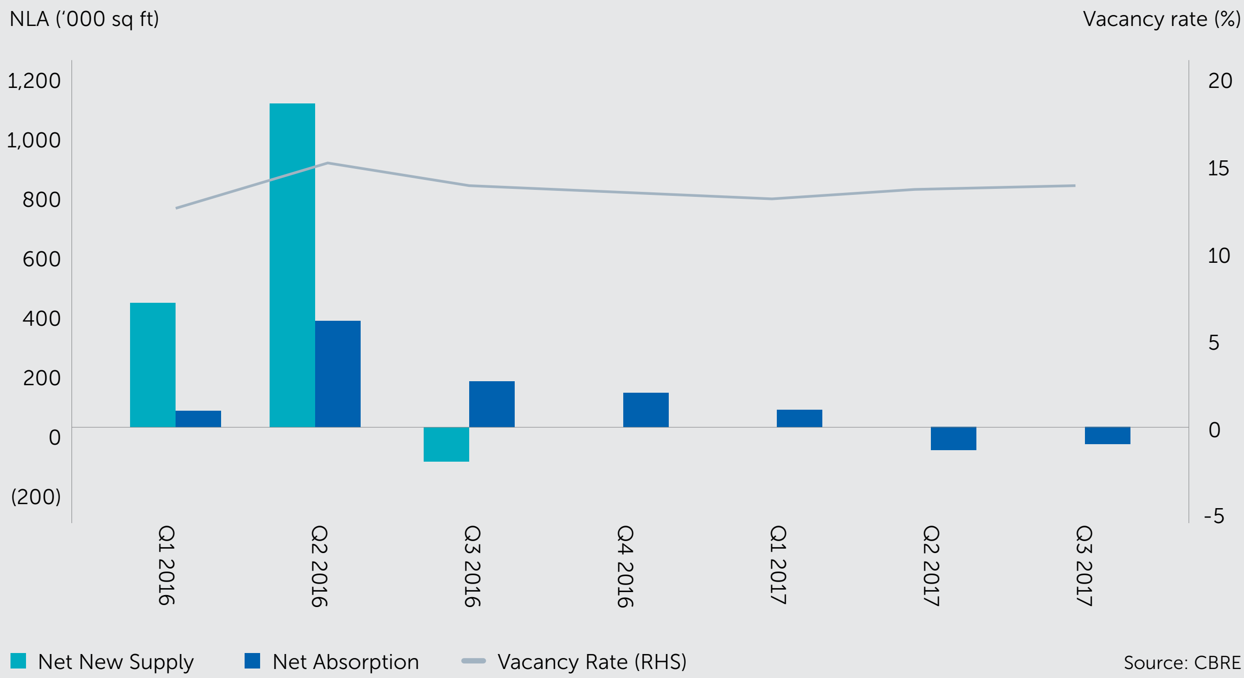
Source: CBRE

The Business Park market has been relatively quiet over the past 12 months to Q3 2017 due to muted demand and the absence of new supply. The island-wide vacancy rate registered a slight increase from 11.9% in Q2 2017 to 12.1% in Q3 2017. This can be attributed to the lingering weak demand for Business Parks located on the outskirts of Singapore. Leasing and enquiry activities have been slow in recent quarters with a noticeable dearth of large tenant movements.

As at 30 September 2017, the committed occupancy rate for Alexandra Technopark was 76.2% (although actual occupancy was 90.8%)[5]. In FY2017, FCOT embarked on a S$45 million asset enhancement initiative to rejuvenate and transform Alexandra Technopark into a vibrant, engaging and stimulating business campus. The asset enhancement is expected to be completed around mid-2018 and is expected to enhance the property's long-term market position and competitiveness.

5 Adjusted to reflect 17.1% which was not renewed by Hewlett-Packard Enterprise Singapore Pte Ltd upon the lease expirations on 30 September 2017 and 30 November 2017 (refer to FCOT's announcement dated 22 September 2017 for details).

ISLAND-WIDE BUSINESS PARK NET NEW 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 increased 1.6% to S$3.15 psf per month in Q3 2017. This was unchanged from the previous quarter. Market rents for Hi-Specs space located in the city fringe such as the Alexandra micro-market continues to command premiums of up to 20.6% over the island-wide average due to superior location and limited supply.

Business Park rents have generally been very resilient. Rents for city fringe Business Parks increased marginally to S$5.55 while rents in the rest of island sub-markets remain unchanged at S$3.70 psf per month in Q3 2017. Business Park rents in the Alexandra micro-market improved 1.6% Y-o-Y to S$6.25 psf per month in Q3 2017 and commands a rental premium of 64.5% over Hi-Specs spaces in the Alexandra 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% over the island-wide Business Park market rent.

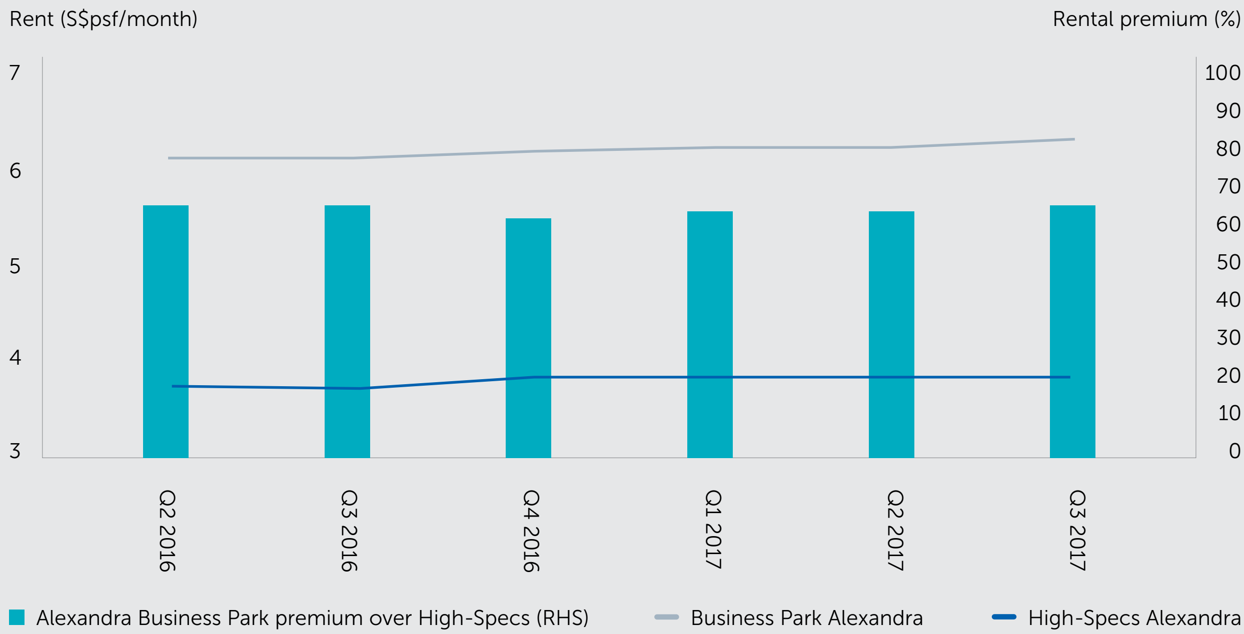
3.5 Hi-Specs and Business Park Outlook

Hi-Specs and Business Park space remain favourable options for qualified tenants seeking longer term rental stability. Active tenants in this space include incubators, technology and fintech firms.

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 space in the city fringe remain the de-facto choice for most tenants due to their higher quality and better location. Notable leasing transactions for 2017 was concentrated in the Alexandra precinct and consist of mostly tenants from the media, finance-related and technology sectors.

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

HIGH-SPECS AND BUSINESS PARK RENTS



Source: CBRE

Prospects for the Business Park sector currently look stable. While the expansionary ambitions of firms are hampered by greater caution despite stronger economic fundamentals, more occupiers could start turning to Business Park space should the economy maintain its current growth momentum and office rents begin to increase.

The Hi-Specs market is expected to fare better as it builds on stronger demand over the past few quarters. The manufacturing recovery is expected to be led by the high-tech industries and this will continue to support demand for Hi-Specs space. On a near term basis, rents are still expected to hold steady given that vacancy levels are still relatively high. However, there will be room for rental growth should occupancy improve over the longer term.

QUALIFYING CLAUSE

This Report is subject to the following limiting conditions:

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.

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.

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.

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.

MARKET OVERVIEW
MELBOURNE, AUSTRALIA

CBRE

OVERVIEW

State final demand[1] continued to grow in Victoria, up 4.7% over the 12 months ended June 2017. The main drivers were private consumption and business investment. Victoria's economy is one of the strongest in Australia. GDP growth in Victoria for the year ended June 2016 of 3.3% was significantly above the national average of 2.7%, and growth is expected to continue at a slightly lower rate for the forthcoming 4 years. Unemployment in Victoria was 6.1% in July 2017, up slightly by 30 basis points (bps) from a year ago. Having risen by 3.2% over the 12 months ended June 2017, white collar employment growth was one of the strongest among the states within Australia, and was supported by the information media and telecommunications, finance and insurance, and education and training sectors. Victorian white collar employment growth is forecast to be approximately 2% per annum over the next 3 years.

MELBOURNE CBD OFFICE SUPPLY ADDITIONS

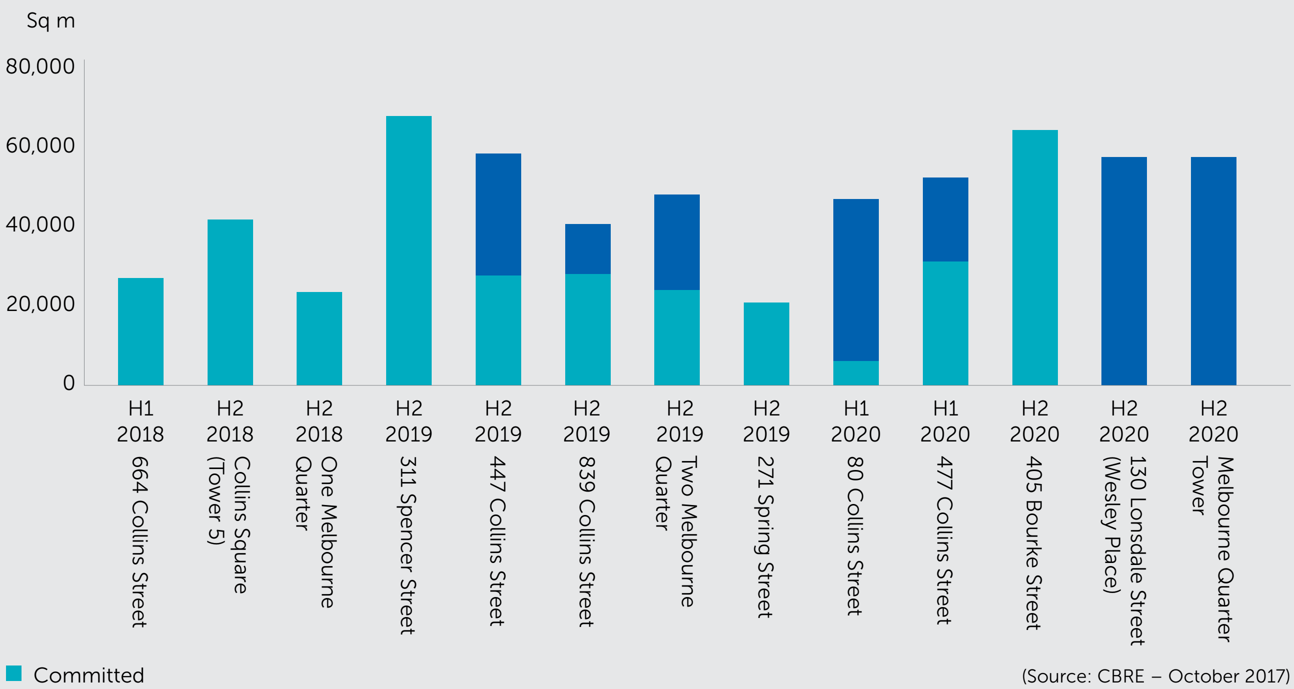
In 2016 the Melbourne CBD saw the completion of just under 110,000 sq m of new office supply. This supply comprised of two buildings – Towers 2 and 4 of Collins Square in Docklands. These buildings are now substantially fully leased.

The supply pipeline from 2018 onwards is set out in the table below. The only 2017 completion was the Rialto Regeneration Project, which has added around 8,000 sq m of NLA to the complex with the addition of new low rise buildings to the Collins Street and King Street frontages.

Forecast supply in 2018 will also be modest, with three new projects forecast to be completed. Following this there will be significant new supply in 2019 and 2020 totalling approximately 365,500 sq m, with the largest additions being new buildings that have been fully committed by the Assistant Treasurer for the State of Victoria (Victoria Police) at 311 Spencer Street and National Australia Bank at 405 Bourke Street.

The Docklands precinct has been the main catalyst of new supply within the Melbourne CBD, bringing to the market over 400,000 sq m of office space over the past five years. According to the Property Council of Australia (PCA), the Docklands precinct now represents approximately 20% of the Melbourne CBD office market.

MELBOURNE CBD NEW OFFICE SUPPLY



(Source: CBRE – October 2017)

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.

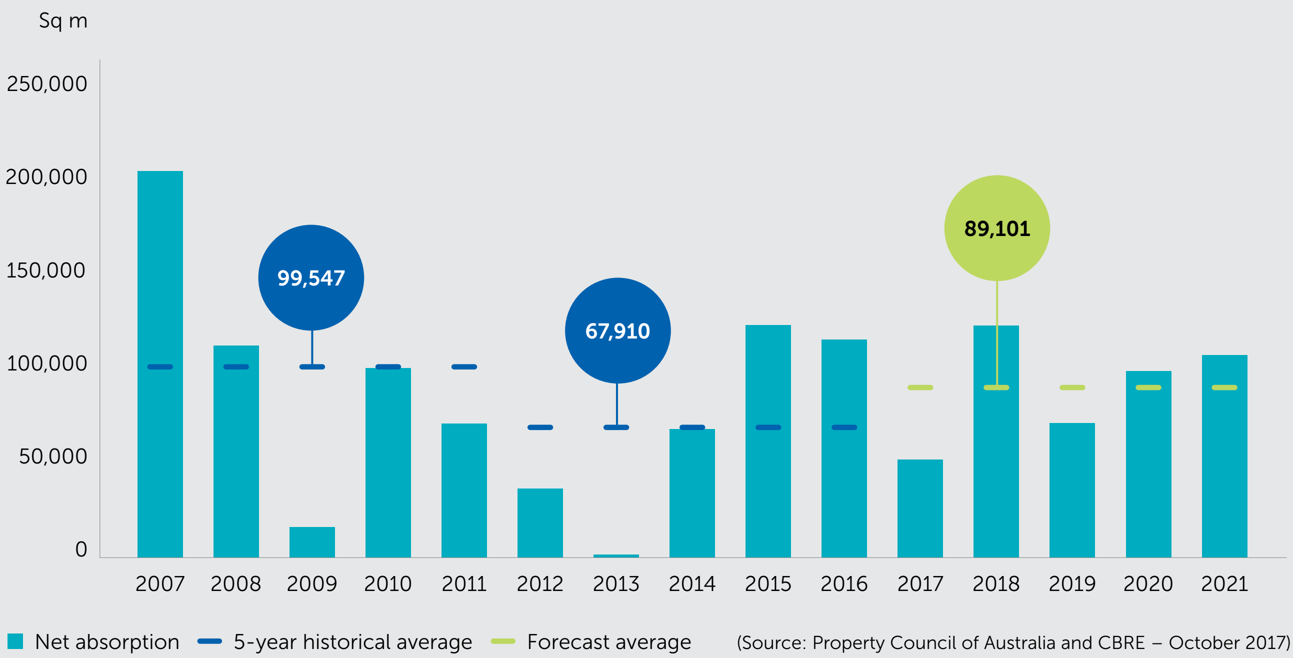
357 Collins Street,
Melbourne, Australia

NET ABSORPTION OUTLOOK

Approximately 128,389 sq m of net absorption was recorded for the 12 months to July 2017, which is the highest amount since 2008. Significantly there is a divergence between net absorption for Prime stock (Premium and A Grade) which recorded positive net absorption of 120,614 sq m, and secondary stock which recorded positive net absorption of 7,775 sq m.

Net absorption is forecast to remain positive over the near term given expected growth in CBD white collar employment. Stock withdrawal for residential use will reduce supply although with record levels of forecast supply and changes to planning regulations this may abate.

MELBOURNE CBD HISTORICAL AND FORECAST NET ABSORPTION



(Source: Property Council of Australia and CBRE – October 2017)

MARKET OVERVIEW MELBOURNE, AUSTRALIA

MELBOURNE CBD OFFICE VACANCY

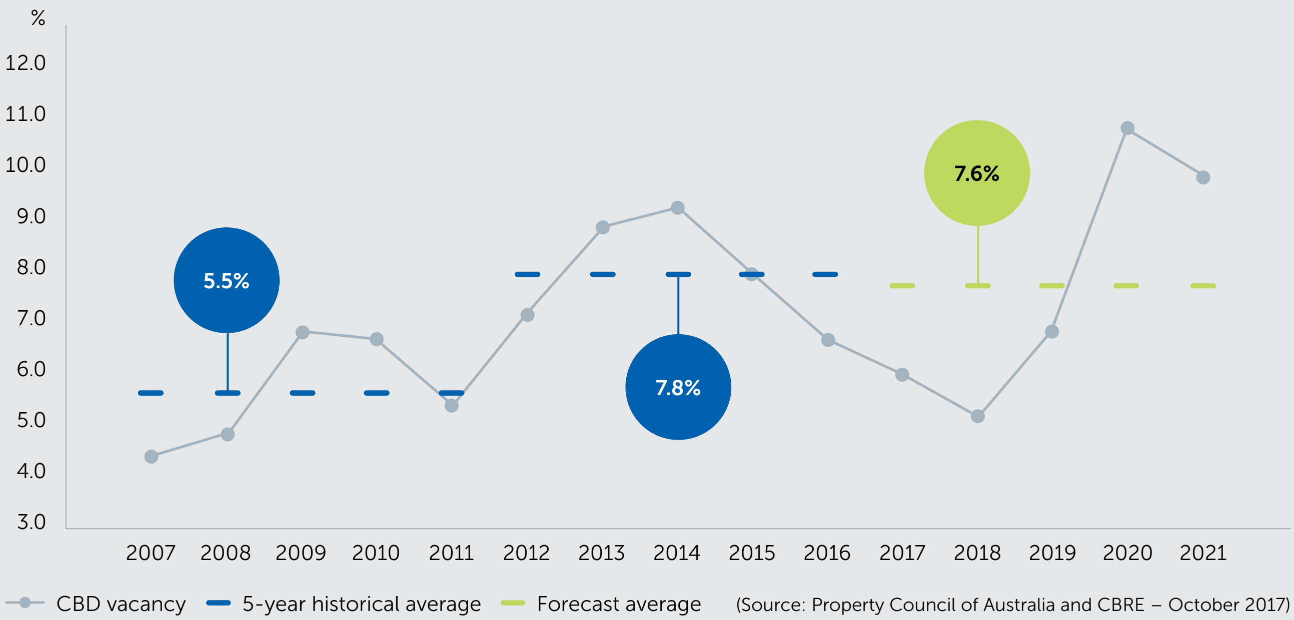
The Melbourne CBD office vacancy as at July 2017 was recorded at 6.5% by the PCA which remains unchanged since January 2017. Of the 6.5% figure, sublease space accounted for 0.4%, slightly below that seen in January 2017 (0.5%).

In the last 12 months, CBRE have witnessed increased tenant enquiry for space, being strongest from the professional services, Government departments, serviced offices and information technology/creative sectors.

CBRE Research forecast the vacancy rate to fall to 5.2% by late 2018 with forecast healthy tenant demand and limited supply.

357 Collins Street,
Melbourne, Australia

MELBOURNE CBD HISTORICAL AND FORECAST VACANCY



(Source: Property Council of Australia and CBRE – October 2017)

OFFICE MARKET RENTAL AND INCENTIVE PROJECTIONS

The Melbourne CBD leasing market continued to strengthen in Q3 2017, with prime net face rents up 4.1% over the quarter, and 9.5% year-on-year, to average A$565/sq m per annum. Prime incentives declined 180bps over the quarter to average 29%, supporting growth in effective rents.

Prime face and effective rents are expected to grow over the short term and CBRE expect incentives to gradually decline.

MELBOURNE CBD YIELDS

Further yield compression was witnessed in Q3 2017, with prime yields now sitting at an indicative 5.1% (down 16bps over the quarter). Over recent times, yield compression has been stronger in the secondary market, with the yield spread between prime and secondary narrowing. Investment activity for prime commercial office assets continues to be very strong with a weight of capital, limited investment options and low interest rate environment driving demand. CBRE is also witnessing demand for assets with vacancies or which require re-positioning from value-add investors.

MARKET OVERVIEW PERTH, AUSTRALIA

CBRE

OVERVIEW

The downturn experienced in the wake of the Western Australian (WA) mining boom is continuing although there is general sentiment that things will begin to improve from 2018. As the resource sector continues its transition from construction phase into production, the low interest rate environment has helped reduce some of the risk surrounding the shifting economy and the lower Australian Dollar is also having positive effects for the WA economy. WA population growth is forecast to remain subdued throughout 2017 with average growth for the year forecast at 0.9%, which is continuing to have negative impacts for housing construction and retail spending. Engineering construction will decline as the last of the State's 'mega projects' Gorgon and Wheatstone wrap up the final stages of their construction. State unemployment is forecast to remain around current levels of 5.9% as at August 2017 over the short to medium term; which is above the national level of 5.6%.

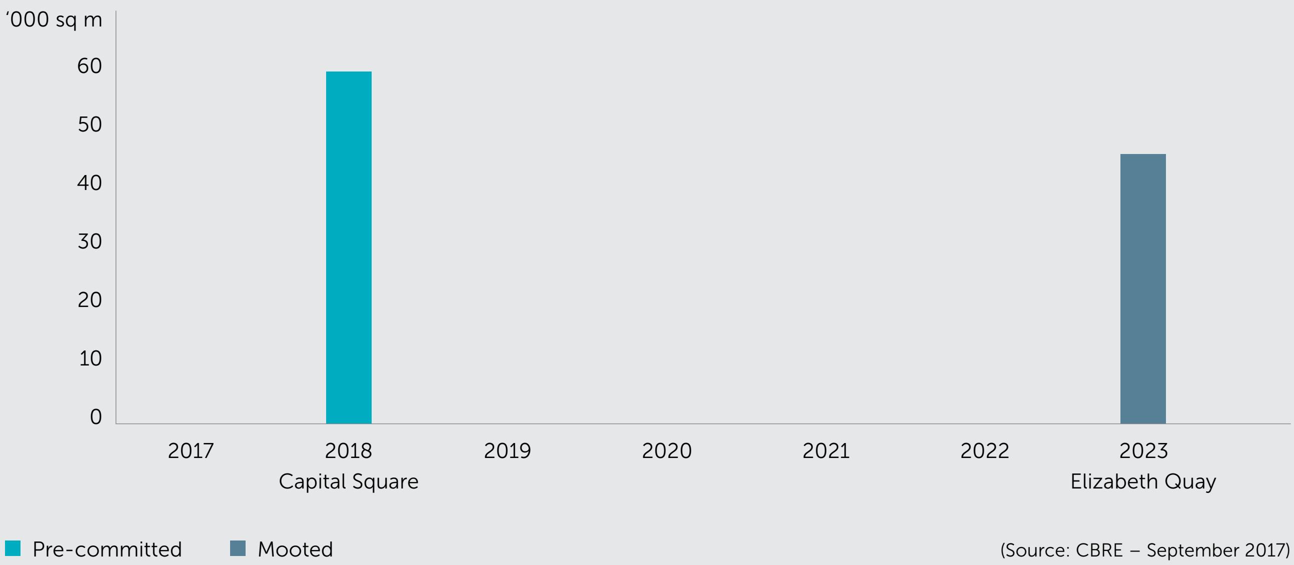
A boost to the economy has been provided by increased infrastructure around the State, including the Forrestfield-Airport train link and the new Perth Stadium and its surrounding transport networks. The relative strength of the iron ore price over 2017 has led to a number of small projects around the State being revived; approximately 20 small new and expansion resource projects have been announced over 2017.

After the smallest year-on-year fall since 2013, CBRE believe that the Perth CBD office rents for Premium and Grade A, are at the bottom of the cycle. Net face rents have experienced only very modest declines over the first half of 2017. The CBD market is benefitting from a flight-to-city as tenants from fringe and suburban locations take advantage of attractive rents to upgrade to accommodation they could traditionally not afford. CBRE note that approximately 30% of recent new leasing transactions in the Perth CBD were from suburban tenants relocating to the city.

PERTH CBD OFFICE SUPPLY ADDITIONS

Currently future net supply additions are considered limited with the office market having weakened significantly from 2014. Capital Square (approximately 56,500 sq m) is the only committed new supply, opening in 2018. Capital Square is fully committed to be leased by Woodside. The completion of this development is on track for end 2017, with Woodside's lease expiry in 240 St Georges Terrace comprising a total area of circa 40,000 sq m occurring December 2018. Vacancy in 240 St Georges Terrace is anticipated to delay the recovery of the Perth office market, prolonging current weak office leasing conditions.

PERTH CBD FORECAST NEW SUPPLY



(Source: CBRE – September 2017)

MARKET OVERVIEW
PERTH, AUSTRALIA

CBRE

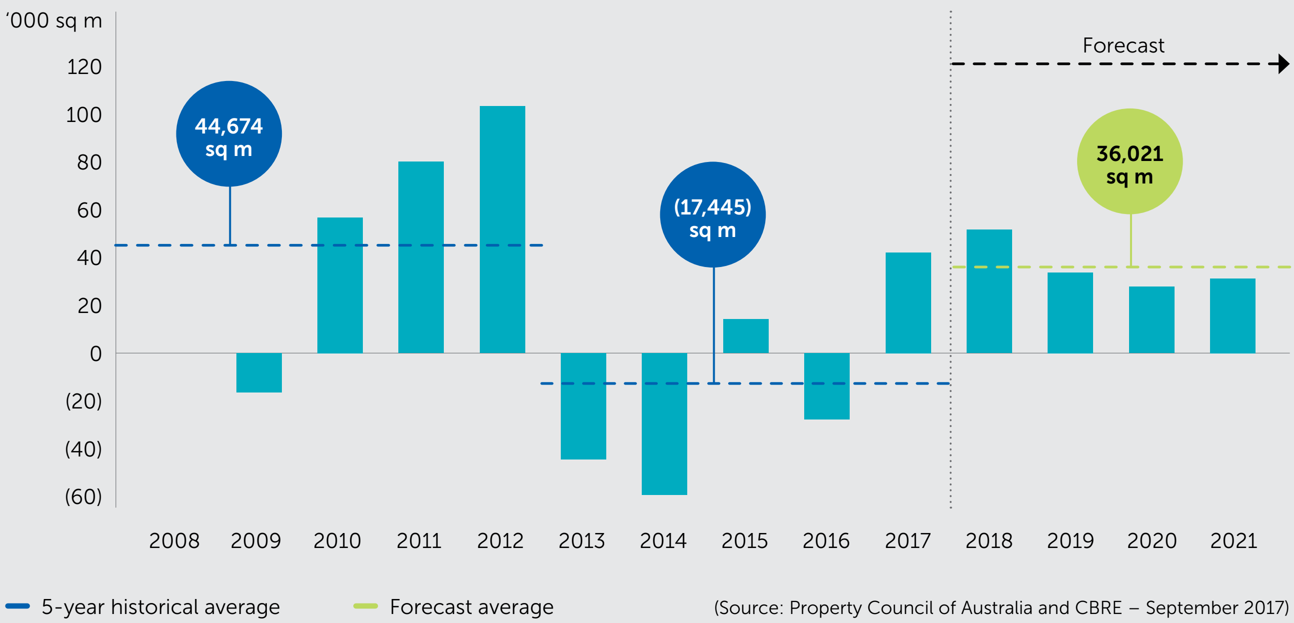
NET ABSORPTION OUTLOOK

Net absorption in the Perth CBD office market over the twelve months to July 2017 was positive 13,126 sq m with most of the absorption occurring in the Premium and Grade A segments.

White Collar Employment (WCE) is forecast to return to positive growth over the second half of 2017, albeit with a very slight 0.1% rise anticipated. WCE is forecast to strengthen in 2018, with first half and second half anticipated to grow by 1.0% and 1.6% respectively. These positive WCE figures are set to encourage positive net absorption of office space for the coming years.

Central Park,
Perth, Australia

PERTH CBD HISTORICAL AND FORECAST NET ABSORPTION



(Source: Property Council of Australia and CBRE – September 2017)

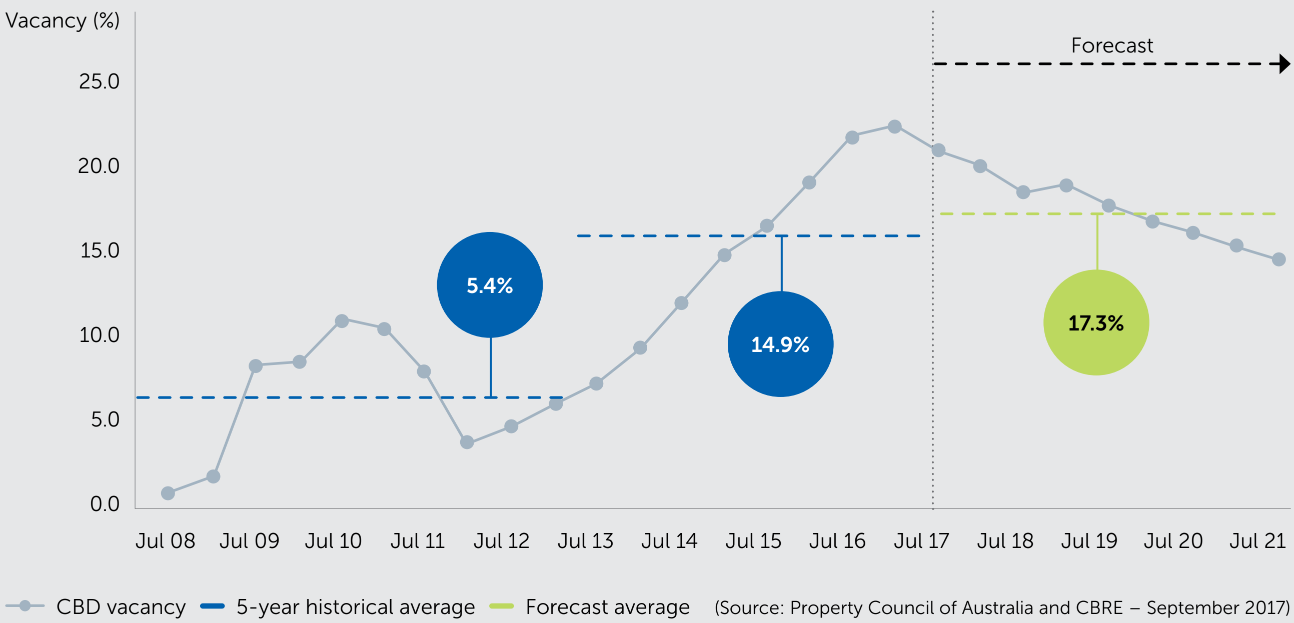
PERTH CBD OFFICE VACANCY

The six months to June 2017 saw the first contraction in CBD vacancy since the State's mining boom, with the vacancy rate falling to 21.1% from a peak of 22.5% in January 2017. CBRE believe this is the beginning of the market turnaround. Of the 21.1% figure, direct vacancy accounted for 18.9% (334,254 sq m) whilst available sublease space (not in occupation) accounted for 2.2% (38,743 sq m).

Premium Grade vacancy decreased significantly from 16.0% in January 2017 to 11.7% in June 2017, highlighting the on-going flight-to-quality that has been in evidence in the CBD over the past 18 months. This contraction is largely reflective of the current more positive commodities (iron ore) prices coupled with medium non-mining corporate tenants signing longer leases for superior premises at attractive effective rentals.

Looking forward, total vacancy is expected to be in sustained modest decline. CBRE expects total vacancy to trend downwards off the back of moderately positive forecast net absorption mainly in the Premium and Grade A segments.

PERTH CBD OFFICE VACANCY



(Source: Property Council of Australia and CBRE – September 2017)

MARKET OVERVIEW
PERTH, AUSTRALIA

CBRE

PERTH CBD OFFICE MARKET RENTAL AND INCENTIVE PROJECTIONS

As at June 2017, 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 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 city. Prime rents have stabilised while incentives are anticipated to reach their peak by end-2017. Incentives are forecast to remain elevated for a number of years before declining as the Perth CBD office market begins its slow recovery.

PERTH CBD YIELDS

Yield compression was witnessed in 2017 with a number of transactions occurring throughout the year including 'The Quadrant' 1 William Street, 'Westralia Square' 141 St Georges Terrace and 109 St Georges Terrace. These sales indicated a yield range of 6.50% to 7.00%. There have been no Premium Grade transactions in the WA market over the year to-date. We anticipate a Premium grade yield range of 6.00% to 7.00% in 2018. Investment activity for Prime commercial office assets continues to be very strong with a weight of capital, limited investment options and low interest rate environment driving demand.

Central Park,
Perth, Australia

INVESTOR RELATIONS

We place strong emphasis on providing timely and accurate information to the investment community.

PROACTIVE AND CONTINUOUS DIALOGUE WITH THE INVESTMENT COMMUNITY

The Manager places strong emphasis on providing timely and accurate information, and maintaining proactive and continuous communications with the investment community. The Manager regularly engages with the investment community at large through various channels including the FCOT website (www.fraserscommercialtrust.com), announcements and press releases, analyst briefings, conferences, non-deal roadshows and investor meetings.

In FY2017, the Manager met with more than 120 investors and analysts regionally and participated in 19 conferences, conference calls, meetings and non-deal roadshows in Bangkok, Hong Kong, Seoul, Singapore, Taipei and Tokyo. The Manager also participated in the SGX-REITAS Education Series, the 2017 Singapore REITs Symposium which targeted retail investors, and a lunch-time talk for UOB Private Bankers organised by REITAS, all held in Singapore. Lastly, analysts' briefings and investors' luncheons were conducted after the announcements of half-year and full-year results in April 2017 and October 2017, respectively.

The eighth AGM was held on 23 January 2017, where Unitholders were provided updates on the performance, outlook, plans and strategies for FCOT. The AGM provided an avenue for investors to meet and engage directly with the board members and senior management of the Manager. FCOT's and the Manager's advisors, including auditors, valuers and lawyers were also present at the AGM to address queries from Unitholders, in-line with good corporate governance practice. Voting for all the AGM resolutions were conducted via polls and the results showing the number of votes cast for and against each resolution were also announced during the AGM and on SGX-ST.

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 Directors and senior management team of the Manager, are publicly available on the FCOT website.

FCOT's quarterly results are released on SGX-ST and posted on the FCOT website within one month after the end of each quarter.

In FY2017, FCOT commenced providing webcasts of the management presentations of FCOT's half-year and full-year results on the day of the release of the results, for transparency and accessibility by the public.

FCOT UNITHOLDERS

As at 30 September 2017, Frasers Centrepoint Limited, through its subsidiaries, held 26.8% of the total issued Units in FCOT. Institutional investors held 26.8% of the Units while the remaining Units were held by retail investors. In terms of geographical location and excluding Frasers Centrepoint Limited, 22.7% of the Units were held by investors from Singapore, followed by 9.0% from North America. The rest of the investors were mainly from Europe and Asia (excluding Singapore).

UNITHOLDERS BY TYPE

Frasers Centrepoint Limited (through its subsidiaries)	26.8%
Institutional investors	26.8%
Retail	46.4%

UNITHOLDERS BY GEOGRAPHY

Singapore	49.5%
North America	9.0%
Europe	4.1%
Asia (ex-Singapore)	3.8%
Others	33.6%

INVESTOR RELATIONS

AWARDS ARE TESTAMENTS TO FCOT'S GOOD GOVERNANCE AND INVESTOR RELATIONS PRACTICES

FCOT received three major awards in FY2017 relating to good corporate governance and communications and investor relations. FCOT received Gold awards for the 'Best Governed and Most Transparent Company' and the 'Best Corporate Communications and Investor Relations' categories at The Global Good Governance Awards 2017™, as well as Gold award for 'Best Annual Report' in the REITs and Business Trusts category at the prestigious Singapore Corporate Awards 2017. These awards are clear testaments of the Manager's longstanding commitment and effort towards upholding high standards of corporate governance and investor relations practices.

Mr Jack Lam receiving the Gold award for 'Best Annual Report' in the REITs and Business Trusts category at the prestigious Singapore Corporate Awards 2017

INVESTOR RELATIONS CALENDAR IN FY2017

Activities	Month
1st Quarter FY2017 (1 October 2016 – 31 December 2016)	
Analysts' Briefing on FY2016 full-year results	October
Post-results investors luncheon	October
Non-deal roadshow in Hong Kong	November
2nd Quarter FY2017 (1 January 2017 – 31 March 2017)	
DBS The Pulse of Asia Conference in Singapore	January
SGX-UOB Kay Hian Corporate Day in Taipei	February
Daiwa Investment Conference in Tokyo	March
SGX-CLSA-REITAS SREITs Corporate Day in Seoul	March
3rd Quarter FY2017 (1 April 2017 – 30 June 2017)	
Analysts' Briefing on FY2017 first-half results	April
Post-results investors luncheon	April
8th Annual dbAccess Asia Conference in Singapore	May
Frasers Day in Bangkok	May
Citi ASEAN C-Suite Investor Conference in Singapore	May
SREITs Symposium in Singapore	May
UOB Private Bankers Presentation in Singapore	May
SGX-REITAS Education Series in Singapore	May
Citi Asia Pacific Property Conference in Hong Kong	June

Note: The Manager did not participate in conferences or roadshows in 4th Quarter FY2017 but conducted one-on-one meetings and conference calls.

ANALYST COVERAGE

FCOT is covered by the following research houses:

1. CIMB Research
2. Citi Research
3. Daiwa Institute of Research
4. DBS Vickers Research
5. OCBC Investment Research
6. Religare Capital Markets Research[a]
7. RHB Research

a Ceased equity research activities in mid-October 2017.

FEEDBACK

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@fraserscentrepoint.com

DISTRIBUTIONS

A summary of FY2017 distributions are as follows:

Financial Quarter	Financial Period	Distribution	Distribution Per Unit (Cents)
FY2017 First Quarter	1 October 2016 to 31 December 2016	Taxable[1]	1.6573
		Tax-exempt[2]	0.5731
		Capital[3]	0.2751
		Total[4]	**2.5055**
		Payment date	**1 March 2017**
FY2017 Second Quarter	1 January 2017 to 31 March 2017	Taxable[1]	1.6034
		Tax-exempt[2]	0.6725
		Capital[3]	0.2298
		Total[4]	**2.5057**
		Payment date	**30 May 2017**
FY2017 Third Quarter	1 April 2017 to 30 June 2017	Taxable[1]	1.5391
		Tax-exempt[2]	0.5071
		Capital[3]	0.3517
		Total[4]	**2.3979**
		Payment date	**29 August 2017**
FY2017 Fourth Quarter	1 July 2017 to 30 September 2017	Taxable[1]	1.5262
		Tax-exempt[2]	0.5879
		Capital[3]	0.2929
		Total[4]	**2.4070**
		Payment date	**29 November 2017**

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 apply to Unitholders electing to receive distributions in Units under the DRP.

FCOT applied the DRP for the distributions in FY2017. The DRP provides Unitholders with an option to receive their distributions either in cash, Units or a combination of both.

CALENDAR OF KEY EVENTS IN FY2018

(may be subject to change by the Manager without prior notice)

January 2018
- Ninth AGM
- Release of FY2018 First Quarter Results

March 2018
- Payment of distribution for FY2018 First Quarter

April 2018
- Release of FY2018 Second Quarter Results

May 2018
- Payment of distribution for FY2018 Second Quarter

July 2018
- Release of FY2018 Third Quarter Results

August 2018
- Payment of distribution for FY2018 Third Quarter

October 2018
- Release of FY2018 Full Year Results

November 2018
- Payment of distribution for FY2018 Fourth Quarter

OVERVIEW OF PROPERTY PORTFOLIO

Six well-located, quality properties in Singapore and Australia.

FCOT's portfolio comprises five office buildings and a business space building valued at S$2.1 billion in aggregate as at 30 September 2017. The six quality commercial properties in Singapore and Australia are well-located, have a diverse tenant base across a wide spectrum of trade sectors and offer good amenities and green features.

SINGAPORE	AUSTRALIA

	Properties	Asset values as at 30 September 2017	Portfolio net property income for FY2017	Net lettable area (sq ft) as at 30 September 2017
Singapore	2 office buildings 1 business space building	S$1,212.0 million (58.5%)	S$60.2 million (52.9%)	1.5 million (56.7%)
Australia	3 office buildings	S$858.9 million[1] (41.5%)	S$53.6 million (47.1%)	1.1 million[2] (43.3%)
Total	**5 office buildings** **1 business space building**	**S$2,070.9 million**	**S$113.8 million**	**2.6 million**

1 Based on the exchange rate of A$1.00 = S$1.0636 as at 30 September 2017.
2 Inclusive of 100.0% of the NLA of Central Park. FCOT holds 50.0% indirect interest in the property.

ASSET VALUES AS AT 30 SEPTEMBER 2017

China Square Central	27.3%
55 Market Street	6.7%
Alexandra Technopark	24.5%
Central Park	14.0%[1]
Caroline Chisholm Centre	12.9%
357 Collins Street	14.6%

NET PROPERTY INCOME FOR FY2017

China Square Central	15.0%
55 Market Street	3.7%
Alexandra Technopark	34.2%
Central Park	16.9%[1]
Caroline Chisholm Centre	15.3%
357 Collins Street	14.9%

1 FCOT holds 50.0% interest in the asset.

PORTFOLIO DETAILS

CHINA SQUARE CENTRAL

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

Tenure
Leasehold 99 years
commencing February 1997

Net lettable area
369,824 sq ft (34,358 sq m)

Carpark spaces
394

Purchase price
S$390.0 million

Acquisition date
30 March 2006

Valuation as at 30 September 2017
S$565.0 million

Increase in valuation since purchase
44.9%

Occupancy rate as at 30 September 2017
79.8% (office tower: 92.8%)[1,2]

FY2017 gross revenue
S$26.2 million

FY2017 net property income
S$17.1 million

55 MARKET STREET

Address
55 Market Street,
Singapore 048941

Tenure
Leasehold 999 years
commencing April 1826

Net lettable area
71,796 sq ft (6,670 sq m)

Carpark spaces
Nil

Purchase price
S$72.5 million

Acquisition date
22 November 2006

Valuation as at 30 September 2017
S$139.0 million

Increase in valuation since purchase
91.7%

Occupancy rate as at 30 September 2017
90.0%[1]

FY2017 gross revenue
S$5.9 million

FY2017 net property income
S$4.2 million

ALEXANDRA TECHNOPARK

Address
438A & 438B Alexandra Road
Singapore 119967/8

Tenure
Leasehold 99 years
commencing August 2009

Net lettable area
1,043,891 sq ft (96,981 sq m)

Carpark spaces
905

Purchase price
S$342.5 million

Acquisition date
26 August 2009

Valuation as at 30 September 2017
S$508.0 million

Increase in valuation since purchase
48.3%

Occupancy rate as at 30 September 2017
76.2%[1,3]

FY2017 gross revenue
S$51.9 million

FY2017 net property income
S$38.9 million

1 Committed occupancy as at 30 September 2017.
2 Occupancy of retail units affected by planned vacancies arising from Hotel and Commercial Projects. Refer to the Circular to Unitholders dated 3 June 2015 for details.
3 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 (refer to announcement dated 22 September 2017 for further 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).

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

Tenure
Freehold

Net lettable area
711,242 sq ft (66,077 sq m)[4]

Carpark spaces
421

Purchase price
A$190.0 million (S$234.6 million)[5,6]

Acquisition date
30 March 2006

Valuation as at 30 September 2017
A$272.5 million (S$289.8 million)[5,7]

Increase in valuation since purchase
43.4%[8]

Occupancy rate as at 30 September 2017
88.9%[9]

FY2017 gross revenue
S$27.9 million

FY2017 net property income
S$19.2 million

CENTRAL PARK

Address
Block 4 Section 13,
Tuggeranong ACT 2900, Australia

Tenure
Leasehold 99 years
commencing June 2002

Net lettable area
433,182 sq ft (40,244 sq m)

Carpark spaces
1,093

Purchase price
A$191.8 million (S$244.4 million)[10]

Acquisition dates
18 June 2007, 13 April 2012[11]

Valuation as at 30 September 2017
A$250.0 million (S$265.9 million)[7]

Increase in valuation since purchase
30.3%[8]

Occupancy rate as at 30 September 2017
100.0%

FY2017 gross revenue
S$22.2 million

FY2017 net property income
S$17.4 million

CAROLINE CHISHOLM CENTRE

Address
357 Collins Street, Melbourne
Victoria 3000, Australia

Tenure
Freehold

Net lettable area
343,616 sq ft (31,923 sq m)

Carpark spaces
41

Purchase price
A$222.5 million (S$226.6 million)[12]

Acquisition date
18 August 2015

Valuation as at 30 September 2017
A$285.0 million (S$303.1 million)[7]

Increase in valuation since purchase
28.1%[8]

Occupancy rate as at 30 September 2017
100.0%

FY2017 gross revenue
S$22.5 million

FY2017 net property income
S$17.0 million

357 COLLINS STREET

4 100.0% basis. FCOT holds 50.0% indirect interest in the asset.
5 In respect of FCOT's 50.0% indirect interest in the asset.
6 Based on an exchange rate of A$1.00 = S$1.2347 being the rate at the time of acquisition.
7 Based on the exchange rate of A$1.00 = S$1.0636 as at 30 September 2017.
8 Based on valuation denominated in Australian Dollar.
9 Adjusted for the space committed by an entity of Rio Tinto Limited on a new 12-year lease commencing in FY2018, among others. Actual occupancy as at 30 September 2017 was 69.6%.
10 Based on the exchange rates of A$1.00 = S$1.2533 and A$1.00 = S$1.3028, being the respective rates at the time of acquisition on 18 June 2007 (for the initial 50.0% interest) and 13 April 2012 (for the remaining 50.0% interest).
11 On 13 April 2012, FCOT acquired the remaining 50.0% interest in Caroline Chisholm Centre.
12 Based on an exchange rate of A$1.00 = S$1.0186 being the rate at the time of acquisition.

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
369,824 sq ft

Office NLA
270,551 sq ft

Retail NLA
99,273 sq ft

Number of tenants
83

Car park lots
394

Acquisition price (30 March 2006)
S$390.0 million

Market valuation (30 September 2017)
S$565.0 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 clusters of heritage shophouses. The conservation shophouses built during the Straits settlements era house a mix of offices, shops and restaurants.

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

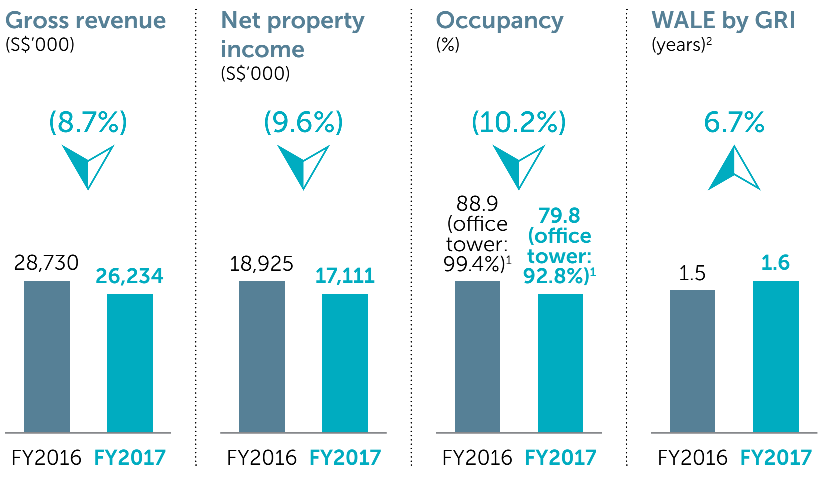
China Square Central has a broad tenant base of 83 office and retail tenants from a wide spectrum of trade sectors, providing good income diversification. Major office tenants include GroupM Singapore Pte Ltd, Suntory Beverage & Food Asia Pte Ltd and Equinix Asia Pacific Pte Ltd. Retail tenants such as Sushi Tei, &SONS Bacaro, Folks Collective Restaurant, Kaiware Japanese Restaurant and Wang Dae Bak Korean BBQ Restaurant serve tenants and visitors of China Square Central.

China Square Central's green accolades include the Water Efficient Building Award by the Public Utility Board (PUB) and the Green Mark Gold award from the Building and Construction Authority (BCA). The management office has been accredited by the Singapore Environment Council (SEC) under Project: Eco-Office.

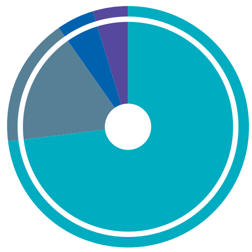
Written Permission has been obtained from the Urban Redevelopment Authority in November 2017 to rejuvenate and reposition the retail podium below the office tower at 18 Cross Street, to create an exciting destination that focuses on food and beverage, wellness and services. The S$38[1] million asset enhancement is expected to upgrade the shopper experience, enhance the tenancy mix in the mall and increase the NLA by approximately 17% to around 75,000 sq ft[1]. These improvements are expected to boost the property's competitiveness and income generating potential in the future. Expected to commence in Q1 2018 and be completed around mid-2019, along with the introduction of a new Capri by Fraser hotel[2] within the development, the CSC Retail AEI will complete the overall revamp of China Square Central[3], bringing greater vibrancy and colour to the development. The retail podium will be closed during the construction period for safety reasons.

1 Refer to press release dated 20 October 2017 for details.
2 Refer to the Circular dated 3 June 2015 for further details.
3 The asset enhancement for the office tower of 18 Cross Street and the rejuvenation of Nankin Mall were completed in 2013.

OPERATIONAL HIGHLIGHTS



GROSS REVENUE MIX



Office rental	73.2%
Retail rental	17.3%
Miscellaneous income	4.9%
Carpark income	4.6%

1 Committed occupancy as at 30 September. 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 at 20 and 22 Cross Street. Refer to Circular to Unitholders dated 3 June 2015 for further details.

2 The WALE is calculated on a gross rental income basis with respect to the unexpired lease terms of the existing tenants and is stated as at 30 September.

TOP 10 TENANTS

As at 30 September 2017	NLA (sq ft)	% of total NLA
GroupM Singapore Pte Ltd	56,285	15.2
Suntory Beverage & Food Asia Pte Ltd	43,074	11.6
Equinix Asia Pacific Pte Ltd	18,108	4.9
The 3rd Space Management Pte Ltd	16,173	4.4
OCBC Properties Services Pte Ltd	9,698	2.6
WT Partnership (S) Pte Ltd	7,739	2.1
Thoughtworks Pte Ltd	7,721	2.1
Sthree Pte Ltd	5,931	1.6
Grasshopper Pte Ltd	5,860	1.6
Coastal Oil Holdings Pte Ltd	5,590	1.5
Total	**176,179**	**47.6**

LEASE EXPIRY PROFILE

Period	FY2018	FY2019	FY2020	FY2021	FY2022 & beyond
Number of leases expiring	52	29	9	2	3
NLA (sq ft)	104,574	114,593	51,073	5,341	17,419
% of total NLA (office)	23.5	37.6	15.6	1.0	6.4
% of total NLA (retail)	41.3	13.0	8.9	2.6	–
% of total GRI (office)	30.8	41.9	18.5	0.9	7.9
% of total GRI (retail)	57.9	23.0	14.3	4.8	–

TRADE SECTOR MIX

	% of total GRI	
Category	30 September 2016	30 September 2017
Banking, Insurance & Financial Services	11.2	8.3
Consultancy / Business Services	26.1	31.4
Food & Beverage	25.7	26.0
IT Products & Services	8.5	8.7
Legal	3.2	3.0
Medical / Pharmaceuticals	1.0	0.8
Multimedia & Telecommunications	3.7	4.3
Others	2.1	0.8
Real Estate / Property Services	6.6	7.1
Retail	7.5	7.1
Shipping / Freight	4.0	2.1
Travel	0.4	0.4
Total	**100.0**	**100.0**

ASSET PROFILES

55 MARKET STREET

SINGAPORE

Located at the heart of Raffles Place, 55 Market Street is a 16-storey commercial property comprising 15 floors of office space and 2 floors of retail space on the ground floor and basement level. 55 Market Street is approximately a two-minute walk from the Raffles Place MRT station and a five-minute walk from the Telok Ayer MRT station.

55 Market Street houses a diverse range of 17 office and retail tenants from various trade sectors. Major office tenants include Corporate Serviced Offices Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd and Manchester Business School Pte Ltd. The retail tenants are Italian restaurant Osteria Art and Kiraku Japanese Restaurant.

55 Market Street's green accolades include the Water Efficient Building Award by the PUB and Green Mark Gold award from the BCA.

Address
55 Market Street, Singapore 048941

Tenure
Leasehold 999 years commencing April 1826

Total NLA
71,796 sq ft

Office NLA
65,607 sq ft

Retail NLA
6,189 sq ft

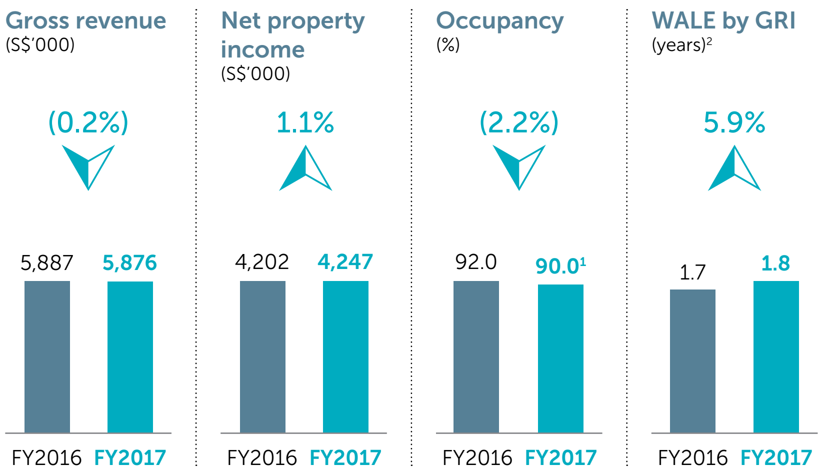
Number of tenants
17

Car park lots
Nil

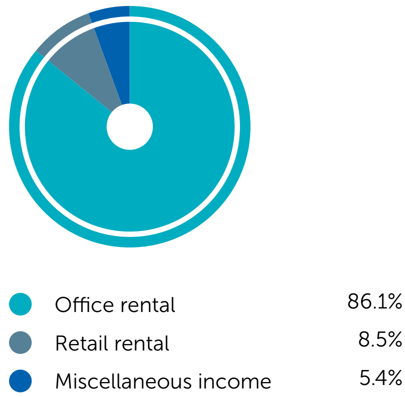
Acquisition price (22 November 2006)
S$72.5 million

Market valuation (30 September 2017)
S$139.0 million

OPERATIONAL HIGHLIGHTS



GROSS REVENUE MIX



1 Committed occupancy as at 30 September 2017.
2 The WALE is calculated on a gross rental income basis with respect to the unexpired lease terms of the existing tenants and is stated as at 30 September.

TOP 10 TENANTS

As at 30 September 2017	NLA (sq ft)	% of total NLA
Corporate Serviced Offices Pte Ltd	11,894	16.6
Jones Lang LaSalle Property Consultants Pte Ltd	4,844	6.7
Manchester Business School Pte Ltd	4,844	6.7
nTan Corporate Advisory Pte Ltd	4,844	6.7
TKP Singapore In Pte Ltd	4,844	6.7
Citigate Dewe Rogerson, i.Mage Pte Ltd	4,768	6.6
Best World Lifestyle Pte Ltd	4,715	6.6
Itron Metering Systems Singapore Pte Ltd	4,715	6.6
Gabriel Law Corporation	3,014	4.2
Il Lido Pte Ltd	2,852	4.1
Total	**51,334**	**71.5**

LEASE EXPIRY PROFILE

Period	FY2018	FY2019	FY2020	FY2021	FY2022 & beyond
Number of leases expiring	7	5	3	3	–
NLA (sq ft)	21,109	21,690	9,644	9,774	–
% of total NLA	29.4	30.2	13.4	13.6	–
% of total GRI	34.6	34.6	14.9	15.9	–

TRADE SECTOR MIX

	% of total GRI	
Category	30 September 2016	30 September 2017
Consultancy / Business Services	44.9	44.4
Consumer Goods / Trading	7.4	7.4
Food & Beverage	8.9	8.8
Legal	6.8	7.5
Medical / Pharmaceuticals	3.8	3.8
Mining / Resources	7.0	7.0
Others	14.3	14.2
Real Estate / Property Services	6.9	6.9
Total	**100.0**	**100.0**

ASSET PROFILES

ALEXANDRA TECHNOPARK
SINGAPORE

Alexandra Technopark, which comprises two high-specification business space blocks, is located in the prominent Alexandra business corridor. The air-conditioned blocks feature large floor plates of up to 76,000 sq ft, have high floor-to-ceiling heights and can accommodate high floor loadings. In addition, the blocks are efficiently designed with three lift cores each, allowing space to be easily configured to accommodate tenant requirements.

Alexandra Technopark offers a generous range of facilities and amenities, including more than 900 car parking lots, a foodcourt, food & beverage outlets, convenience stores and a clinic.

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 it to Queenstown and HarbourFront MRT stations.

A S$45 million asset enhancement initiative (ATP AEI) to upgrade and revamp Alexandra Technopark is currently underway and is expected to complete around mid-2018. ATP AEI aims to transform the property into a vibrant, engaging and stimulating business campus and a sought-after business address. With an emphasis on cultivating a healthier lifestyle and creating a connected and vibrant community, many new amenities will be introduced, which include a new amenity hub, futsal courts, end-of-trip facilities, community farming plots and social and fitness-related programmes, among others.

Alexandra Technopark has a diverse mix of 42 tenants across various trade sectors. Major tenants include Hewlett-Packard, Microsoft Operations Pte Ltd, Omron Asia Pacific Pte Ltd, Nokia Solutions and Networks (S) Pte Ltd and Singapore Oxygen Air Liquide Private Limited.

Alexandra Technopark's green accolades include the Water Efficient Building Award by the PUB and Green Mark Gold award from the BCA. The management office has been accredited by the SEC under Project: Eco-Office.

Address
438A & 438B Alexandra Road, Singapore 119967/8

Tenure
Leasehold 99 years commencing August 2009

Total NLA
1,043,891 sq ft

Business space NLA
1,043,891 sq ft

Retail NLA
Nil

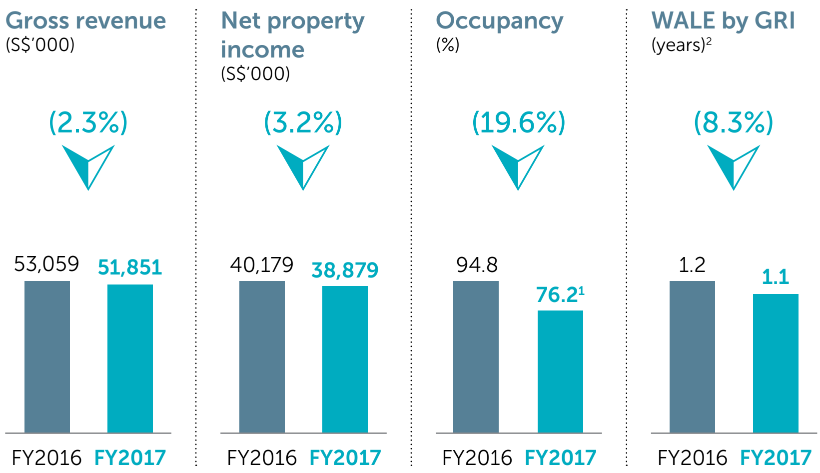
Number of tenants
42

Car park lots
905

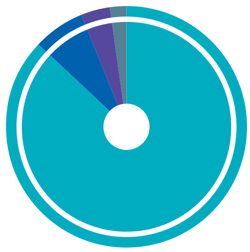
Acquisition price (26 August 2009)
S$342.5 million

Market valuation (30 September 2017)
S$508.0 million

OPERATIONAL HIGHLIGHTS



GROSS REVENUE MIX



Office rental	87.2%
Miscellaneous income	6.7%
Carpark income	4.0%
Retail rental	2.1%

1 Committed occupancy as at 30 September 2017, 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 The WALE is calculated on a gross rental income basis with respect to the unexpired lease terms of the existing tenants and is stated as at 30 September.

TOP 10 TENANTS

As at 30 September 2017	NLA (sq ft)	% of total NLA
Hewlett-Packard Singapore Pte Ltd[a]	304,920	29.2
Hewlett-Packard Enterprise Singapore Pte Ltd[a]	191,847	18.4
Microsoft Operations Pte Ltd	77,761	7.4
Omron Asia Pacific Pte Ltd	32,507	3.1
Nokia Solutions and Networks (S) Pte Ltd	30,968	3.0
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 Electronics Asia Pte Ltd	18,310	1.8
American Bureau Of Shipping	16,921	1.6
Total	**748,906**	**71.8**

LEASE EXPIRY PROFILE

Period	FY2018[a]	FY2019	FY2020	FY2021	FY2022 & beyond
Number of leases expiring	17	16	11	1	3
NLA (sq ft)	501,783	143,495	82,291	6,082	77,761
% of total NLA	48.1	13.7	7.9	0.6	7.4
% of total GRI	62.6	16.9	10.0	0.8	9.7

TRADE SECTOR MIX

	% of total GRI	
Category	30 September 2016	30 September 2017[a]
Amenities	2.2	2.3
Banking, Insurance & Financial Services	3.5	2.5
Consultancy / Business Services	2.0	2.1
Electronics	7.2	7.7
Government & Government Linked	0.8	–
IT Products & Services	67.6	68.6
Medical / Pharmaceuticals	3.3	3.4
Mining / Resources	2.7	2.7
Multimedia & Telecommunications	3.1	3.2
Others	4.2	3.5
Real Estate / Property Services	0.7	1.1
Shipping / Freight	2.7	2.9
Total	**100.0**	**100.0**

a Including the following leases which were not renewed upon lease expiration on 30 November 2017: (i) lease of Hewlett-Packard Enterprise Singapore Pte Ltd constituting 4.1% and 5.5% respectively of the property's NLA and total GRI; (refer to the announcement dated 22 September 2017 for details); and (ii) lease of Hewlett-Packard Singapore Pte Ltd constituting 3.6% and 4.9% respectively of the property's NLA and total GRI (refer to the announcement dated 3 November 2017 for details).

ASSET PROFILES

CENTRAL PARK[1]
PERTH, AUSTRALIA

Strategically located at the heart of Perth's Central Business District, Central Park is an iconic landmark and also the tallest office tower in the city. The 47-storey premium grade office tower 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. Visitors and tenants also have convenient access to a variety of cafés and restaurants at the ground floor retail arcade. To improve the tenant and visitor experience, the ground floor retail arcade was recently revamped in FY2016, which created a refreshed and contemporary look.

Central Park has a diverse tenant base of 20 office and retail tenants from various trade sectors. Major tenants include Hamersley Iron Pty Limited (a wholly-owned subsidiary of Rio Tinto Limited), BHP Billiton Iron Ore Pty Ltd and Westpac Banking Corporation.

Central Park was the first commercial building in Australia to achieve a 4.5 star NABERS Energy rating, and the first premium office building in Perth to attain a 5 star NABERS Energy Base building rating. Central Park has a 5.0 star NABERS Energy Base building rating (with green power), 3.0 star NABERS Indoor Environment rating and a 3.5 star NABERS Water rating.

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

Tenure
Freehold

Total NLA
711,242 sq ft

Office NLA
691,656 sq ft

Retail NLA
19,586 sq ft

Number of tenants
20

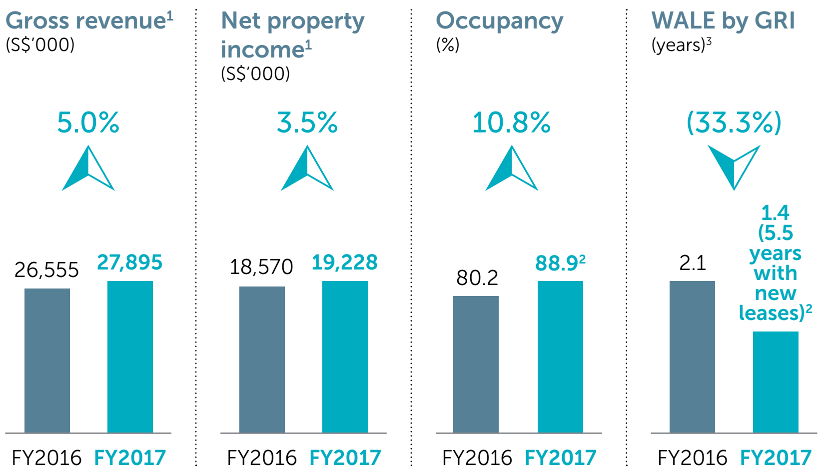
Car park lots
421

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

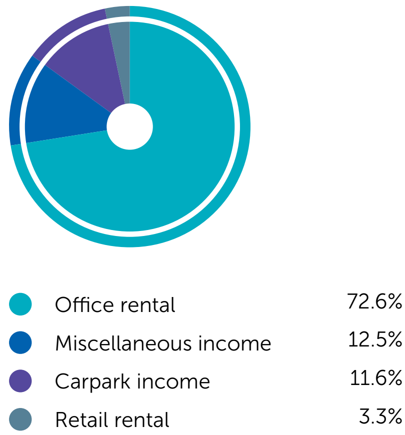
Market valuation (30 September 2017) (50.0% interest)
A$272.5 million (S$289.8 million)[3]

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 rate at the time of acquisition.
3 Based on the exchange rate of A$1.00 = S$1.0636 as at 30 September 2017.

OPERATIONAL HIGHLIGHTS



GROSS REVENUE MIX



1 Pro-rated figures for FCOT's 50.0% indirect interest in the property.

2 Adjusted for the space committed by an entity of Rio Tinto Limited on a new 12-year lease from FY2018 to FY2030, among others. Actual occupancy as at 30 September 2017 was 69.6%.

3 The WALE is calculated on a gross rental income basis with respect to the unexpired lease terms of the existing tenants and is stated as at 30 September.

TOP 10 TENANTS

As at 30 September 2017	NLA (sq ft)	% of total NLA
Hamersley Iron Pty Ltd (Rio Tinto Limited)	126,996	35.7
BHP Billiton Iron Ore Pty Ltd	27,605	7.8
Westpac Banking Corporation	18,161	5.1
PF Lawyers Pty Ltd (DLA Piper)	14,210	4.0
IOOF Service Co Pty Ltd	11,434	3.2
Australia Energy Market Operator Limited	9,283	2.6
Japan Australia LNG (MIMI) Pty Ltd	8,755	2.5
Department of FACSIA	7,539	2.1
Jones Lang LaSalle (WA) Pty Ltd	7,109	2.0
St George Bank Limited	3,819	1.1
Total	**234,911**	**66.1**

LEASE EXPIRY PROFILE

Period	FY2018	FY2019	FY2020	FY2021	FY2022 & beyond
Number of leases expiring	8	3	5	1	6
NLA (sq ft)	180,409	16,735	16,661	7,109	26,642
% of total NLA	50.7	4.7	4.7	2.0	7.5
% of total GRI	66.5	8.3	8.6	3.5	13.1

TRADE SECTOR MIX

	% of total GRI	
Category	30 September 2016	30 September 2017
Banking, Insurance & Financial Services	13.5	16.0
Consultancy / Business Services	2.1	–
Food & Beverage	1.8	2.3
Government & Government Linked	11.6	2.9
Legal	7.9	9.2
Mining / Resources	59.6	65.7
Real Estate / Property Services	3.0	3.4
Retail	0.5	0.5
Total	**100.0**	**100.0**

ASSET PROFILES

CAROLINE CHISHOLM CENTRE

CANBERRA, AUSTRALIA

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. 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. The lease structure and long remaining lease term of approximately 7.8 years as at 30 September 2017 provide organic growth and a stable income stream to the portfolio.

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. Well-equipped with modern energy efficient installations, Caroline Chisholm Centre has a 5.5 star NABERS Energy Base building rating, positioning the property as one of the top five buildings in ACT to have such superior rating[3]. This is an improvement from the 5.0 star rating in FY2016 as a result of the various energy savings initiatives implemented during the year.

Address
Block 4 Section 13, Tuggeranong ACT 2900 Australia

Tenure
Leasehold 99 years commencing June 2002

Total NLA
433,182 sq ft

Office NLA
433,182 sq ft

Retail NLA
Nil

Number of tenants
1

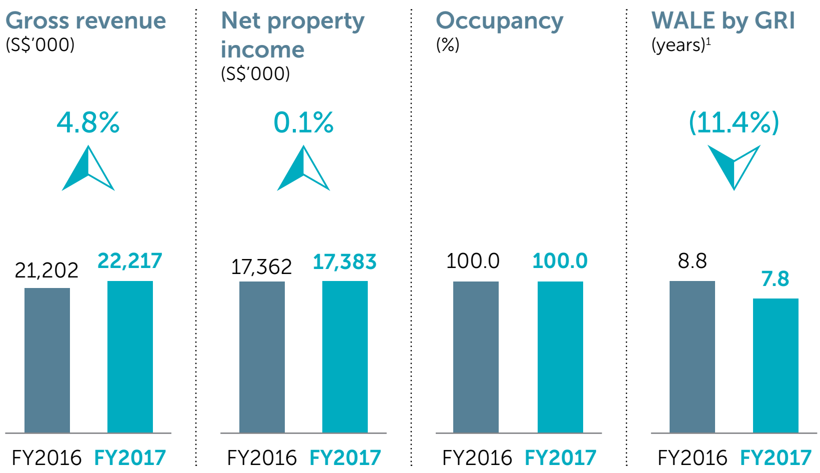
Car park lots
1,093

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

Market valuation (30 September 2017)
A$250.0 million (S$265.9 million)[2]

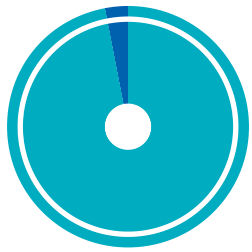
1 Based on the exchange rates of A$1.00 = S$1.2533 and A$1.00 = S$1.3028, being the respective exchange rates as at the time of acquisition on 18 June 2007 (for the initial 50.0% interest) and 13 April 2012 (for the remaining 50.0% interest).
2 Based on an exchange rate of A$1.00 = S$1.0636 as at 30 September 2017.
3 Source: https://nabers.gov.au.

OPERATIONAL HIGHLIGHTS



1 The WALE is calculated on a gross rental income basis with respect to the unexpired lease terms of the existing tenants and is stated as at 30 September.

GROSS REVENUE MIX



Office rental	97.2%
Miscellaneous income	2.8%

TENANT PROFILE

As at 30 September 2017	NLA (sq ft)	% of total NLA
Commonwealth of Australia	433,182	100.0
Total	**433,182**	**100.0**

LEASE EXPIRY PROFILE

Period	FY2018	FY2019	FY2020	FY2021	FY2022 & beyond
Number of leases expiring	–	–	–	–	1
NLA (sq ft)	–	–	–	–	433,182
% of total NLA	–	–	–	–	100.0
% of total GRI	–	–	–	–	100.0

TRADE SECTOR MIX

	% of total GRI	
Category	30 September 2016	30 September 2017
Government & Government Linked	100.0	100.0
Total	**100.0**	**100.0**

ASSET PROFILES

357 COLLINS STREET
MELBOURNE, AUSTRALIA

357 Collins Street is a 25-storey office building with Grade A specifications strategically located in the heart of the Melbourne CBD. Collins Street is regarded as a prime office location in the Melbourne CBD, 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 and accessibility with well-established 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.

357 Collins Street has a diverse tenant base of 34 office and retail tenants from various trade sectors. Major office tenants include the Commonwealth Bank of Australia, Service Stream Limited and Orange Business Services Australia Pty Ltd. Retail tenants include Thomas Pink, Henrietta's Chicken and O-Bento Japanese restaurant.

357 Collins Street has a 5.5 star NABERS Energy Base building rating (with green power) and 4.5 star NABERS Water rating.

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
34

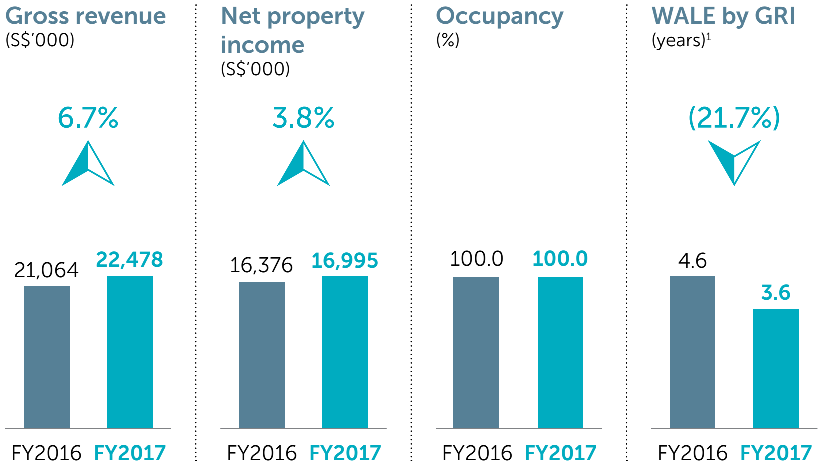
Car park lots
41

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

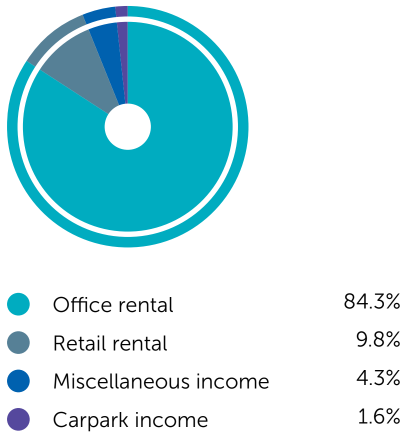
Market valuation (30 September 2017)
A$285.0 million (S$303.1 million)[2]

1 Based on the exchange rate of A$1.00 = S$1.0186 being the rate at the time of acquisition.
2 Based on the exchange rate of A$1.00 = S$1.0636 as at 30 September 2017.

OPERATIONAL HIGHLIGHTS



GROSS REVENUE MIX



1 The WALE is calculated on a gross rental income basis with respect to the unexpired lease terms of the existing tenants and is stated as at 30 September.

TOP 10 TENANTS

As at 30 September 2017	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
Wilson HTM Services Pty Ltd	8,288	2.4
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 Trading Limited	6,093	1.8
Total	**295,770**	**86.1**

LEASE EXPIRY PROFILE

Period	FY2018	FY2019	FY2020	FY2021	FY2022 & beyond
Number of leases expiring	11	3	7	3	14
NLA (sq ft)	35,478	12,002	103,829	17,707	174,601
% of total NLA	10.3	3.5	30.2	5.2	50.8
% of total GRI	12.8	3.9	27.5	5.4	50.4

TRADE SECTOR MIX

	% of total GRI	
Category	30 September 2016	30 September 2017
Banking, Insurance & Financial Services	49.2	49.1
Consultancy / Business Services	3.1	3.1
Food & Beverage	8.6	8.6
IT Products & Services	5.8	5.8
Legal	2.8	2.8
Mining / Resources	3.8	3.8
Multimedia & Telecommunications	20.3	20.3
Others	2.6	2.6
Real Estate / Property Services	2.6	2.6
Retail	1.2	1.3
Total	**100.0**	**100.0**

RISK MANAGEMENT, SUSTAINABILITY REPORT & CORPORATE GOVERNANCE

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 of Directors of the Manager 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 of Directors 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 Frasers Centrepoint 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 senior management team of the Manager on a regular basis.

The Board of Directors 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 cover investment thresholds for geographical markets, limit for single-asset exposure, DPU 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.

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 Risks

Processes are in place to monitor compliance with, and to mitigate non-compliance risks with, applicable laws and regulations and any changes thereof. Management staff are updated regularly on latest developments in relevant laws and regulations through training, courses, 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 products. 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 the Trust is at a prudent level and adheres to the gearing ratio requirements under the relevant loan facility agreements and the Property Fund Appendix of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. Refinancing risk is also monitored, taking into account the concentration of debt maturity profile and available sources of funding. As far as possible, the maturities of debt facilities are spread out to mitigate re-financing risks. In addition, a suitable level of working capital is maintained to meet the requirements of the Trust's operations.

RISK MANAGEMENT

Foreign Currency Risk

FCOT is subject to foreign exchange risk as a result of its investments in Australia. It is the Manager's policy to hedge the Trust's anticipated foreign currency income net of anticipated payments required in the same currency generally six to nine months forward, 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 of Directors of the Manager, 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 related borrowings are taken up in the relevant foreign currency. The net positions of the foreign exchange risk of investments in overseas assets are not hedged, as such investments are long term in nature.

Operational Risks

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

Insurances are in place to mitigate the impacts of damages to assets and business losses due to 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 fulfill their payment obligations. In order to mitigate credit risk, credit evaluations are performed on prospective tenants before the lease agreements are entered into. Credit risk is also mitigated by the security deposits collected or bankers' guarantee received from tenants prior to the commencement of leases. Payment arrears by tenants are also 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.

Human Capital Risk

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

SUSTAINABILITY REPORT

CONTENTS

OUR REPORT

ABOUT THIS REPORT

Our third Sustainability Report covers the period from 1 October 2016 to 30 September 2017. This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards (2016) – Core option, which supersedes GRI G4 Guidelines, and includes GRI's Construction and Real Estate Sector supplements. We intend to seek external assurance on our sustainability report in the future.

REPORT SCOPE

Data disclosed in this Sustainability Report covers all properties owned by FCOT located in Singapore and Australia (Properties) for the financial period from 1 October 2016 to 30 September 2017, unless otherwise stated. Information on the employees relates solely to the Manager of the Trust, Frasers Centrepoint Asset Management (Commercial) Ltd[1].

The Manager of the Trust has general powers of management over the Properties, although the day-to-day management functions are undertaken by the property managers. The Manager works closely with the property managers to improve and enhance the overall operational and environmental performance of the properties.

As at the date of this report, the property manager for the properties in Singapore is Frasers Centrepoint Property Management Services Pte Ltd. The property managers for Central Park and 357 Collins Street are Jones Lang LaSalle (WA) Pty Ltd and Frasers Property Management Services Pty Ltd, respectively. The facilities manager for Caroline Chisholm Centre is Brookfield Global Integrated Solutions Australia Pty Ltd.

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

OUR SUSTAINABILITY COMMITMENT

We are pleased to report that we have continued to make progress across various fronts on our sustainability performance.

We are pleased to present our third Sustainability Report. FCOT's sustainability strategies and objectives are aligned with that of FCL. Our cohesive approach to sustainability as a group is demonstrated by our position as one of the first real estate players in Singapore to report on sustainability at both the sponsor and REITs levels. The FCL group's beliefs and values are based on a 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 Frasers.

WE BELIEVE OUR *CUSTOMERS'* EXPERIENCE MATTERS

As a landlord, we are committed to providing a safe and conducive work space for our tenants and incorporating sustainability features in our properties where possible to enhance the overall experience of our tenants, while reducing our environment footprint at the same time. At Alexandra Technopark, the on-going revamp to create a campus environment accentuating on lifestyle and wellness amenities is expected to elevate the tenants' experience. Likewise, the repositioning of the retail podium of 18 Cross Street, China Square Central is expected to create an exciting shopper and dining experience for both tenants and visitors.

WE BELIEVE *OUR* EXPERIENCE MATTERS

We celebrate the diversity of our employees[2] and we believe in creating and maintaining a progressive, inclusive and sustainable workforce. In FY2017, the employees of the Manager received an average of 59.8 hours of training per employee, 49.5% above the target of 40.0 hours of training per employee. In FY2017, flexible working arrangements were introduced where employees may opt to work from home or work based on flexible working hours to encourage work-life balance as part of the employees' overall well-being. These allow the employees, especially care takers with children or elderly parents, to balance their work and responsibilities at home.

We are pleased to report that we have continued to make progress across various fronts on our sustainability performance. All our properties in Singapore are expected to reap benefits going forward as the environment management systems of the properties have received ISO 50001:2011 certifications this year. We are pleased to report that the majority of our sustainability performance data achieved a year-on-year improvement, including reductions in energy and waste intensities. We are also pleased to have maintained zero loss time injuries and zero incidents of safety-related non-compliance for the properties.

Through all these efforts, we seek to create and add value to the Trust and Unitholders. In FY2017, FCOT delivered the highest distributable income of S$78.6 million since FCOT's listing in 2006 and also 1.3% above that of FY2016. We hope that this Sustainability Report provides to you a good summary of our progress to-date and our plans for the future.

WE WELCOME YOUR FEEDBACK AND SUGGESTIONS

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

2 FCOT does not have any employees and is managed by the Manager. The data reported is in relation to the Manager.

THE YEAR AT A GLANCE

SUSTAINABILITY AWARDS/RECOGNITION

- Gold, Best Governed and Most Transparent Company, The Global Good Governance Awards 2017™
- Gold, Best Corporate Communications and Investor Relations, The Global Good Governance Awards 2017™
- Gold, Best Annual Report (REITs and Business Trusts category), Singapore Corporate Awards 2017
- Constituents of the SGX Sustainability and SGX Sustainability Enhanced Indices[a]

100.0%
BCA Green Mark Gold and NABERS certifications for the office properties in Singapore and Australia respectively

ENVIRONMENT

- 3.4% and 12.6% year-on-year improvements in average building energy and waste intensities in FY2017 respectively
- 100.0% BCA Green Mark Gold and NABERS certifications for the office properties in Singapore and Australia respectively
- 100.0% Water Efficient Building certification by PUB for the properties in Singapore
- 5.5 star NABERS Energy base building rating for Caroline Chisholm Centre, positioning the property as one of the top five buildings in ACT to have such superior rating[b]

GOVERNANCE

No known incidents of non-compliance with relevant codes, laws, regulations and voluntary codes

49.5%
average training hours per employee in FY2017 exceeded target by 49.5%

EMPLOYEES

- Employees of the Manager received an average 59.8 hours of training per employee in FY2017
- Average training hours per employee in FY2017 exceeded target[d] by 49.5%

COMMUNITY

- On-going rejuvenation of Alexandra Technopark to improve the tenant and visitor experience
- Repositioning and upgrading the retail podium of 18 Cross Street, China Square Central to elevate the shopper and dining experience[c]
- More than A$1.0 million raised from charity and community events

a Source: SGX Sustainability Indices as at September 2017.
b Source: https://nabers.gov.au.
c Refer to press release dated 20 October 2017 for details.
d Average training of 40.0 hours per employee.

MANAGING SUSTAINABILITY

MANAGEMENT STRUCTURE

As a REIT sponsored by FCL, our approach to sustainability is guided by FCL's unifying idea. FCL's Sustainability Steering Committee (SSC) provides guidance and drives FCL Group's corporate sustainability agenda. The SSC is chaired by the FCL group CEO, Mr Panote Sirivadhanabhakdi and comprises members from the senior management and CEOs of all the business units of FCL. The SSC spearheads the initiatives and strategies to drive sustainability in the business and operations. Mr Jack Lam, CEO of the Manager, is FCOT's representative on the SSC. To ensure that the progress of the FCL group's sustainability efforts are on the right track, the SSC meets quarterly to review performances against the sustainability objectives.

Supporting the SSC is the Sustainability Working Committee (SWC), which consists of members from the middle and senior management of various business units of FCL. The SWC's main task is to monitor the sustainability performance against Key Performance Indicators (KPIs), implement action plans, and communicate and report to our stakeholders. Ms Wang Mei Ling, Senior Manager, Investor Relations of the Manager is FCOT's representative on the SWC.

ENGAGING OUR STAKEHOLDERS

Engaging our stakeholders allows us to communicate with them and provides us with important feedback to help us improve. We seek to engage stakeholders through multiple forms of engagement as outlined below:

Key Stakeholders	Issues/ interests (examples)	Forms of engagement (examples)	Frequency of engagement
Investment community (Investors, Unitholders, analysts, media)	• Stable distribution • Operational and financial performance • Business strategy and outlook • Timely and transparent reporting • Good corporate governance	One-on-one meetings and site visits	As and when requested
		Local and overseas investor conferences and roadshows	Refer to Investor Relations on pages 61 to 63
		Post-results briefings for analysts and investor luncheons	At least twice a year
		Annual General Meetings	Once a year
		Website, SGX announcements, presentations, press releases	Throughout the year
Tenants	• Clean, safe and pleasant environment	Tenant engagement programmes and festive gifts	Throughout the year
	• Reliable and efficient buildings	Joint community programmes with tenants	Throughout the year
	• Tenant engagement activities	Tenant surveys	Once a year in Singapore
		Tenant meetings	Throughout the year
Regulators and industry associations	• Compliance with rules and regulations, regulatory and industry trends	Meetings, briefings and consultations	Throughout the year
	• Government policies on SREITs or real estate sector	Joining trade associations such as REITAS	Throughout the year
Property Managers	• Key performance indicators for the property managers	Regular meetings and discussions	Throughout the year
	• Operational performance of the properties	Emails and phone calls	Throughout the year
Employees	• Friendly and safe working environment • Fair and competitive employment policies • Staff development	Performance appraisals	Once a year
		Team bonding sessions	Throughout the year
		Orientation program for new staff	Upon joining the Manager
		Communication via the FCL intranet	Throughout the year
		Training	Throughout the year
		Employee activities such as Annual Dinner & Dance, Family Day, sports events and fitness programmes	Throughout the year
Community	• Nurturing and building relationships with the community	Social and community events	Throughout the year
		Sustainability report	Once a year

INFLUENCING OUR SUPPLY CHAIN

As a REIT, our supply chain includes our property managers and various service providers. When selecting our third party service providers, we consider their environmental, social and governance (ESG) performance and aim to choose providers with a similar outlook to sustainability as our own. We also work closely with our property managers to increase the efficiency of resources used in our properties, such as energy and water, and reduce waste sent to landfill or incineration. Our aim is to own and manage a balanced portfolio of quality commercial properties, whilst taking the ESG impacts of those properties into account.

PARTNERSHIPS AND AFFILIATIONS

The Manager engages various industry forums and trade organisations by participating in discussions or contributing as members of trade associations. The Manager is one of the pioneer members of the REIT Association of Singapore (REITAS), which aims to promote and develop the Singapore REIT (SREIT) industry. The Manager is also aligned with the practices of FCL, which is a signatory to the United Nations Global Compact and a gold member of the Global Compact Network of Singapore, with commitment by FCL to enhance corporate social responsibility initiatives.

MATERIALITY

We undertook a materiality assessment to identify issues which are key and have significant impact on our business, operations and stakeholders. This enables us to address these material issues effectively. The materiality assessment was based on international standards for materiality, namely GRI and AA1000 Stakeholder Engagement Standard, as well as sector-specific guidance from the Global Real Estate Sustainability Benchmark (GRESB) and the GRI G4 Construction & Real Estate Sector supplements. The following issues were identified as being most material and they are covered in detail in this report.

Theme	Material factors	Alignment with relevant Sustainable Development Goals (SDGs)[3]
Economic	1. Economic performance[4]	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Upholding good corporate citizenship	2. Environmental compliance 3. Anti-corruption 4. Ethical marketing	17 PARTNERSHIPS FOR THE GOALS
Changing the way we look at natural resources	5. Energy management 6. Water management	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES
Investing in a workforce of the future	7. Staff retention and development 8. Labour/ management relations 9a. Health and safety	3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES
Creating strong and integrated communities	9b. Health and safety	3 GOOD HEALTH AND WELL-BEING; 11 SUSTAINABLE CITIES AND COMMUNITIES
Giving back to society	10. Local communities	17 PARTNERSHIPS FOR THE GOALS

3 The SDGs 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.

4 Refer to Financial Highlights, Letter to Unitholders and Financial Statements in this Annual Report.

UPHOLDING GOOD CORPORATE CITIZENSHIP

COMPLIANCE PERFORMANCE

The Manager believes that good corporate governance practices are integral to a sustainable business and are key to building trust among stakeholders and enhancing the value of FCOT for its stakeholders in the long-term. As a signatory to the 2017 Corporate Governance Statement of Support organised by SIAS, the Manager has pledged its commitment to uphold high standards in corporate governance.

ENVIRONMENTAL COMPLIANCE

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

CORPORATE PRACTICE

Various corporate policies, programmes and standard operating procedures are in place to guide the Manager and its employees on proper governance practices. The Manager is also guided by the principles and guidelines of the Code of Corporate Governance 2012 and other applicable laws and regulations, including those prescribed by SGX and the Monetary Authority of Singapore (MAS).

The Manager adopts a zero tolerance approach towards corruption and fraud, and is committed to complying with anti-corruption and bribery laws and regulations. The Manager ensures that information provided and communication are accurate, transparent and timely and adheres to relevant rules and regulations on marketing communications such as the Singapore Code of Advertising Practice. Environmental compliance is also a critical aspect, and the Manager ensures compliance with the relevant environmental rules and regulations.

The FCL group's Internal Audit (IA) function independently examines and evaluates the activities of the Manager, focusing on the adequacy and effectiveness of internal controls, risk management and corporate governance processes. The FCL Group IA department is independent of the activities that it audits. To safeguard the independence of internal audit, the Head of IA reports directly to the Chairman of the Audit, Risk & Compliance Committee. Audit findings and recommendations are provided to management for appropriate follow-up actions to be taken. For further details on the internal audit, please refer to pages 124 to 125 of the Corporate Governance report.

STRONG CORPORATE GOVERNANCE FOR A SUSTAINABLE AND VALUE ENHANCING BUSINESS

We believe strong corporate governance practices are essential for a sustainable and value enhancing business and are key to building trust in our stakeholders and creating long-term value for them and FCOT.

This year, two of our Directors who have served the Board of the Manager for more than nine years have retired as part of the Board renewal process and for compliance with regulatory requirements. Half of our Board now consists of Independent Directors who have diverse backgrounds, which ensures independent judgement and a balanced Board[a] composition.

a Dr Chua Yong Hai, Chairman and Non-Executive Independent Director, and Mr Tan Guong Ching, Non-Executive Independent Director, retired from the Board of the Manager with effect from 30 November 2017.

Relevant SDG:
17 PARTNERSHIPS FOR THE GOALS

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 incidents of non-compliance.

OTHER GENERAL COMPLIANCE

No known incidents of non-compliance with relevant codes, laws, regulations and voluntary codes. We always aim for zero incidents of non-compliance.

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

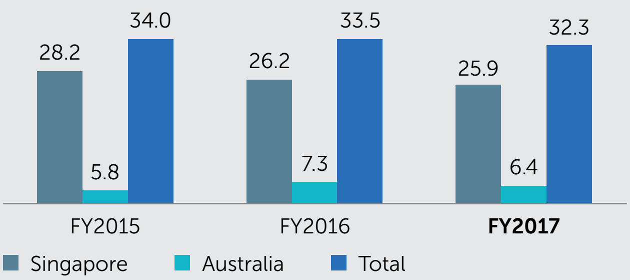
Corporate Policies	Provide guidance on:
Code of Business Conduct	Company values, ethics and conduct in relation to compliance monitoring, record keeping, information confidentiality, conflicts of interest, insider trading, relations with key stakeholder
Whistle-Blowing Policy	Provides a channel for stakeholders to report concerns on improprieties in financial reporting, professional misconduct, irregularities or non-compliance with laws and regulations (Available at: http://www.fraserscommercialtrust.com/investor-relations/corporate-overview/files/investor-relations/corporate-overview/cg/FCAMC%20Whistle-Blowing%20Policy.ashx)
Anti-Bribery Policy	Prevention and management of bribery and corruption
Competition Act Compliance Manual	Compliance with the Competition Act to protect and promote healthy competitive markets in Singapore
Personal Data Protection Act Policy	Compliance with the Personal Data Protection (PDP) Act 2012
Environment, Health and Safety Policy	Safeguarding the health and safety of all relevant stakeholders and interested parties within the properties' premises and providing an environmentally friendly and safe place for them
Legal and Regulatory Compliance Manual	Compliance with relevant rules and regulations
Policy on Dealing in Units of FCOT and Reporting Procedures	Dealings in FCOT units by directors, officers and employees
Policy for Prevention of Money Laundering and Countering the Financing of Terrorism	Responsibilities and obligations of the employees of the Manager under the relevant Prevention of Money Laundering and Countering the Financing of Terrorism regulations
Policy on Outsourcing	Adopting sound risk management practices on outsourcing of services
Treasury Policy	Management of treasury activities

CHANGING THE WAY WE LOOK AT NATURAL RESOURCES

ENERGY MANAGEMENT

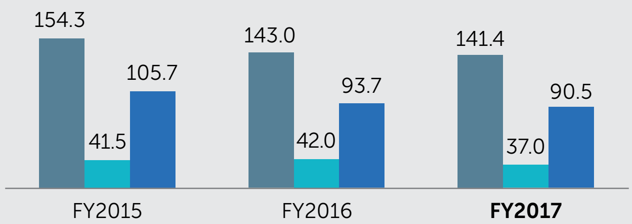
BUILDING ENERGY CONSUMPTION

(million kWh)



AVERAGE BUILDING ENERGY INTENSITY

(kWh/m²)



Notes:

- Energy consumption and GHG emissions are based on landlord's area and exclude tenants' area. 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 is from purchased electricity only. FY2015 data does not include 357 Collins Street as the acquisition was completed on 18 August 2015.

We place high importance in using energy efficiently as it results in cost savings, conserves resources and contributes to efforts to tackle climate change. FCOT collaborates closely with FCL, the property managers and external stakeholders to establish and adopt good environmental practices and achieve an energy efficient portfolio by continuously improving property operational performance, embracing technology where possible and raising greater awareness amongst stakeholders.

15%

We have set a target to reduce our energy intensity by 15% from the baseline of FY2015[a] by FY2025.

a Being the commencement of sustainability reporting in accordance with GRI requirements.

Singapore properties to reap benefits from ISO 50001:2011 and ISO 14001:2015 certifications

In FY2017, the environment management systems (EMS) of all properties in Singapore obtained ISO 50001:2011 certifications, in addition to the existing ISO 14001:2015 certifications. With the use of ISO certified EMS, FCOT would benefit from the following:

- Identify and manage risks surrounding future energy supply
- Measure and monitor energy use to identify areas for improvements
- Competitive and financial advantage through improved efficiencies and reduced costs
- Reduce carbon emissions to mitigate climate change
- Improve compliance with current and future statutory and regulatory requirements
- Improve reputation and stakeholders' confidence

CAROLINE CHISHOLM CENTRE ACHIEVED 5.5 STAR NABERS ENERGY BASE BUILDING RATING

Caroline Chisholm Centre, designed as a cutting-edge energy efficient new generation building with eco-friendly features, has achieved 5.5 star NABERS Energy base building rating, positioning the property as one of the top five buildings in ACT to have such a superior rating[a]. The property was originally designed for 4.5 star NABERS Energy base building rating.

The achievement was made possible with the team's dedication in continuously implementing various measures to save energy where possible. The main energy savings was achieved through fine tuning and optimising the air conditioning system, allowing the building to make the most of milder weather conditions and operating on 'economy mode' while maintaining comfortable conditions for the tenant. Replacing the boiler tubulars increased the operating efficiency by around 10%. Faulty base building down lights are also being upgraded progressively.

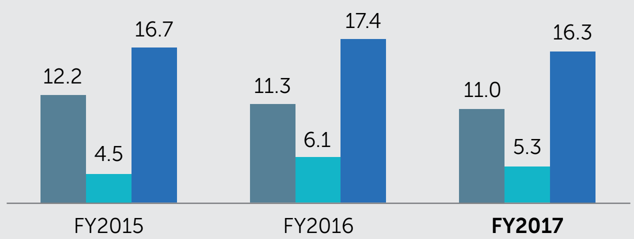
Collectively, these efforts propelled Caroline Chisholm Centre to an efficiency rating not anticipated at its conception.

a Source: https://nabers.gov.au.

Relevant SDGs:

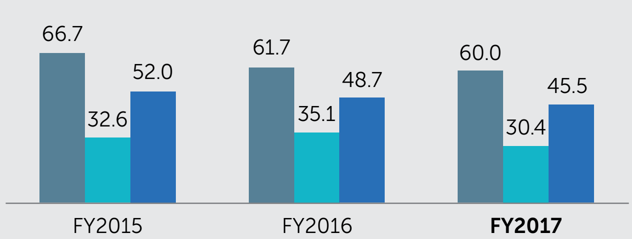
BUILDING GHG EMISSIONS

('000 tonnes of CO_2e)



GHG EMISSIONS INTENSITY

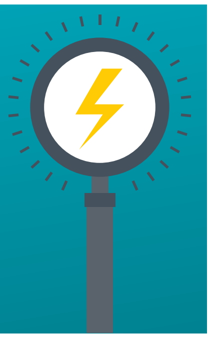
(tonnes of CO_2e/m^2)



- The GHG emissions factors used for FY2017 are as follows: Singapore (0.42), Western Australia (0.70), ACT (0.83) and Victoria (1.08). Source: Singapore Energy Statistics 2017, Australia National Greenhouse Gas Accounts, July 2017. FY2015 data does not include 357 Collins Street as the acquisition was completed on 18 August 2015.

In FY2017, total building energy consumption[5] for the Properties was 32.3 million kWh, a 3.6% year-on-year reduction compared to FY2016. This was attributed to the various initiatives and measures taken to reduce energy consumption during the financial year coupled with the lower occupancies at China Square Central[6] and Central Park. Accordingly, average building energy intensity of 90.5 kWh/m^2 in FY2017 improved by 3.4% year-on-year. In FY2017, total building greenhouse gas (GHG) emissions reduced by 6.3% year-on-year with the lower energy consumption, while GHG emissions intensity improved by 6.6% year-on-year.

Our properties in Singapore go through energy audits every 3 years as mandated by BCA and this ensures that the buildings continue to be energy efficient.



Caroline Chisholm Centre, Canberra, Australia

RENEWABLE ENERGY

Renewable energy is used where possible. The renewable energy initiatives at our Properties include the use of a solar photovoltaic system for solar power at Central Park which generated around 15,000 kWh in FY2017, providing sufficient renewable energy to power the management office of Central Park. 357 Collins Street purchased 22.1% of the power used as Green Power predominantly generated by wind farms in FY2017. At Caroline Chisholm Centre, solar energy complements the use of gas as a source of energy for the hot water system.

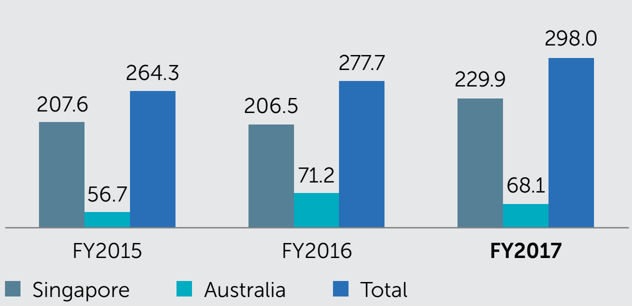
5 The majority of energy used is sourced from purchased electricity from non-renewable source.
6 Planned vacancies for certain units affected by the construction works for the Hotel and Commercial Project (refer to the Circular dated 3 June 2015 for details).

CHANGING THE WAY WE LOOK AT NATURAL RESOURCES

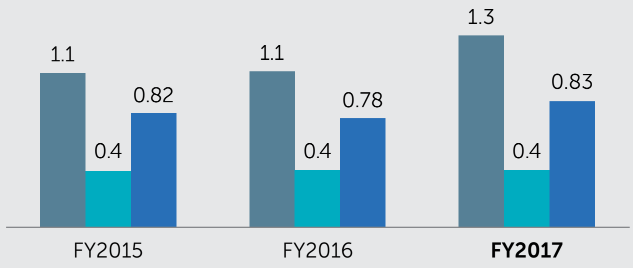
WATER MANAGEMENT

Revelant SDG:

TOTAL BUILDING WATER CONSUMPTION
('000 m^3)



AVERAGE BUILDING WATER INTENSITY
(m^3/m^2)



Note:
Water consumption is all metered. Water intensity was calculated by dividing water consumption by building gross floor area. Water consumption data for Alexandra Technopark and 357 Collins Street for FY2017 are annualised figures based on consumption for the period October 2016 – August 2017 and October 2016 – July 2017 respectively. Water consumption data for Australia for FY2016 has been restated in view of updates of data received. FY2015 data does not include 357 Collins Street as the acquisition was completed on 18 August 2015.

Acknowledging that water scarcity is a global concern, we aim to conserve and reduce our water consumption.

In FY2017, total building water consumption[7] for the Properties was 298.0 thousand m^3, a 7.3% year-on-year increase compared to FY2016. This was mainly due to the higher water consumption for Alexandra Technopark largely due to the ATP AEI construction works which commenced in Q1 2017. However, the total building water consumption for the properties in Australia declined by 4.4% as a result of initiatives taken to reduce water consumption coupled with the lower occupancy at Central Park. In FY2017, the average building water intensity increased by 6.4% year-on-year, in-line with the increase in total building water consumption for the Properties.

15%
We have set a target to reduce our water intensity by 15% from the baseline of FY2015[a] by FY2025.

a Being the commencement of sustainability reporting in accordance with GRI requirements

WATER EFFICIENT BUILDINGS

All our properties in Singapore have been certified Water Efficient Buildings by the Public Utilities Board (PUB). Various water saving features and measures have been implemented over the years to reduce the overall water footprint, such as using water-efficient fittings and adopting water efficient flow flush/rates, using PUB's Water Efficiency Labelling Scheme (WELS) approved fittings, installing tap flow restrictors, low flow shower heads, low flush water closets and a park reticulation weather station. We strive to use recycled water for non-potable purposes. For example, 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).

8.0% REDUCTION IN WATER CONSUMPTION AT CAROLINE CHISHOLM CENTRE

Caroline Chisholm Centre achieved an 8.0% year-on-year reduction in water consumption in FY2017 by using more recycled water. The property used more rain water as the team took advantage of the higher levels of rain in FY2017, and grey water following repairs made to the grey water system during the financial year.

7 Most of the water consumed is from purchased utilities.

Relevant SDG:

11 SUSTAINABLE CITIES AND COMMUNITIES

WASTE MANAGEMENT

Over the years, we have stepped up efforts to minimise waste and increase recycling. Recognising this to be a collective effort, we collaborate with our tenants and encourage our employees to take on such initiatives.

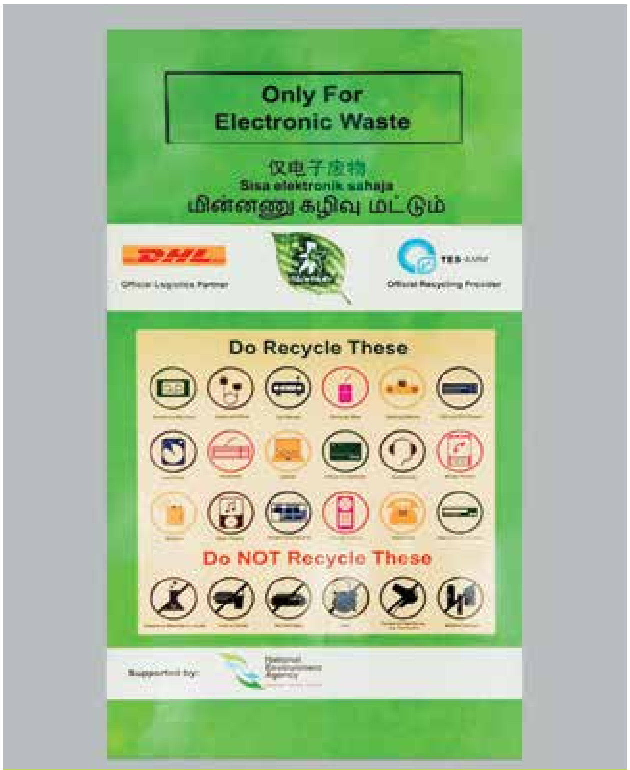
In FY2017, 1,356.0 tonnes of waste was generated, a 5.1% year-on-year reduction compared to 1,429.1 tonnes of waste generated in FY2016[8]. This was attributed to efforts taken towards reducing waste and creating awareness on minimising waste, despite the addition of waste data for 55 Market Street in FY2017. With the lesser waste generated, waste intensity was also lower. In FY2017, the waste intensity of 1.2kg/m^3 was 12.6% lower year-on-year compared to 1.4 kg/m^3 in FY2016. We seek to reduce waste intensity in the coming years.

In FY2017, 113,903 kg of waste was sent for recycling, an 11.9% year-on-year decrease compared to FY2016[8], with the bulk of it being paper.

REDUCE, REUSE, RECYCLE

Our approach to waste minimisation and recycling is based on the approach 'Reduce, Reuse and Recycle (3Rs)'. Employees are encouraged to reduce the amount of paper usage by setting their default print setting to double-sided, and are discouraged from printing where possible. Bins are provided at our Properties to encourage guests and tenants to recycle their waste. These bins are well-labelled and easily accessible.

Upcycling workshops are organised by the FCL group to teach employees to create new products using discarded materials. This year, the Singapore Environment Council was engaged to conduct classes on creating tote bags from used clothing and planters from plastic bottles.



PARTNERING WITH STARHUB

To encourage our tenants and visitors to recycle electronic waste (e-waste), e-waste bins were placed in all our Singapore properties this year. This initiative was implemented in partnership with Starhub on their Recycling Nation's Electronic Waste environmental programme. The registered collector is notified when the bins are almost full. Thereafter, the disposed materials are broken down into smaller pieces, and metals are extracted and melted down for other uses.

8 FY2016 figure was for China Square Central, Alexandra Technopark and Central Park, while FY2017 figure was for China Square Central, Alexandra Technopark, Central Park and 55 Market Street.

CHANGING THE WAY WE LOOK AT NATURAL RESOURCES

GREEN BUILDINGS

In Singapore, all properties are certified Green Mark Gold by BCA. In Australia, all properties have NABERS Energy base building rating of at least 5 stars out of a maximum 6 stars.

In alignment with the FCL group, FCOT supports the BCA's second Green Building Master Plan for at least 80% of the properties in Singapore to achieve the BCA Green Mark Certified rating by 2030. As required by BCA, existing properties in Singapore that undergo major retrofitting are to align with the minimum environmental sustainability standard that is equivalent to the Green Mark certified level.

Property	Environmental accolades and accreditations
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
55 Market Street	• Green Mark Gold Award, BCA • Water Efficient Building, PUB
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
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 • 5.0 star NABERS Energy base building rating (with green power) • 3.5 star NABERS Water rating • 3.0 star NABERS Indoor Environment rating
Caroline Chisholm Centre	• 5.5 star NABERS Energy base building rating
357 Collins Street	• 5.5 star NABERS Energy base building rating (with green power) • 4.5 star NABERS Water rating

Central Park, Perth, Australia

Relevant SDG:
17 PARTNERSHIPS FOR THE GOALS

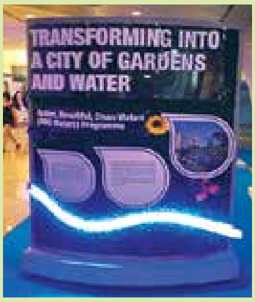
CREATING AWARENESS

As a landlord and part of the FCL group, we recognise our responsibility in encouraging good environmental behavior. Through education and by helping to raise awareness, we aim to highlight nature's scarce resources, the importance of protecting our environment and the need to instill environmentally friendly habits as part of our daily lives.

INAUGURAL FRASERS ENVIRONMENT MONTH

The FCL group launched the inaugural Frasers Environment Month in March this year. Under the theme 'Live Green, Waste Less', a series of activities were organised for employees, tenants and the public to inspire them to lead more sustainable lives both at the workplace and at home.

All our properties in Singapore came up with their own environmental activities to further embed the environmental message within their teams and premises. These properties supported the Singapore World Water Day 2017 by putting up fun mirror stickers around the properties to remind tenants and employees on the importance of water conservation.



RAISING AWARENESS FOR WATER CONSERVATION

In conjunction with Singapore World Water Day 2017, China Square Central hosted an exhibition by PUB to raise awareness on conserving water. In line with the theme of the exhibition 'Make Every Drop Count', we collaborated with our tenants on this initiative where visitors to China Square Central were rewarded with complimentary drinks when they brought their own mugs during this period.

DAILY ENVIRONMENTAL REMINDERS

In the corporate workspaces, posters have been put up to remind employees to switch off their lights and use less water when possible. Additionally, environmental messages are also disseminated through desktop wallpapers for all Frasers corporate office employees.

100.0% Participation in earth hour

All the Properties continued to participate in the annual Earth Hour organised by the World Wide Fund for Nature, which was held on 25 March this year. All non-essential lightings were turned off to promote awareness towards a sustainable environment. At 357 Collins Street, about 90.0% of tenants showed their support for this event by turning off non-essential lightings as well.

INVESTING IN A WORKFORCE OF THE FUTURE

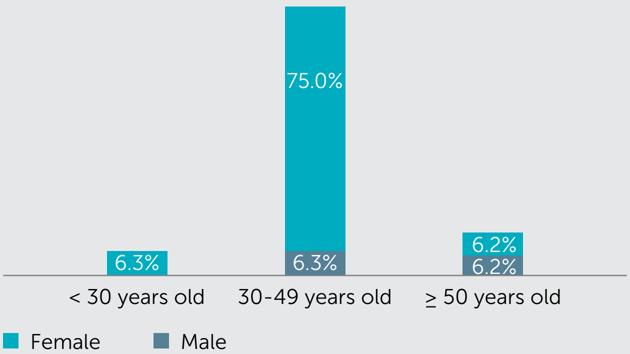
KNOWING OUR PEOPLE[9]

GENDER DIVERSITY
(as at 30 September 2017)

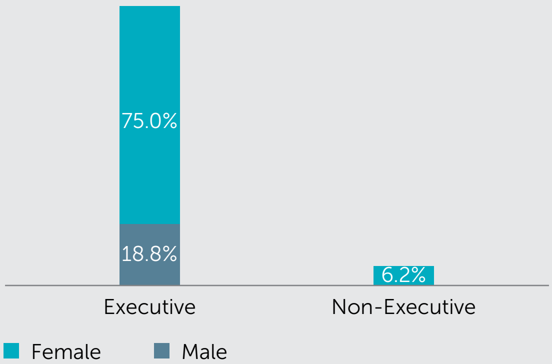
AGE DIVERSITY
(as at 30 September 2017)

EMPLOYEE DIVERSITY BY CATEGORY
(as at 30 September 2017)

AGE DIVERSITY BY GENDER
(as at 30 September 2017)



EMPLOYEE CATEGORY BY GENDER
(as at 30 September 2017)



Our employees are our greatest asset and are critical in ensuring that our business continues to thrive and be sustainable. We believe in creating and maintaining a progressive, inclusive and sustainable workforce by providing a conducive and safe working environment, enhancing their well-being, empowering them with the right skills and providing them with opportunities to build new capabilities for future career development. This is aligned with the unifying idea of the FCL group, 'We believe *our* experience matters'.

We maintain a diverse workforce in terms of age and gender with multi-disciplinary skills and experiences, which contributes positively to FCOT's performance.

9 FCOT does not have any employees and is managed by the Manager. The data reported is in relation to the Manager.

Relevant SDGs:

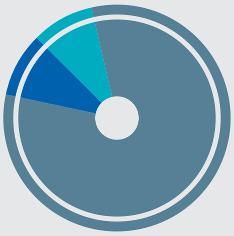
NEW HIRES BY AGE GROUP
(FY2017)

< 30 years old	10.0%
30-49 years old	90.0%
≥ 50 years old	–

NEW HIRES BY GENDER
(FY2017)

Female	90.0%
Male	10.0%

EMPLOYEE TURNOVER BY AGE GROUP
(FY2017)



< 30 years old	9.1%
30-49 years old	81.8%
≥ 50 years old	9.1%

EMPLOYEE TURNOVER BY GENDER
(FY2017)

Female	72.7%
Male	27.3%

As at 30 September 2017, the Manager has 16 employees, all located in Singapore. There are no temporary or part-time employees in the Manager's workforce. The majority of employees are in the 30-49 years age group, which constitutes 81.3% of the Manager's workforce. Female employees constitute 81.3% of the Manager's workforce. For FY2017, our hiring rate is 62.5% (90.0% female, 10.0% male), while the turnover rate was 68.8% (72.7% female, 27.3% male). In FY2017, staff movements were partly related to the succession planning of the Manager. The high turnover and hiring rates are attributed to the small headcount of the Manager.

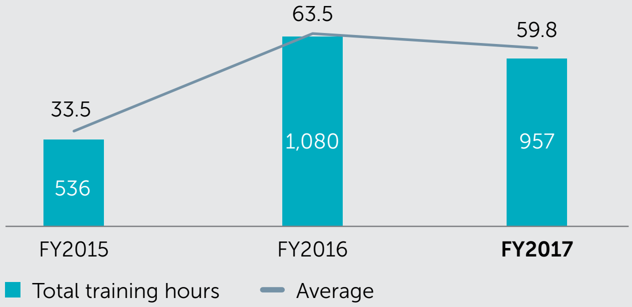
The Manager aligns its employment policies with those of the FCL group, including policies on fair and equal employment based on meritocracy which is incorporated in the Code of Business Conduct. FCL is a signatory to the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) in Singapore and is committed to adopting fair employment practices and principles as guided by TAFEP. Additionally, the Manager also draws guidance on good practices from the Singapore National Employer Federation (SNEF), of which FCL is a member.

INVESTING IN A WORKFORCE OF THE FUTURE

NURTURING TALENT

TOTAL AND AVERAGE TRAINING HOURS

(hours)



AVERAGE TRAINING HOURS BY GENDER IN FY2017

(hours)

The Manager is committed towards developing the capabilities and enhancing the skills and competencies of its employees. In FY2017, 2.0% of the Manager's annual payroll was allocated for training and learning and development initiatives.

In FY2017, the employees of the Manager received an average of 59.8 hours of training per employee, 49.5% above the target of 40.0 hours of training per employee, and 43.8% year-on-year increase compared to FY2016[10]. Moving forward, we will continue to target 40.0 hours of training per employee and allocate 2.0% of the Manager's annual payroll for training and learning and development.

PROVIDING OPPORTUNITIES

The FCL group has an in-house training team that creates and provides various training programmes and courses for all employees. Employees also have the option to initiate requests for specific training.

As part of the FCL group's commitment to make training more inclusive, new video conferencing technologies and platforms were introduced to allow greater employee participation in courses that are held in-house. These include WebEx's Training Center, which allows employees who are located outside of the training venue, and even overseas, to participate in the training.

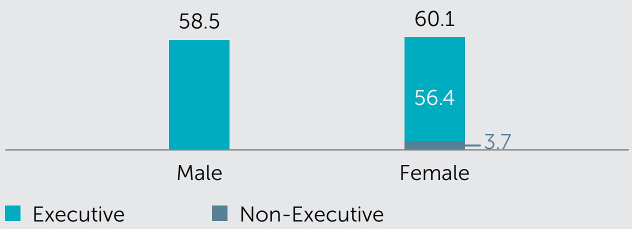
In support of Singapore's national SkillsFuture initiative, which encourages Singaporeans to adopt a mindset of lifelong learning and skills upgrading, all eligible Singaporean employees are granted two days of paid SkillsFuture Learning Leave to attend relevant SkillsFuture programmes. This is also part of the FCL group's investment in employees to ensure that they are equipped with the skills and knowledge needed to perform optimally in their work.

10 Excluding additional training conducted for the implementation of a new accounting software in FY2016. Including the additional training, the average hours of training per employee was 5.8% lower year-on-year.

Relevant SDGs:

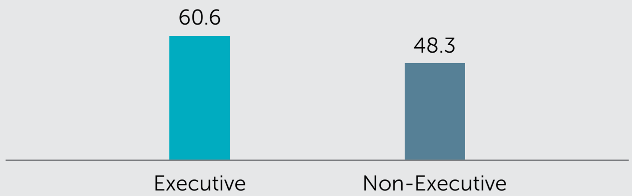
AVERAGE TRAINING HOURS BY GENDER AND EMPLOYEE TYPE IN FY2017

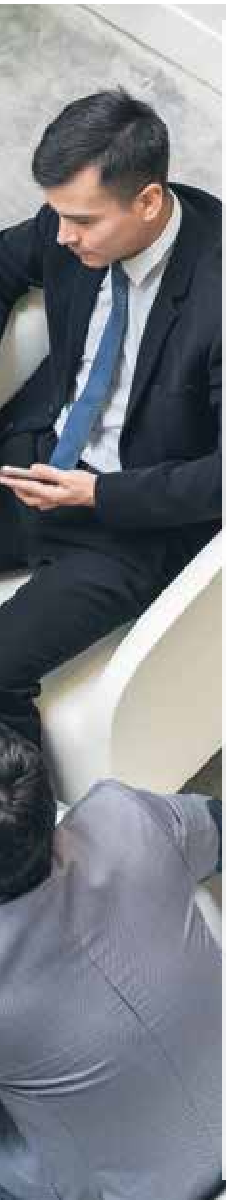
(hours)



AVERAGE TRAINING HOURS BY EMPLOYEE TYPE IN FY2017

(hours)





49.5%

In FY2017, the Manager's employees received an average of 59.8 hours of training, 49.5% above the target of 40.0 hours of training per employee.

43.8%

Year-on-year increase in the Manager's employees' average training hours in FY2017 compared to FY2016[a].

LEADERSHIP EDUCATION TALKS

Our senior management attended a series of Leadership Education Talks organised by the FCL Group Human Resource (HR) which provided an informal platform for the senior management to be kept updated on the latest industry trends and business practices, in view of the rapid changes facing the global economy and the potential disruption to the real estate industry. In FY2017, five such talks were held where industry leaders from other multinational companies were invited to discuss a diverse range of contemporary topics such as change management and counter terrorism. Participants were then encouraged to share key takeaways with their team members to inculcate a company-wide culture of peer learning.

TRAINING FOR HOLDERS OF CAPITAL MARKETS SERVICES (CMS) LICENCES

Besides regular industry updates and training, the Manager's employees who are CMS representatives also attended REIT or CMS specific training, such as the REIT CMS Representatives Refresher Training. These are to ensure that the CMS representatives are kept updated on their skills and knowledge to comply with the Manager's Policy for Continuing Education.

SECURITY TRAINING

The key technical staff of the property manager in Singapore attended security training to ensure that they are equipped with the right skills to handle security or emergency situations. This included a Counter Terrorism Workshop organised to equip them with the right skills to manage through a terrorist situation. Through collaborations with the Security Industry Institute in Singapore, a series of workshops were also held to train the in-house security officers in identifying and responding to potential terrorist threats, as well as first responder skills such as first aid.

a Excluding additional training conducted for the implementation of a new accounting software in FY2016. Including the additional training, the average hours of training per employee was 5.8% lower year-on-year.

INVESTING IN A WORKFORCE OF THE FUTURE

HEALTH AND WELL-BEING

We encourage healthy habits, active lifestyles and work-life balance as part of the employees' overall well-being. Various initiatives to promote team building and personal development and advocate healthy lifestyles were organised by the FCL group's Corporate Wellness Committee to build staff camaraderie and reinforce the importance of good health throughout the year.

HEALTH AND SAFETY MONTH

As part of FCL group's Health and Safety Month in August 2017, various activities were held to raise awareness and encourage employees to embrace active and healthier living in their daily lives. In Singapore, mobile clinics were set up at the FCL group corporate offices for employees to undergo free health screening at their convenience.

Blood Donation Drive, China Square Central, Singapore

Move to Lose, Central Park, Perth, Australia

During the Health and Safety Month, China Square Central hosted a blood donation drive organised by the Red Cross Society, which saw encouraging support from tenants for this worthy cause.

At Central Park, Move to Lose, an eight-week weight loss challenge held to encourage healthy eating habits and active lifestyles was well-received by tenants. Participants benefited from health assessments, personal training sessions, fitness programmes and advice on meal plans, among others. At the end of the challenge, the participants achieved their goals and recorded increased cardiovascular fitness. This was seen as another success for Central Park's Fitness Centre which has inspired tenants to exercise and maintain healthier lifestyles.

EMPLOYEE ENGAGEMENT

Spending time with loved ones is an important part of maintaining our well-being. As part of employee engagement initiative, various programmes were organised by the FCL group, including 'Eat With Your Family Day', where employees were granted earlier release from work to spend quality time with their families. As part of the yearly Family Day event to promote greater family bond, employees enjoyed a fun day with their families at Universal Studios Singapore.

FLEXIBLE WORKING ARRANGEMENTS

In both Singapore and Australia, FCL group employees can opt for flexible working arrangements such as working from home, flexible working hours and family care leave. These allow the employees, especially care takers with children or elderly parents, to balance their work and responsibilities at home.

NATIONAL STEPS CHALLENGE

In Singapore, employees of the FCL group participated in the National Steps Challenge, an initiative by the Health Promotion Board. Employees are encouraged to clock 10,000 steps a day as part of the challenge. This was an initiative to nurture active lifestyle habits among employees throughout the year.

Relevant SDG:

3 GOOD HEALTH AND WELL-BEING

SAFETY FIRST

We strive to provide a safe working environment. We are mindful that our business operations may be vulnerable to safety incidents, hence, we have implemented workplace safety management systems across key business operations to identify and minimise hazards, monitor performance and identify areas for improvement. Key technical staff of the property manager in Singapore also undergo training on safe work practices regularly.

Zero Zero incidents of safety-related non-compliance for the Properties in FY2017

Zero Zero lost time injuries[a] and zero fatalities reported in FY2017

a Reported in-line with Singapore's Ministry of Manpower requirements, the lost time being more than 3 consecutive days of medical leave due to injury. Includes employees of both the Manager and property managers.

We are pleased to report that during FY2017, there were no incidents of safety-related non-compliance for the Properties. There were also zero lost time injuries and zero fatalities reported in FY2017.

HEALTH AND SAFETY MONTH

In conjunction with this year's Health and Safety Month's theme 'Health and Safety: It's Core to Our Culture', various briefings and workshops were held for FCL group employees and external parties such as contractors to raise awareness on the importance of healthy lifestyles and to cultivate a safety culture in their day-to-day activities.


Safe Workplace briefing for property manager of Alexandra Technopark and site contractors


Health and Safety Talk, 55 Market Street, Singapore

PROVIDING A SAFE WORKPLACE FOR ALL AT ALEXANDRA TECHNOPARK

To promote workplace safety on-site and among the workers, the property manager of Alexandra Technopark and site contractors who were involved in the ATP AEI construction works were briefed on the potential work hazards on-site and shared challenges faced while working on-site, among others.

CULTIVATING SAFE HABITS AT 55 MARKET STREET

At 55 Market Street, a briefing was held for the property manager and external contractor on safety best practices at work, including measures taken to prevent accidents and proper use of equipment and location of first aid boxes within the premise.

BIZSAFE STAR AND BIZSAFE PARTNER AWARD

The management of 55 Market Street and Alexandra Technopark have won recognition from the Workplace Safety & Health Council and Ministry of Manpower by being awarded BizSafe Star and BizSafe Partner award for being proactive and committed in bringing companies on board the BizSafe programme.

100.0% OHSAS 18001 CERTIFICATION

The occupational health and safety management systems of all the properties in Singapore have been accredited with Occupational Health and Safety Management System (OHSAS) 18001[a] and SS506 Part 1: 2009. The properties are audited annually to ensure compliance with relevant rules and regulations and to identify areas for future improvements.

a OHSAS 18001 is a framework for occupational health and safety management system that allows organisations to consistently identify and control its health and safety risks, reduce the potential for accidents, aid legislative compliance and improve overall health and safety performance.

b BizSafe is a programme tailored to assist companies to build up their workplace safety and health capabilities.

CREATING STRONG AND INTEGRATED COMMUNITIES

Our Properties provide spaces for tenants and employees to live, work and interact. We strive to provide spaces that enhance the community spirit and encourage communal activities where possible. For example, gyms, childcare centres and green spaces provide convenience and encourage healthier lifesyles, while tenant events foster closer bonding among the tenants and employees.

BUSINESS CAMPUS FOR THE COMMUNITY


For illustrative purposes only

COMMUNITY AND LIFESTYLE CENTRIC ALEXANDRA TECHNOPARK

Works are currently underway to rejuvenate and transform Alexandra Technopark into a stimulating business campus with an emphasis on the community. New lifestyle, sports and wellness elements as well as enhanced amenities will be introduced. Cycling paths, car-free green zones (for more communal, leisure and exercise areas) and farming plots for tenants to grow their own greens will be created, among others. All these are expected to create a more enriching and enjoyable workplace and help to cultivate a healthier lifestyle and sense of community[a].

TENANT EVENTS

Family Day, Central Park, Perth, Australia

FAMILY DAY

Central Park held their second Family Day event during the school holidays where tenants brought their families for a fun and interactive day. The families were delighted with the petting zoo and enjoyed various games and activities, such as bouncy castles and cup and saucer rides. The retail tenants at Central Park also participated by providing attendees with special discounts for merchandise sold.

a Works commenced in Q1 2017 and are expected to complete around mid-2018.

Relevant SDGs:

3 GOOD HEALTH AND WELL-BEING

11 SUSTAINABLE CITIES AND COMMUNITIES

Photographer of the Year, Central Park, Perth, Australia

Cyclists on Ride2Work Day at Central Park, Perth, Australia

PHOTOGRAPHER OF THE YEAR (POTY)

Running for the eleventh year, the Central Park POTY competition is an annual event which has proven to be a success for the amateur passionate photographer. Central Park tenants who participated in this event presented their photos at an exhibition held in the Central Park lobby. This event also featured two photography workshops from renowned photographers, namely Stan Davies and Adam Monk, who shared with tenants their knowledge and experience on the subject.

PROMOTING A HEALTHY LIFESTYLE AND WELL-BEING

As part of Central Park management team's efforts to emphasize a greater sense of community and healthy work life balance, the team hosted tenant events such as Ride2Work Day and International Yoga Day to promote the benefits of leading an active lifestyle. The events received overwhelming response and tenants were treated to a light breakfast at the office lobby and complementary bicycle check-ups at the end-of-trip facilities. Additionally, to celebrate the launch of the new and improved Fitness Centre, an open week was held where tenants engaged in a full suite of healthy activities at a discounted rate. The launch was met with overwhelming attendance and enthusiasm, with most classes running at full capacity.

GIVING BACK TO SOCIETY

At FCOT, we align our principles with FCL Group and shape our community investments around the theme of 'Wellness'. We aim to enhance the wellness of the minds, hearts, spirits and bodies of our communities as well as contribute to the wellness of our chosen charitable causes. Collectively, more than A$1.0 million was raised in these events.

CHARITY EVENTS

Central Park Plunge, Central Park, Perth, Australia


Step Up for MS, Central Park, Perth, Australia

CENTRAL PARK PLUNGE

Central Park Plunge, now in its third year, offers a unique and memorable experience for 300 participants to abseil 220 metres from 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 and Prostate Cancer Western Australia. The event was a great success and raised funds in excess of A$568,000, significantly exceeding the target of A$350,000.

A$568,000

was raised, exceeding the target of A$350,000

STEP UP FOR MS

For the eleventh year running, Step Up for MS was held at Central Park. This yearly event is organised to raise funds for the Multiple Sclerosis Society (MS Society), a non-profit organisation that provides support and services to those affected with multiple sclerosis. This unique vertical challenge provided a fun and rewarding time for 1,027 participants, who climbed 1,103 steps to the reach the top of Central Park. The event this year raised more than A$248,000, including a A$10,000 collective donation by the Central Park management team.

A$248,000

was raised for the Multiple Sclerosis Society

Relevant SDG:

17 PARTNERSHIPS FOR THE GOALS


Pink Ribbon Day, Central Park, Perth, Australia


World's Greatest Shave, Central Park, Perth, Australia

Volunteers on Daffodil Day, Central Park, Perth, Australia

PINK RIBBON DAY

This is the eleventh consecutive year that Central Park has hosted the Pink Ribbon Day to support the Cancer Council of Western Australia. Pink Ribbon is an established non-profit organization that aims to raise awareness about breast and gynaecological cancer. Donations received are used for research, education and patient support programmes. With the support from both tenants and the public, the event was a success where a total of A$10,000 was raised from merchandise sales.

A$10,000

was raised in support of Cancer Council of Western Australia

WORLD'S GREATEST SHAVE

Central Park has been supporting the World's Greatest Shave for many years and this year was the biggest yet, both in tenant participation and amount raised, in support of the Leukaemia Foundation in Australia. Participants showed tremendous support for the cause by shaving, waxing, or colouring their hair and approximately A$18,000 was raised from Central Park tenants.

A$18,000

was raised in support of the Leukaemia Foundation in Australia

DAFFODIL DAY

For the eleventh consecutive year, Central Park hosted the sale of daffodils on Daffodil Day in support of Cancer Council of Western Australia. This event received overwhelming support from tenants and the public and approximately A$40,000 was raised. The funds raised will support cancer research and run education programmes, as well as provide support for families affected by cancer.

A$40,000

was raised in support of Cancer Council of Western Australia

GIVING BACK TO SOCIETY

COMMUNITY EVENTS

Staff of FCOT visiting St. Luke's Eldercare, Telok Blangah

Make Every Drop Count exhibition, China Square Central, Singapore

BRINGING CHEER AND JOY TO THE ELDERLY AT ST. LUKE'S ELDERCARE, TELOK BLANGAH

The management and staff of the Manager visited St Luke's Eldercare at Telok Blangah in Singapore to show care and support to the aged community. It was a fun-filled morning with the team joining more than 70 elderly in games and karaoke, and handing out goody bags to them. After the activities at the centre, a group of the elderly were brought to China Square Central for a hearty lunch at a restaurant there.

RAISING AWARENESS FOR WATER CONSERVATION

In conjunction with Singapore World Water Day 2017, China Square Central hosted an exhibition by PUB to raise awareness on conserving water. In line with the theme of the exhibition 'Make Every Drop Count', we collaborated with our tenants on this initiative where visitors to China Square Central were rewarded with complimentary drinks when they brought their own mugs during this period.

Relevant SDG:
17 PARTNERSHIPS FOR THE GOALS


Blood Donation Drive, China Square Central, Singapore


Colours of Our Country, Central Park, Perth, Australia

BLOOD DONATION DRIVE AT CHINA SQUARE CENTRAL

During the Health and Safety Month, China Square Central hosted a blood donation drive organised by the Red Cross Society, which saw encouraging support from tenants for this worthy cause.

COLOURS OF OUR COUNTRY

Since the launch of Colours of Our Country in 2006, more than 2,303 artworks have been sold, generating A$2.39 million for the artists, their art groups, and local communities. This event creates opportunities for the featured artists, supports the on-going sustainability efforts of art groups and artists and provides an outlet for cultural expression. The twelth annual Colours of Our Country art exhibition was held at the lobby of Central Park this year, showcasing more than 300 paintings and artefacts by Western Australia's Pilbara-based Aboriginal artists. Sales of 188 artworks generated A$189,000 for the Pilbara-based artists, art groups and communities.

A$189,000

generated from sales of artwork

GLOBAL REPORTING INITIATIVE CONTENT INDEX

Global Reporting Initiative Standards 2016	Description	Remarks
General Standard Disclosures		
Organisational Profile		
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; Report Scope, pg. 85
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; Report Scope, pg. 85
102-5	Ownership and legal form	About Frasers Commercial Trust, pg. 3; Corporate Structure, pg. 21
102-6	Markets served	About Frasers Commercial Trust, pg. 3; Overview of Property Portfolio, pgs. 64-65; Asset Profiles, pgs. 68-79; Report Scope, pg. 85
102-7	Scale of the organisation	About Frasers Commercial Trust, pg. 3; Financial Highlights, pgs. 12-15; Knowing Our People, pgs. 98-99
102-8	Information on employees and other workers	Knowing Our People, pgs. 98-99 All activities described in this section are in relation to the employees of the Manager.
102-9	Supply chain	Influencing Our Supply Chain, pg. 89
102-10	Significant changes to organisation and its supply chain	No significant changes
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	Partnerships and Affiliations, pg. 89
102-13	Membership of associations	Partnerships and Affiliations, pg. 89
Strategy		
102-14	Statement from senior decision maker	Letter to Unitholders, pgs. 16-20
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	About Frasers Commercial Trust, pg. 3; Corporate Practice, pgs. 90-91
Governance		
102-18	Governance structure	Corporate and Organisation Structure, pg. 21; Board of Directors, pgs. 24-27; Management Team, pgs. 28-29; Upholding Good Corporate Citizenship, pgs. 90-91; Corporate Governance, pgs. 113-127
Stakeholder Engagement		
102-40	List of stakeholder groups	Engaging Our Stakeholders, pg. 88
102-41	Collective bargaining agreements	There are no collective bargaining agreements in place.
102-42	Identifying and selecting stakeholders	Engaging Our Stakeholders, pg. 88 We have selected these Stakeholders based on their interests in our business.
102-43	Approach to stakeholder engagement	Engaging Our Stakeholders, pg. 88
102-44	Key topics and concerns raised	Engaging Our Stakeholders, pg. 88

Global Reporting Initiative Standards 2016	Description	Remarks
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Financial Statements, pg. 133-192
102-46	Defining report content and topic Boundaries	About This Report, pg. 85; Report Scope, pg. 85
102-47	List of material topics	Materiality, pg. 89
102-48	Restatements of information	Restatement of FY2016 water consumption and intensity for Australian properties due to updates on data received.
102-49	Changes in reporting	No changes in report scope from last year
102-50	Reporting period	About This Report, pg. 85
102-51	Date of most recent report	The previous sustainability report was included in the 2016 Annual Report of FCOT.
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Report Scope, pg. 85
102-54	Claims of reporting in accordance with GRI Standards	Letter to Unitholders, pgs. 16-20; About This Report, pg. 85
102-55	GRI content index	GRI Content Index, pgs. 110-112
102-56	External assurance	We have not sought external assurance on this data, however we intend to review this stance in the future.
Management Approach		
103-1	Explanation of the material topic and its boundary	Materiality, pg. 89; Upholding Good Corporate Citizenship, pgs. 90-91; Changing the Way We Look at Natural Resources, pgs. 92-97; Investing in a Workforce of the Future, pgs. 98-103 The boundaries of all our material topics are internal, except for customer health and safety and local communities which are both internal and external.
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
Material Topics		
Economic Performance		
201-1	Direct economic value generated and distributed	Financial Review, pgs. 39-44; Financial Statements, pg. 132-192
Anti-corruption		
205-3	Confirmed incidents of corruption and actions taken	Upholding Good Corporate Citizenship, pgs. 90-91
Energy		
302-1	Energy consumption within the organization	Energy Management, pgs. 92-93 Most of the energy consumed is from purchased utilities.
302-3	Energy intensity	Energy Management, pgs. 92-93 The majority of energy used is in the form of purchased electricity.
302-4	Reduction of energy consumption	Energy Management, pgs. 92-93
G4-CRE1	Building energy intensity	Energy Management, pgs. 92-93

GLOBAL REPORTING INITIATIVE CONTENT INDEX

Global Reporting Initiative Standards 2016	Description	Remarks
Water		
303-1	Water withdrawal by source	Water Management, pg. 94 Most of the water consumed is from purchased utilities.
G4-CRE2	Building water intensity	Water Management, pg. 94
Emissions		
305-2	Energy indirect (Scope 2) GHG emissions	Energy Management, pgs. 92-93
305-4	GHG emissions intensity	Energy Management, pgs. 92-93
305-5	Reduction of GHG emissions	Energy Management, pgs. 92-93
G4-CRE3	Greenhouse gas (GHG) emissions intensity from buildings	Energy Management, pgs. 92-93
Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	Upholding Good Corporate Citizenship, pgs. 90-91 There were no known breaches of environmental laws and regulations.
Employment		
401-1	New employee hires and employee turnover	Knowing Our People, pgs. 98-99
Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	This is currently not covered in groupwide collective agreements. The notice period varies.
Occupational Health and Safety		
403-1	Workers representation in formal joint management–worker health and safety committees	Managing Sustainability, pg. 88
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Safety First, pg. 103
G4-CRE6	Percentage of the organisation operating in verified compliance with an internationally recognised health and safety management system	Safety First, pg. 103
Training and Education		
404-1	Average hours of training per year per employee	Nurturing Talent, pgs. 100-101
404-2	Programs for upgrading employee skills and transition assistance programs	Nurturing Talent, pgs. 100-101
404-3	Percentage of employees receiving regular performance and career development reviews	Nurturing Talent, pgs. 100-101
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Engaging Our Stakeholders, pg. 88; Creating Strong and Integrated Communities, pgs. 104-105; Giving Back to Society, pgs. 106-107
Marketing and Labelling		
417-3	Incidents of non-compliance concerning marketing communications	Upholding Good Corporate Citizenship, pgs. 90-91 There were no known incidents of non-compliance with regulations and voluntary codes concerning marketing communications.

CORPORATE GOVERNANCE

INTRODUCTION

Frasers Centrepoint Asset Management (Commercial) 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 Centrepoint Limited ("**FCL**").

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, 55 Market Street and Alexandra Technopark in Singapore and (ii) Central Park, Caroline Chisholm Centre and 357 Collins Street in Australia.

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 2017 is as follows:

Dr Chua Yong Hai[1]	Chairman, Non-Executive	Independent
Chang Tou Chen	Non-Executive	Independent
Chay Wai Chuen	Non-Executive	Independent
Chia Khong Shoong	Non-Executive	Non-Independent
Bobby Chin Yoke Choong[2]	Non-Executive	Independent
Low Chee Wah	Non-Executive	Non-Independent
Tan Guong Ching[3]	Non-Executive	Independent
Christopher Tang Kok Kai	Non-Executive	Non-Independent

1 Dr Chua Yong Hai has retired as the Chairman of the Board of the Manager with effect from 30 November 2017.
2 Mr Bobby Chin Yoke Choong has been appointed as the Chairman of the Board of the Manager with effect from 30 November 2017.
3 Mr Tan Guong Ching has retired from the Board of the Manager with effect from 30 November 2017.

CORPORATE GOVERNANCE

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. Two new Directors, namely Mr Chang Tou Chen and Mr Bobby Chin Yoke Choong, were appointed to the Board during the financial year ended 30 September 2017 ("**FY2017**").

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. In FY2017, 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, electronic communications and recent changes to the Companies Act (Cap. 50) of Singapore.

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.

The number of Board, ARC Committee and NRC meetings held in FY2017, 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 2017	**6**	**4**	**2**
Attendees			
Dr Chua Yong Hai[1]	6	4	2
Chang Tou Chen[2]	3	1	–
Chay Wai Chuen	6	4	2
Chia Khong Shoong	6	NA	NA
Bobby Chin Yoke Choong[3]	1	–	–
Low Chee Wah	6	NA	NA
Tan Guong Ching[4]	6	4	2
Christopher Tang Kok Kai	6	NA	2

* Excludes other meetings attended by Directors with Management.
1 Dr Chua Yong Hai has retired as the Chairman of the Board of the Manager with effect from 30 November 2017.
2 Appointed as Director on 1 March 2017 and as a Member of the ARC Committee and NRC on 30 June 2017. Mr Chang Tou Chen was appointed as the Chairman of the NRC on 30 November 2017.
3 Appointed as Director and as a Member of the ARC Committee and NRC on 1 August 2017. Mr Bobby Chin Yoke Choong was appointed as the Chairman of the Board of the Manager on 30 November 2017.
4 Mr Tan Guong Ching has retired from the Board of the Manager 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 2017, the Board comprises eight members, of whom five 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 the proposed Regulations 13D to 13G of the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10), Chapter 289. In its review for FY2017, the NRC has endorsed in its recommendation to the Board that the following directors are independent for FY2017:

Dr Chua Yong Hai	Independent
Chang Tou Chen	Independent
Chay Wai Chuen	Independent
Bobby Chin Yoke Choong	Independent
Tan Guong Ching	Independent

As part of its review, the NRC has taken into consideration, *inter alia*, the following:

(i) each Independent Director's declaration of independence, which includes questions relating to his relationship with FCOT, the Manager, the Trustee, and FCOT's sponsor, FCL, whereby, all have declared that there were no relationships or instances that would otherwise deem him not to be independent; and
(ii) that Dr Chua Yong Hai and Mr Tan Guong Ching had served on the Board for more than 9 years.

Notwithstanding their length of service, the NRC, following its rigorous review, had recommended to the Board that Dr Chua Yong Hai and Mr Tan Guong Ching, had continued to demonstrate their ability to exercise strong objective judgement, acting in the best interests of the Manager and FCOT at all times. They had and continue to remain independent in the expression of their views and in their participation in the deliberations and decision making of the Board, the ARC Committee and the NRC.

Having considered the above factors and weighing the need to refresh board membership, the Board (with Dr Chua Yong Hai and Mr Tan Guong Ching abstaining with respect to the assessment of their own independence) determined that Dr Chua Yong Hai and Mr Tan Guong Ching were independent, notwithstanding that each of them has served on the Board for more than 9 years.

Each of Mr Chia Khong Shoong, Mr Low Chee Wah and Mr Christopher Tang Kok Kai are not independent under the proposed Regulation 13E of the Securities and Futures (Licensing and Conduct of Business) Regulations as they are executives employed by a related corporation of the Manager.

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 24 to 27.

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 six Directors, being Mr Tan Guong Ching, Mr Chang Tou Chen, Dr Chua Yong Hai, 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 Tan Guong Ching) are independent[1].

1 Mr Tan Guong Ching and Dr Chua Yong Hai have retired from their respective appointments as the Chairman and as a member of the NRC on 30 November 2017. Mr Chang Tou Chen has been appointed as the Chairman of the NRC on 30 November 2017.

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;
- 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 the Manager, and they should also provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge.

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. Holistically, the contributions by the Directors to and during meetings of the Board and the relevant Board Committees as well as their attendance at such meetings should also be taken into account. Details of such directorships and other principal commitments of the Directors are disclosed on pages 24 to 27.

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, with the assistance of the NRC, has implemented a process to evaluate and assess the performance of the Board and the ARC Committee, and their decision-making processes. The NRC has appointed an independent external consultant, Ernst & Young Advisory Pte. Ltd., to assist in its evaluation and assessment process. Members of the Board are required to assess the Board's performance, which includes areas such as the Board's composition and processes, effectiveness in its management of FCOT's performance, and such other areas which the Board is of the view that improvements are required.

The findings of the evaluation and assessment are reviewed by the Board with a view to improving its overall effectiveness in fulfilling its role and meeting its responsibility to Unitholders. The Board is committed to ensure that collectively as a Board, and individually its members, both contribute effectively to such improvement, and is of the view that the evaluation and assessment framework would assist to meet such commitment.

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 six Directors, being Mr Tan Guong Ching, Mr Chang Tou Chen, Dr Chua Yong Hai, 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 Tan Guong Ching) are independent[1].

1 Mr Tan Guong Ching and Dr Chua Yong Hai have retired from their respective appointments as the Chairman and as a member of the NRC on 30 November 2017. Mr Chang Tou Chen has been appointed as the Chairman of the NRC on 30 November 2017.

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 personnel of the Manager ("**Key Management Personnel**"). 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, and thereby maximise Unitholders' value. 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 each Director to the Board for endorsement. The NRC will also review the remuneration of the CEO and Key Management Personnel 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 FY2017 are shown in the table below.

Director	FY2017
Dr Chua Yong Hai (Chairman of the Board and Member of ARC Committee and NRC)	SGD 127,000
Chang Tou Chen (Member of ARC Committee and NRC)	SGD 34,889
Chay Wai Chuen (Chairman of ARC Committee and Member of NRC)	SGD 92,000
Chia Khong Shoong	SGD 49,000[1]
Bobby Chin Yoke Choong (Member of ARC Committee and NRC)	SGD 12,250
Low Chee Wah	SGD 36,000[1]
Tan Guong Ching (Member of ARC Committee and Chairman of NRC)	SGD 92,000
Christopher Tang Kok Kai (Member of NRC)	SGD 57,000[1]

1 Directors' fees are paid to FCL Management Services Pte. Ltd.

Remuneration Policy for Management

The Managers' remuneration framework comprises (i) a fixed component; and (ii) a variable component comprising short-term and long-term incentives. The variable component is linked to and determined based on both: (a) FCOT's performance; and (b) an annual appraisal of each individual employee against performance indicators including adherence to core values, competencies, and key result areas. The potential of the employees is also taken into consideration. The mix of fixed and variable remuneration components is considered appropriate for the Manager and for each individual employee's role.

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 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 Personnel

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 Personnel, where both FCOT's financial performance and non-financial performance will be taken into consideration. The financial performance indicators in which the Key Management Personnel 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. These performance indicators are quantitative and objective measures of the Manager's performance. The non-financial performance indicators in which the Key Management Personnel will be evaluated on include (i) FCOT's business initiatives, (ii) strategic perspective, (iii) corporate sustainability, (iv) branding of FCOT and (v) people development. These qualitative performance indicators will align the Key Management Personnel's performance with FCOT's strategic objectives for the financial year.

For FY2017, long-term incentives in the form of FCL share awards were granted to Key Management Personnel based on various performance indicators including individual performance and FCOT's performance. The grant of long-term incentives in the form of FCL share awards falls within the framework of the long-term incentive plans of the FCL group, which the Manager is part of as it is wholly-owned by FCL. Such incentives allow the Manager to attract and retain management staff by leveraging on the brand, size and value of FCL, which is one of Singapore's top property companies and well-established globally. FCL is also a substantial unitholder of FCOT. Nevertheless, with effect from financial year ending 30 September 2018, long-term incentives in the form of FCOT unit awards will be awarded to Key Management Personnel so as to more closely align their interests with the long-term interest of FCOT and Unitholders. The award of the FCOT units will be structured as a Restricted Unit Plan. Eligible participants will receive a contingent award based on their individual performance from the annual appraisal of each individual employee. The release of these contingent awards is conditional upon meeting the performance targets as approved by the NRC. The long-term incentives may be settled in FCOT units, their equivalent cash value or a combination thereof.

From the financial year beginning from 1 October 2016 onwards, the NRC will review the short-term and long-term incentives in the Key Management Personnel's 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 executive personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss.

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 Board has assessed and decided against the disclosure of the remuneration of the CEO and executive officers on a named basis, whether in exact quantum or in bands of S$250,000, as well as the disclosure of the total remuneration paid to the top five key executive officers (who are not directors or the CEO), and believes that the interests of the Unitholders will not be prejudiced as a result of such non-disclosure, 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 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) save for changes due to succession planning, 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) there is full and frank disclosure of the total amount of fees paid to the Manager set out in the Financial Statements at page 175 and Interested Person Transactions at pages 198 to 199 of this Annual Report.

There were no employees of the Manager who are immediate family members of a Director or the CEO during FY2017.

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 81 to 82.

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 and operational (including 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 2017:

(a) the financial records of FCOT have been properly maintained and the financial statements for FY2017 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 2017 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 2017 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 2017 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 2017 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, compliance 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 auditor 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 valuer 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 2017.

As at 30 September 2017, the ARC Committee comprises five Directors, all of whom are Independent Non-Executive Directors:

Chay Wai Chuen	Chairman
Chang Tou Chen	Member
Bobby Chin Yoke Choong	Member
Dr Chua Yong Hai[1]	Member
Tan Guong Ching[1]	Member

1 Dr Chua Yong Hai and Mr Tan Guong Ching have retired as members of the ARC Committee with effect from 30 November 2017.

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 23 January 2017. 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 Note 18 to the Financial Statements. KPMG attended the ARC Committee meetings every quarter for FY2017, 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 whistle-blower 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 FCL 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 FCL Group IA Department is independent of the activities that it audits. The Head of 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 Group IA and the Singapore-based IA staff are members of the Institute of Internal Auditors, Singapore and the FCL 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 FCL 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, 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, 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 FY2017, 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, where relevant rules and procedures governing such meetings (for instance, how to vote) are clearly communicated.

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. Beginning from October 2016, FCOT provided a webcast of the presentation of FCOT's full year results on the day of the results briefing for greater accessibility and transparency. Going forward, this will be provided for the half-year and annual results.

FCOT is also a signatory to the 2017 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 sent 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 8th 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 FCL, 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 FCL 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:

<table>
<tr><th>Type of Fee</th><th>Computation and Form of Payment</th><th>Rationale and Purpose</th></tr>
<tr><td>Base Fee</td><td>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.</td><td>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.</td></tr>
<tr><td>Performance Fee</td><td>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.</td><td>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.</td></tr>
<tr><td>Acquisition Fee</td><td>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.</td><td rowspan="2">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 aims 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.</td></tr>
<tr><td>Divestment Fee</td><td>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.</td></tr>
</table>

GUIDELINES FOR DISCLOSURE

	Guideline	Questions	How has the Company complied
1.	General	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.		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 115 of this Annual Report.
Members of the Board			
4.	Guideline 2.6	What is the Board's policy with regard to diversity in identifying director nominees?	Please refer to pages 115 – 117 of this Annual Report.
5.		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 115 – 117 of this Annual Report.
6.		What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	Please refer to pages 115 – 117 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	Please refer to pages 115 – 117 of this Annual Report. Directors of the Manager are not subject to periodic retirement by rotation.
8.	Guideline 1.6	Are new directors given formal training? If not, please explain why	Yes. Please refer to page 114 of this Annual Report.
9.		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 114 of this Annual Report.
10.	Guideline 4.4	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.		If a maximum number has not been determined, what are the reasons?	Please refer to page 117 of this Annual Report.
12.		What are the specific considerations in deciding on the capacity of directors?	Please refer to page 117 of this Annual Report.

Board Evaluation			
13.	Guideline 5.1	What was the process upon which the Board reached the conclusion on its performance for the financial year?	Please refer to page 118 of this Annual Report.
14.		Has the Board met its performance objectives?	Please refer to page 118 of this Annual Report.
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 115 – 116 of this Annual Report.
16.	Guideline 2.3	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.		What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
18.	Guideline 2.4	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.	Yes. Dr Chua Yong Hai and Mr Tan Guong Ching have served on the Board for more than nine years from the respective dates of their first appointment. Please refer to pages 115 – 116 of this Annual Report for the Board's reasons for considering them independent. Both Dr Chua and Mr Tan have retired from the Board on 30 November 2017.
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 119 of this Annual Report. With regard to disclosure of the CEO's remuneration, please refer to pages 120 – 121 of this Annual Report.
20.	Guideline 9.3	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 pages 120 – 121 of this Annual Report.
21.		Please disclose the aggregate remuneration paid to the top Key Management Personnel (who are not directors or the CEO).	Please refer to pages 120 – 121 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	Please describe how the remuneration received by executive directors and Key Management Personnel has been determined by the performance criteria.	Please refer to pages 118 – 120 of this Annual Report.
24.		What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	Please refer to pages 118 – 120 of this Annual Report.
25.		Were all of these performance conditions met? If not, what were the reasons?	Please refer to pages 118 – 120 of this Annual Report.
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 118 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 pages 124 – 125 of this Annual Report.
28.	Guideline 11.3	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 122 of this Annual Report.
29.		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 122 of this Annual Report.
30.	Guideline 12.6	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 page 175 of this Annual Report.
31.		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 124 of this Annual Report.

Communication with Shareholders			
32.	Guideline 15.4	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 pages 125 – 126 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 125 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 142 – 143 of this Annual Report.

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 Centrepoint Asset Management (Commercial) 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 and 20 January 2017) 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 140 to 192, comprising the Balance Sheets and Portfolio Statements of the Group and the Trust as at 30 September 2017, the Statements of Total Return, Distribution Statements and Statements of Movements in Unitholders' Funds of the Group and the Trust, and the Consolidated Cash Flow Statement of the Group for the financial year then ended, and a summary of the significant accounting policies and other explanatory notes, 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

James William Cox
Chief Executive Officer and Director

Colin Lee Yung Shih
Director

Singapore
23 November 2017

STATEMENT BY THE MANAGER

In the opinion of the directors of Frasers Centrepoint Asset Management (Commercial) Ltd., the accompanying financial statements, set out on pages 140 to 192, comprising the Balance Sheets and Portfolio Statements of Frasers Commercial Trust (the "Trust") and its subsidiaries (collectively, the "Group") as at 30 September 2017, the Statements of Total Return, Distribution Statements and Statements of Movements in Unitholders' Funds of the Group and the Trust, and the Consolidated Cash Flow Statement of the Group for the financial year then ended, and a summary of the significant accounting policies and other explanatory notes 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 2017, the total return, 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 Centrepoint Asset Management (Commercial) Ltd.

Dr Chua Yong Hai
Chairman and Director

Christopher Tang Kok Kai
Director

Singapore
23 November 2017

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 2017, the Consolidated Statement of Total Return, Consolidated Distribution Statement and Consolidated Statement of Movements in Unitholders' Funds and Consolidated Cash Flow Statement of the Group and the Statement of Total Return, Distribution Statement and 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 140 to 192.

In our opinion, the accompanying consolidated financial statements of the Group and the Balance Sheet, Statement of Total Return, Distribution Statement 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 2017 and the Consolidated Total Return, Consolidated Distributable Income, Consolidated Movements in Unitholders' Funds and Consolidated Cash Flows of the Group and the total return, distributable income and movements in unitholders' funds of the Trust for the year then ended 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 ("ACRA") *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 and the Trust own 3 investment properties located in Singapore and 3 investment properties located in Australia, which comprise primarily office and business space buildings with retail and car parks. As at 30 September 2017, the investment properties represent the single largest asset category on the Balance Sheets of the Group and the Trust, at carrying amounts of $2.1 billion and $1.2 billion respectively.

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.

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.

Other Information

The management of Frasers Centrepoint Asset Management (Commercial) 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 About Frasers Commercial Trust, Our Properties, Financial Highlights, Letter To Unitholders, Corporate Structure, Organisation Structure, Key Events, Board of Directors, Management Team, Operational Review, Financial Review, Market Overview, Investor Relations, Overview of Property Portfolio, Portfolio Details, China Square Central, Singapore, 55 Market Street, Singapore, Alexandra Technopark, Singapore, Central Park, Perth, Australia, Caroline Chisholm Centre, Canberra, Australia, 357 Collins Street, Melbourne, Australia, Risk Management, Sustainability Report, Corporate Governance, Report of the Trustee, Statement by the Manager and Interested Person Transactions, prior to the date of this auditors' report. The Unitholders' Statistics ('the Report') 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.

Other Information *(cont'd)*

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 Group's ability 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 Group's financial reporting process.

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 control 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 Group's internal controls.

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 Group's ability 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 regulation precludes 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 2017

BALANCE SHEETS

AS AT 30 SEPTEMBER 2017

		Group		Trust	
		2017	2016	2017	2016
	Note	S$'000	S$'000	S$'000	S$'000
Non-current assets					
Investment properties	3	2,070,857	1,989,287	1,212,000	1,209,500
Subsidiaries	4	–	–	313,236	318,892
Loan to a subsidiary	6	–	–	92,542	90,646
Fixed assets	7	65	81	65	81
Deferred tax assets	8	355	348	–	–
Total non-current assets		2,071,277	1,989,716	1,617,843	1,619,119
Current assets					
Trade and other receivables	9	2,623	2,922	73,964	73,868
Prepayments		10,433	5,233	133	110
Cash and cash equivalents	10	74,609	71,487	69,654	65,193
Total current assets		87,665	79,642	143,751	139,171
Total assets		2,158,942	2,069,358	1,761,594	1,758,290
Less:					
Non-current liabilities					
Interest-bearing borrowings	11	564,756	562,829	485,251	345,050
Derivative financial instruments	12	50	–	50	–
Security deposits		7,423	7,736	7,423	7,736
Deferred tax liabilities	8	72,813	51,076	–	–
Total non-current liabilities		645,042	621,641	492,724	352,786
Current liabilities					
Interest-bearing borrowings	11	183,194	179,462	39,934	179,462
Trade and other payables	13	29,386	23,302	16,498	16,865
Derivative financial instruments	12	2,845	7,434	1,503	3,794
Security deposits		5,670	5,340	5,670	5,340
Provision for taxation		3,456	3,763	–	–
Total current liabilities		224,551	219,301	63,605	205,461
Total liabilities		869,593	840,942	556,329	558,247
Net assets		1,289,349	1,228,416	1,205,265	1,200,043
Represented by:					
Unitholders' funds		1,289,349	1,228,416	1,205,265	1,200,043
Units issued at end of financial year ('000)	14	805,364	794,298	805,364	794,298
Unitholders' funds per Unit (S$)		1.60	1.55	1.50	1.51

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF TOTAL RETURN

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

		Group		Trust	
		2017	2016	2017	2016
	Note	S$'000	S$'000	S$'000	S$'000
Gross revenue	15	156,551	156,497	112,828	112,753
Property operating expenses	16	(42,708)	(40,883)	(23,723)	(24,369)
Net property income		113,843	115,614	89,105	88,384
Interest income	17	501	633	7,457	7,360
Trust expenses	18	(15,446)	(15,301)	(15,180)	(15,063)
Finance expenses	19	(24,434)	(24,763)	(15,360)	(15,758)
Net income		74,464	76,183	66,022	64,923
Exchange differences		1,324	1,923	3,814	7,162
Net change in fair value of investment properties	3	60,066	(690)	(1,457)	(556)
Net change in fair value of derivative financial instruments		197	(785)	197	(785)
Realised loss on derivative financial instruments		(935)	(551)	(935)	(551)
Total return before income tax		135,116	76,080	67,641	70,193
Taxation	20	(23,672)	(4,839)	–	–
Total return for the financial year		111,444	71,241	67,641	70,193
Earnings per Unit (cents)					
Basic	21	13.95	9.04		
Diluted	21	13.95	9.04		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

DISTRIBUTION STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

	Group		Trust	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Income available for distribution at beginning of the financial year	19,485	12,589	19,485	12,589
Total return for the financial year	111,444	71,241	67,641	70,193
Net effect of (non-taxable)/ non-tax deductible items and other adjustments (Note A)	(32,844)	6,366	10,959	7,414
Distributable income for the financial year (Note B)	78,600	77,607	78,600	77,607
Income available for distribution	98,085	90,196	98,085	90,196
Distributions declared during the financial year to:				
Unitholders (Note C)	(78,688)	(70,711)	(78,688)	(70,711)
Income available for distribution at end of the financial year	19,397	19,485	19,397	19,485
Number of Units entitled to distribution ('000)	805,815	794,298	805,815	794,298
Distribution per Unit (cents) (Note 30)	2.41	2.45	2.41	2.45

Note A – Net effect of (non-taxable)/ non-tax deductible items and other adjustments

	Group		Trust	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Amortisation and expensing of borrowing costs	1,749	2,188	1,321	1,777
Deferred taxation	20,654	1,810	–	–
Effects of recognising accounting income on a straight-line basis over the lease term	1,010	(1,820)	529	(113)
Management fees paid/payable in Units	1,028	2,475	1,028	2,475
Net change in fair value of investment properties	(60,066)	690	1,457	556
Net change in fair value of derivative financial instruments	(197)	785	(197)	785
Trustee's fees	627	607	627	607
Unrealised exchange gain	(1,442)	(2,171)	(3,937)	(7,406)
Other adjustments	3,793	1,802	10,131	8,733
	(32,844)	6,366	10,959	7,414

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

DISTRIBUTION STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Note B – Distributable income for the financial year

	Group and Trust	
	2017	**2016**
	S$'000	**S$'000**
Attributable to:		
Unitholders		
– from operations	69,392	71,915
– from capital returns	9,208	5,692
	78,600	77,607

Note C – Distributions declared to Unitholders during the financial year

	Group and Trust			
	2017		**2016**	
	Distribution rate cents	**Amount S$'000**	**Distribution rate cents**	**Amount S$'000**
– 1 July 2015 to 30 September 2015	–	–	1.6069	12,589
– 1 October 2015 to 31 December 2015	–	–	2.5100	19,702
– 1 January 2016 to 31 March 2016	–	–	2.4526	19,348
– 1 April 2016 to 30 June 2016	–	–	2.4101	19,072
– 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	–	–
		78,688		70,711

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 2017

	Group		Trust	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Balance at beginning of the financial year	1,228,416	1,206,871	1,200,043	1,197,386
Operations				
Changes in net assets attributable to Unitholders' funds resulting from operations	111,444	71,241	67,641	70,193
Foreign currency translation reserve				
Movement for the financial year	9,610	19,004	–	–
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges	4,343	(12,351)	2,045	(11,187)
Unitholders' transactions				
Issuance of Units	14,565	14,676	14,565	14,676
Issue expenses	(341)	(314)	(341)	(314)
	14,224	14,362	14,224	14,362
Distributions to Unitholders	(78,688)	(70,711)	(78,688)	(70,711)
Change in Unitholders' funds resulting from Unitholders' transactions	(64,464)	(56,349)	(64,464)	(56,349)
Balance at end of the financial year	1,289,349	1,228,416	1,205,265	1,200,043

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

By Geography
Group

Location	Description of property	Acquisition date	Term of lease	Remaining term of lease (years)	Existing use	Carrying amount as at 2017 S$'000	Carrying amount as at 2016 S$'000	Percentage of net assets as at 2017 %	Percentage of net assets as at 2016 %
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	78	Commercial	565,000	562,500	43.8	45.8
Alexandra Technopark 438A & 438B Alexandra Road, Singapore 119967/8 ("Alexandra Technopark")	High-tech business space development comprising an 8-storey and a 9-storey air-conditioned buildings with basement carpark	26/8/2009	Leasehold	90	Business space	508,000	508,000	39.4	41.4
55 Market Street, Singapore 048941 ("55 Market Street")	16-storey office and retail building	22/11/2006	Leasehold	807	Commercial	139,000	139,000	10.8	11.3
Australia									
Central Park 152-158 St Georges Terrace, Perth, Western Australia, 6000 ("Central Park")[(1)]	47-storey office tower with retail and basement carpark	30/3/2006	Freehold	NA	Commercial	289,831	276,077	22.5	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	84	Commercial	265,900	237,009	20.6	19.3
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	303,126	266,701	23.5	21.7
Portfolio of investment properties, at valuation						2,070,857	1,989,287	160.6	162.0
Other assets and liabilities (net)						(781,508)	(760,871)	(60.6)	(62.0)
Net assets						1,289,349	1,228,416	100.0	100.0

(1) The Group has a 50% effective interest in Central Park.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PORTFOLIO STATEMENTS

AS AT 30 SEPTEMBER 2017

By Geography
Trust

Location	Description of property	Acquisition date	Term of lease	Remaining term of lease (years)	Existing use	Carrying amount as at 2017 S$'000	Carrying amount as at 2016 S$'000	Percentage of net assets as at 2017 %	Percentage of net assets as at 2016 %
Singapore									
China Square Central	15-storey office tower and retail podium with basement carpark and heritage shophouses	30/3/2006	Leasehold	78	Commercial	565,000	562,500	46.9	46.9
Alexandra Technopark	High-tech business space development comprising an 8-storey and a 9-storey air-conditioned buildings with basement carpark	26/8/2009	Leasehold	90	Business space	508,000	508,000	42.1	42.3
55 Market Street	16-storey office and retail building	22/11/2006	Leasehold	807	Commercial	139,000	139,000	11.5	11.6
Portfolio of investment properties, at valuation						1,212,000	1,209,500	100.5	100.8
Other assets and liabilities (net)						(6,735)	(9,457)	(0.5)	(0.8)
Net assets						1,205,265	1,200,043	100.0	100.0

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 2017

	Group	
	2017	**2016**
	S$'000	**S$'000**
Cash flow from operating activities		
Total return before income tax	135,116	76,080
Adjustments for:		
Amortisation of leasing fees capitalised	957	890
Depreciation of fixed assets	27	26
Fixed assets written off	–	13
Effects of recognising accounting income on a straight-line basis over the lease term	1,010	(1,820)
Finance expenses	24,434	24,763
Interest income	(501)	(633)
Management fees paid/payable in Units	1,028	2,475
Net change in fair value of investment properties	(60,066)	690
Net change in fair value of derivative financial instruments	(197)	785
Realised loss on derivative financial instruments	935	551
Operating cash flow before working capital changes	102,743	103,820
Changes in working capital:		
– Trade and other receivables	(4,508)	672
– Trade and other payables	1,891	334
Cash generated from operations	100,126	104,826
Income tax paid	(3,302)	(3,040)
Net cash generated from operating activities	96,824	101,786
Cash flow from investing activities		
Capital expenditure on investment properties	(4,334)	(2,946)
Payment for leasing costs capitalised during the year	(1,550)	(954)
Purchase of fixed assets	(11)	(59)
Interest received	456	639
Net cash used in investing activities	(5,439)	(3,320)
Cash flow from financing activities		
Distributions paid	(64,528)	(65,697)
Interest expenses paid	(21,905)	(22,835)
Issue expenses paid	(341)	(314)
Proceeds from borrowings	230,000	100,000
Payment of transaction costs on borrowings	(647)	–
Repayment of borrowings	(230,000)	(100,000)
Termination of derivative financial instruments	(214)	–
Realisation of derivative financial instruments	(721)	(551)
Net cash used in financing activities	(88,356)	(89,397)

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 2017

	Group	
	2017	**2016**
	S$'000	**S$'000**
Net increase in cash and cash equivalents	3,029	9,069
Cash and cash equivalents at beginning of the financial year	71,487	62,233
Effects of changes in exchange rates on opening cash and cash equivalents	93	185
Cash and cash equivalents at end of the financial year (Note 10)	74,609	71,487

Significant non-cash transactions

The following were the significant non-cash transactions:

(i) Management fees paid/payable in Units

738,919 (2016:1,923,180) Units were issued and issuable in satisfaction of management fee payable in Units which amounted to S$1,028,000 (2016: S$2,475,000).

(ii) Distributions paid

Pursuant to the Distribution Reinvestment Plan implemented during the financial year, 10,778,324 (2016: 8,959,390) Units were issued, amounting to S$14,160,000 (2016: S$11,247,000).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2017

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 Centrepoint Asset Management (Commercial) 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 and 20 January 2017 (collectively, the "Trust Deed") and sponsored by 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 Centrepoint 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 2017.

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 accrue 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 2017, the Manager opted to receive 92.5% (2016:81.8%) of the management fees in cash. The remaining 7.5% (2016:18.2%) of the management fees was received/receivable in the form of Units in the Trust.

(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 acquisition of properties and a divestment fee of not more than 0.5% of the sale price on disposals of properties.

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. There were no acquisition and divestment fees payable in both financial years 2016 and 2017.

(c) **Property management fees**

Under the property management agreement entered into with Frasers Centrepoint Property Management (Commercial) Pte Ltd ("FCPM Commercial"), FCPM Commercial was entitled to receive a property management fee of 3.0% per annum of all revenue of the real estate assets. This property management agreement expired on 22 February 2016.

A property management agreement was entered into with Frasers Centrepoint Property Management Services Pte Ltd ("FCPM 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, FCPM 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.

FCPM Commercial and FCPM 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, FCPM Services had elected for 100.0% (2016: 100.0%) of the fees payable under the respective property management agreements to be settled in cash.

1. **GENERAL** (CONT'D)

(c) **Property management fees** *(cont'd)*

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 Financial Reporting Standards in Singapore ("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 12 – Valuation of derivative financial instruments

2.2 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 2016, and have not been applied in preparing these financial statements. For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group and the Trust in future financial periods, the Group will assess the transition options and the potential impact on its financial statements, and to implement these standards. The Group does not plan to adopt these standards early.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New standards and interpretations not yet effective (cont'd)

(a) Applicable to financial statements for financial year beginning on or after 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. The Group plans to adopt the standard when it becomes effective on 1 October 2018.

Potential impact on the financial statements

The Group does not expect significant impact on the financial statements to arise upon the adoption of this standard.

(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. The Group plans to adopt the standard when it becomes effective on 1 October 2018 without restating comparatives.

Potential impact on the financial statements

Overall, the Group does not expect a significant impact on its opening Unitholders' funds. 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)

2.2 New standards and interpretations not yet effective *(cont'd)*

(a) Applicable to financial statements for financial year beginning on or after 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 and other receivables. The Group is currently assessing the 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.

(b) Applicable to financial statements for financial year beginning on or after 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 in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*; INT FRS 15 *Operating Leases – Incentives*; and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 is also applied. The Group plans to adopt the standard when it becomes effective on 1 October 2019.

Potential impact on the financial statements

The Group does not expect the impact on the financial statements to be significant.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 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.

2.4 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 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 Trust's 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.

2.6 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Investment properties (cont'd)

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.

2.7 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 principal annual rates of depreciation are as follows:

(i)	Furniture and fittings	20%
(ii)	Equipment	20%
(iii)	Computers	20%

The depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

2.8 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial instruments (cont'd)

(a) Non-derivative financial assets *(cont'd)*

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 expired.

(c) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial instruments (cont'd)

(d) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Impairment *(cont'd)*

(b) Non-derivative financial assets *(cont'd)*

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.

2.10 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.

2.11 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 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 2.13 (a). Contingent rents are recognised as revenue in the period in which they are earned.

2.13 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 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.

2.14 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.

2.15 Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in the statement of total return except to the extent that it relates 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Income taxes (cont'd)

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 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.

The following set out the Tax Rulings currently applicable to the Group:

(1) Tax Ruling from the Inland Revenue Authority of Singapore ("IRAS") dated 13 October 2005 which confirms the Singapore tax consequences for the Trust and Unitholders in relation to the income arising from the Trust's properties ("Tax Ruling 1").

(2) Tax Ruling from the Ministry of Finance ("MOF") dated 9 December 2005 and 2 February 2006 which confirms the Singapore tax consequences for certain foreign income derived from Central Park in Australia ("Tax Ruling 2").

(3) Tax Ruling obtained from IRAS dated 16 February 2007, and further updated on 3 April 2007, 7 January 2011 and 16 February 2012, which confirms the Singapore tax consequences of certain foreign income derived from Caroline Chisholm Centre in Australia ("Tax Ruling 3").

(4) Tax Ruling obtained from IRAS dated 26 June 2015 which confirms the Singapore tax consequences of certain foreign income derived from 357 Collins Street in Australia ("Tax Ruling 4").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Income taxes (cont'd)

Subject to full compliance with the terms and conditions of the above Tax Rulings, the taxation of the Trust and that of the Unitholders is described below.

(a) Tax Ruling 1

Tax Ruling 1 grants tax transparency treatment on the Trust's taxable income from properties ("Taxable Income") that is distributed to the Unitholders. Subject to meeting the terms and conditions of Tax Ruling 1, 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% (2016: 17.0%), from the distributions made to Unitholders that are made out of the Taxable Income of the Trust, except:

(i) where the beneficial owners are individuals and the Units are not held through a partnership in Singapore or qualifying Unitholders, the Trust will make the distributions to such Unitholders without deducting any income tax; and

(ii) where the beneficial owners are 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 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 non-corporate Singapore constituted or registered entity (e.g. town council, statutory board, charitable organisation, management corporation, club and trade and industry association constituted, incorporated, registered or organised in Singapore);

(iii) A Singapore branch of a foreign company for distributions received on or after 1 January 2015;

(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) An agent bank or a Supplementary Retirement Scheme ("SRS") operator acting as nominee for individuals who have purchased Units in the Trust within the CPFIS or the SRS respectively; and

(vi) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Income taxes (cont'd)

(a) Tax Ruling 1 *(cont'd)*

A 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 Ruling 1, 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.

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. Tax on such gains or profits will be assessed, in accordance with Section 10(1)(a) of the Income Tax Act, and collected from the Trust. Consequently, if such after-tax gains or profits are distributed, the Trust will not have to make a further deduction of income tax from the distribution. Where the gains are agreed with IRAS to be capital gains, it will not be assessed to tax and the Trust may distribute the capital gains without tax being deducted at source.

(b) Tax Ruling 2

Tax Ruling 2 grants tax exemption in Singapore, subject to satisfying certain conditions, under Section 13(12) of the Singapore Income Tax Act in respect of foreign sourced dividends which are paid out of income derived from Central Park in Australia. As the income is exempt from Singapore income tax, the Trust may distribute such income, after deduction of its tax-deductible expenses, to Unitholders without tax deduction at source.

(c) Tax Ruling 3

Tax Ruling 3 grants income tax exemption in Singapore, subject to satisfying certain conditions, under Section 13(12) of the Singapore Income Tax Act on certain foreign income receivable from Caroline Chisholm Centre in Australia. The foreign income to which income tax exemption is granted under Tax Ruling 3 includes foreign sourced dividends and foreign sourced interest income which are paid out of income derived from Caroline Chisholm Centre in Australia. As the income is exempt from Singapore income tax, the Trust may distribute such income, after deduction of its tax-deductible expenses, to Unitholders without tax deduction at source.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Income taxes (cont'd)

(d) Tax Ruling 4

Tax Ruling 4 grants income tax exemption in Singapore, subject to satisfying certain conditions, under Section 13(12) of the Singapore Income Tax Act on certain foreign income receivable from 357 Collins Street in Australia. The foreign income to which income tax exemption is granted under Tax Ruling 4 includes foreign sourced dividends and foreign sourced interest income which are paid out of income derived from 357 Collins Street in Australia. As the income is exempt from Singapore income tax, the Trust may distribute such income, after deduction of its tax-deductible expenses, to Unitholders without tax deduction at source.

2.16 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.

2.17 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.

2.18 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	
	2017 S$'000	**2016 S$'000**	**2017 S$'000**	**2016 S$'000**
At beginning of the financial year	1,989,287	1,954,820	1,209,500	1,209,000
Capital expenditure (Note 3(a))	5,788	2,946	4,667	1,079
Leasing fees capitalised – net (Note 3(b))	593	64	(181)	(136)
Effects of recognising accounting income on a straight-line basis over the lease term	(1,010)	1,820	(529)	113
Revaluation of investment properties	60,066	(690)	(1,457)	(556)
Foreign currency translation differences	16,133	30,327	–	–
At end of the financial year	2,070,857	1,989,287	1,212,000	1,209,500

(a) For the year ended 30 September 2017, the Group incurred capital expenditure with an aggregate cost of S$5,788,000 (2016: S$2,946,000). The cash outflow on the capital expenditure amounted to S$4,334,000 (2016: S$2,946,000). The remaining amount was unpaid as at 30 September 2017.

(b) The movement for leasing fees capitalised are as follows:

	Group		Trust	
	2017 S$'000	**2016 S$'000**	**2017 S$'000**	**2016 S$'000**
At beginning of the financial year	1,738	1,677	1,131	1,267
Additions	1,550	954	622	624
Amortisation	(957)	(890)	(803)	(760)
Leasing fees capitalised – net	593	64	(181)	(136)
Foreign currency translation differences	7	(3)	–	–
At end of the financial year	2,338	1,738	950	1,131

(c) The fair values of investment properties are determined by the following independent property valuers as at 30 September 2017:

China Square Central	: Jones Lang LaSalle Property Consultants Pte Ltd (2016: Savills Valuation and Professional Services (S) Pte Ltd)
55 Market Street	: Jones Lang LaSalle Property Consultants Pte Ltd (2016: Savills Valuation and Professional Services (S) Pte Ltd)
Alexandra Technopark	: Jones Lang LaSalle Property Consultants Pte Ltd (2016: Savills Valuation and Professional Services (S) Pte Ltd)
Central Park	: Jones Lang LaSalle Advisory Services Pty Ltd (2016: Jones Lang LaSalle Advisory Services Pty Ltd)
Caroline Chisholm Centre	: Jones Lang LaSalle Advisory Services Pty Ltd (2016: Colliers International, Australia)
357 Collins Street	: Colliers International, Australia (2016: Colliers International, Australia)

3. INVESTMENT PROPERTIES (CONT'D)

(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 2017 and 30 September 2016, the investment properties of the Group, with the exception of 357 Collins Street, are subject to negative pledge and no investment properties of the Group was pledged as security for the Group's borrowings.

4. SUBSIDIARIES

	Trust	
	2017	**2016**
	S$'000	**S$'000**
Unquoted equity shares, at cost	108,169	108,169
Redeemable preference shares, at cost	205,067	210,723
	313,236	318,892

As at 30 September 2017, 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 2017. For the year ended 30 September 2016, allowance for impairment losses of S$13,764,000 provided in previous years was written off.

4. SUBSIDIARIES (CONT'D)

(b) Details of subsidiaries

	Principal Activities	Effective equity held by the Group 2017 %	Effective equity held by the Group 2016 %
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
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.

5. 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.

6. LOAN TO A SUBSIDIARY

The loan to a subsidiary is unsecured, bears interest at a fixed interest rate of 7.65% (2016: 7.65%) per annum and is repayable in cash on 19 September 2022 or such dates that may be agreed.

7. FIXED ASSETS

	Furniture and Fittings S$'000	Equipment S$'000	Computers S$'000	Total S$'000
Group and Trust				
Cost				
At 1 October 2015	47	58	37	142
Additions	59	–	–	59
Write-offs	(39)	–	(4)	(43)
At 30 September 2016 and 1 October 2016	67	58	33	158
Additions	–	2	9	11
Write-offs	–	–	(6)	(6)
At 30 September 2017	67	60	36	163
Accumulated depreciation				
At 1 October 2015	27	33	21	81
Depreciation for the financial year	12	9	5	26
Write-offs	(27)	–	(3)	(30)
At 30 September 2016 and 1 October 2016	12	42	23	77
Depreciation for the financial year	14	9	4	27
Write-offs	–	–	(6)	(6)
At 30 September 2017	26	51	21	98
Net carrying amounts				
At 30 September 2017	41	9	15	65
At 30 September 2016	55	16	10	81

8. DEFERRED TAXATION

	Group	
	2017 **S$'000**	**2016** **S$'000**
Deferred tax assets		
Provisions and other items:		
At beginning of the financial year	348	330
Recognised in statement of total return	–	4
Foreign currency translation differences	7	14
At end of the financial year	355	348
Deferred tax liabilities		
Investment properties:		
At beginning of the financial year	51,076	47,290
Recognised in statement of total return	20,654	1,814
Foreign currency translation differences	1,083	1,972
At end of the financial year	72,813	51,076

9. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2017 **S$'000**	**2016** **S$'000**	**2017** **S$'000**	**2016** **S$'000**
Trade receivables	964	1,133	480	769
Deposits	519	1,247	519	1,247
Interest receivable	45	35	45	35
Other receivables from:				
– subsidiaries	–	–	72,742	71,643
– related party	17	2	17	2
– others	1,078	505	161	172
	2,623	2,922	73,964	73,868

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.

9. 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	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Less than 30 days	373	527	353	526
30 to 60 days	87	104	87	104
61 to 90 days	8	13	8	13
91 to 120 days	7	34	7	34
More than 120 days	25	7	25	7
	500	685	480	684

No allowance for impairment losses is necessary as these receivables relate mainly to tenants who have good payment record or sufficient rental deposits with the Group.

10. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Cash and bank balances	45,021	40,750	40,066	34,456
Fixed deposits	29,588	30,737	29,588	30,737
	74,609	71,487	69,654	65,193

11. INTEREST-BEARING BORROWINGS

	Group		Trust	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Term loans	419,956	645,378	196,600	426,600
Fixed rate notes	250,000	100,000	–	–
Floating rate notes	80,000	–	–	–
Loans from subsidiary	–	–	330,000	100,000
Unamortised borrowing costs	(2,006)	(3,087)	(1,415)	(2,088)
	747,950	742,291	525,185	524,512
Maturity of borrowings				
– within one year	183,194	179,462	39,934	179,462
– between one and five years	564,756	562,829	485,251	345,050
	747,950	742,291	525,185	524,512

The term loans, fixed rate notes and floating rate notes of the Group are unsecured.

11. 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				
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
2016				
Term loans	1.68 – 3.40	2017 – 2020	645,378	642,550
Fixed rate notes	2.835	2021	100,000	99,741
			745,378	742,291
Trust				
2017				
Term loans	1.66 – 2.22	2018 – 2019	196,600	195,958
Loans from subsidiary	1.965 – 2.835	2020 – 2022	330,000	329,227
			526,600	525,185
2016				
Term loans	1.68 – 2.00	2017 – 2019	426,600	424,771
Loan from subsidiary	2.835	2021	100,000	99,741
			526,600	524,512

The Group's and Trust's 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 Australian dollar bank bill swap bid rate ("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.

12. 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
2017						
Interest rate derivative financial instruments	435,181	–	(2,895)	266,600	–	(1,553)
2016						
Forward exchange contracts	19,794	–	(247)	19,794	–	(247)
Interest rate derivative financial instruments	536,725	–	(7,187)	371,600	–	(3,547)
	556,519	–	(7,434)	391,394	–	(3,794)

	Group		Trust	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Classified as				
– Current liabilities	2,845	7,434	1,503	3,794
– Non-current liabilities	50	–	50	–
	2,895	7,434	1,553	3,794
Financial derivatives as a percentage of net assets	-0.2%	-0.6%	-0.1%	-0.3%

As at 30 September 2017, the fixed interest rates of the outstanding interest rate derivative financial instruments is between 1.68% to 2.90% (2016: 1.05% to 2.90%) while the floating interest rates are linked to the SOR and BBSY rate as applicable to the Group's borrowings.

Forward exchange contracts are used to hedge foreign currency risk arising from the net receipts of income generated from the Australian properties denominated in Australian dollars net of anticipated payments required in the same currency for which firm commitments existed at the end of the reporting period.

13. TRADE AND OTHER PAYABLES

	Group		Trust	
	2017 S$'000	**2016 S$'000**	**2017 S$'000**	**2016 S$'000**
Trade payables				
– related parties	77	1,095	77	1,095
– others	1,826	934	1,203	70
Accrued operating expenses	11,812	7,626	4,495	4,644
Fees payable to the Manager	6,241	3,444	6,241	3,444
Fees payable to property manager	618	648	618	648
Fees payable to the Trustee	159	156	159	156
Interest payable	1,544	1,157	293	455
Other payables				
– subsidiaries	–	–	942	3,964
– related parties	506	403	506	403
– others	423	509	398	500
	23,206	15,972	14,932	15,379
Add:				
Net GST payable	1,516	1,687	573	830
Income received in advance	4,191	5,114	613	218
Withholding tax payable	473	529	380	438
	29,386	23,302	16,498	16,865

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.

14. UNITHOLDERS' FUNDS

	Group and Trust Number of Units	
	2017 '000	**2016 '000**
Units issued:		
At beginning of the financial year	794,298	782,704
Issuance of Units:		
Management fees paid in Units	288	2,635
Distribution paid in Units	10,778	8,959
At end of the financial year	805,364	794,298
Units to be issued:		
Management fees payable in Units	451	–
Issued and issuable Units at end of the financial year	805,815	794,298

14. UNITHOLDERS' FUNDS (CONT"D)

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.

15. GROSS REVENUE

	Group		Trust	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Property rental income	137,178	137,785	79,600	83,057
Dividend income from subsidiaries	–	–	24,770	21,178
Management fee income from subsidiaries	–	–	4,098	3,898
Other property income	19,373	18,712	4,360	4,620
	156,551	156,497	112,828	112,753
Contingent rent, included in gross revenue:				
– based on tenants' turnover	213	241	213	241

16. PROPERTY OPERATING EXPENSES

	Group		Trust	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Amortisation of leasing fees capitalised	957	890	803	760
Council rates	2,146	2,036	–	–
Insurance	493	472	246	250
Property management and other related fees	6,315	5,643	2,519	2,630
Property maintenance expenses	15,282	13,379	7,840	7,331
Property tax	8,097	8,326	6,618	7,251
Utilities	6,428	6,629	4,954	5,258
Valuation fees	91	81	43	42
Other operating expenses	2,899	3,427	700	847
	42,708	40,883	23,723	24,369

17. INTEREST INCOME

	Group		Trust	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Interest income on:				
– bank deposits	501	633	412	578
– loan to a subsidiary	–	–	7,045	6,782
	501	633	7,457	7,360

18. TRUST EXPENSES

	Group		Trust	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Management fees				
– Base fee	10,103	9,885	10,103	9,885
– Performance fee	3,603	3,700	3,603	3,700
Trustee's fees	627	607	627	607
Audit fees	148	139	99	90
Non-audit fees paid to auditors of the Trust	196	129	80	65
Professional and legal fees	426	613	249	413
Other expenses	343	228	419	303
	15,446	15,301	15,180	15,063

19. FINANCE EXPENSES

	Group		Trust	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Interest expenses	22,685	22,575	14,039	13,981
Capitalised borrowing costs expensed off	499	582	499	582
Amortisation of borrowing costs	1,250	1,606	822	1,195
	24,434	24,763	15,360	15,758

The capitalised borrowing costs expensed off in the years ended 30 September 2017 and 2016 were due to early partial prepayment of loan facilities.

20. TAXATION

	Group		Trust	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Current tax expense				
– Overseas income tax	(2,984)	(3,029)	–	–
– Underprovision in respect of prior years	(34)	–	–	–
	(3,018)	(3,029)	–	–
Deferred tax				
– Origination and reversal of temporary differences	(20,654)	(1,810)	–	–
	(23,672)	(4,839)	–	–

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 2017 and 30 September 2016 are as follows:

	Group		Trust	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Tax at the domestic rates applicable to profits in the countries where the Group and Trust operate	(32,079)	(35,345)	(11,499)	(11,933)
Income not subject to tax	1,493	25,060	690	1,278
Expenses not deductible for tax purposes	(6,105)	(7,653)	(2,350)	(2,454)
Tax transparency	8,747	9,400	8,747	9,400
Tax exempt income	4,306	3,709	4,306	3,709
Underprovision in respect of prior years	(34)	–	–	–
Others	–	(10)	106	–
	(23,672)	(4,839)	–	–

The corporate income tax rate applicable to the Trust and Singapore entities of the Group was 17% (2016: 17%). The corporate income tax rate applicable to the Australian entities of the Group was 30% (2016: 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	
	2017	2016
	S$'000	S$'000
Total return for the financial year and earnings attributable to Unitholders	111,444	71,241
Basic earnings per Unit		
Weighted average number of Units during the financial year ('000)	798,844	787,773
Basic earnings per Unit (cents)	13.95	9.04
Diluted earnings per Unit		
Weighted average number of Units during the financial year ('000)	798,844	787,773
Diluted earnings per Unit (cents)	13.95	9.04

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	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Capital commitments in respect of investment properties	47,740	–	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	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Within one year	93,515	125,762	46,084	73,219
Between one and five years	217,082	192,960	48,622	58,222
After five years	101,122	101,340	731	1,121
	411,719	420,062	95,437	132,562

(c) Guarantee

The Trust has provided corporate guarantee amounting to S$553,356,000 (2016: S$318,778,000) to banks for loans taken by certain subsidiaries.

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	
	2017 S$'000	2016 S$'000
With related companies of the Manager		
– Property rental and other income received/receivable	988	911
– Reimbursement of capital expenditure paid/payable by the Trust	1,090	574
– Recovery of expenses paid/payable by the Trust	–	154
– Expenses paid/payable by related parties	(86)	(46)
– Reimbursement of rent-free periods received	200	427
– Property management fees paid/payable	(3,182)	(3,246)
– Leasing commission and other expenses paid/payable	(2,477)	(3,209)
With the Manager		
– Base management fees paid/payable	(10,103)	(9,885)
– Performance management fees paid/payable	(3,603)	(3,700)
– Reimbursement of expenses paid by Manager	(69)	(50)
With the Trustee		
– Trustee's fees paid/payable	(627)	(607)

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	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Loans and receivables				
Loan to a subsidiary	–	–	92,542	90,646
Trade and other receivables	2,623	2,922	73,964	73,868
Cash and cash equivalents	74,609	71,487	69,654	65,193
	77,232	74,409	236,160	229,707
Financial liabilities at amortised cost				
Interest-bearing borrowings	747,950	742,291	525,185	524,512
Security deposits	13,093	13,076	13,093	13,076
Trade and other payables	23,206	15,972	14,932	15,379
	784,249	771,339	553,210	552,967
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	50	247	50	247
Financial liabilities at fair value through hedging reserves				
Derivative financial instruments	2,845	7,187	1,503	3,547

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 and bankers' guarantee received from tenants. Information regarding financial assets that are either past due or impaired is disclosed in Note 9.

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 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 exposures to foreign currencies are as follows:

	2017		2016	
	Australian Dollar S$'000	**Japanese Yen S$'000**	**Australian Dollar S$'000**	**Japanese Yen S$'000**
Group				
Cash and cash equivalents	25,957	165	24,653	183
Trust				
Loan to a subsidiary	92,542	–	90,646	–
Amount due from subsidiaries	86,774	–	76,365	–
Cash and cash equivalents	25,957	165	24,653	183
Amount due to subsidiaries	–	–	(6,959)	–
	205,273	165	184,705	183

As at 30 September 2017, the Group did not have outstanding forward exchange contracts. As at 30 September 2016, the Group had outstanding forward exchange contracts with notional amount of approximately S$19.8 million to hedge future receipts of Australian distribution income, net of anticipated payments required in Australian dollar.

Sensitivity analysis

A 10% strengthening of the Singapore dollar against the following foreign currencies at the reporting date would have increased/(decreased) the total return by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2017		2016	
	Australian Dollar S$'000	**Japanese Yen S$'000**	**Australian Dollar S$'000**	**Japanese Yen S$'000**
Group				
Decrease in total return for the financial year – 10% strengthening on the Singapore dollar	(2,596)	(17)	(2,465)	(18)
Trust				
Decrease in total return for the financial year – 10% strengthening on the Singapore dollar	(20,527)	(17)	(18,470)	(18)

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 relate 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 2017, the Group and Trust had interest rate derivatives with notional contract amounts of S$435.2 million (2016: S$536.7 million) and S$266.6 million (2016: S$371.6 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$1.5 million (2016: S$1.1 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$5.4 million (2016: S$11.9 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$5.6 million (2016: S$11.9 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
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)

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
2016								
Financial assets								
Loan to a subsidiary	–	–	–	–	–	–	90,646	90,646
Interest receivable on loan to a subsidiary	–	–	–	–	6,934	27,738	6,706	41,378
Trade and other receivables	2,922	–	–	2,922	73,868	–	–	73,868
Cash and cash equivalents	71,487	–	–	71,487	65,193	–	–	65,193
	74,409	–	–	74,409	145,995	27,738	97,352	271,085
Financial liabilities								
Forward exchange contracts (Gross-settled)								
– Outflow	(19,794)	–	–	(19,794)	(19,794)	–	–	(19,794)
– Inflow	19,457	–	–	19,457	19,457	–	–	19,457
Interest rate derivatives (Net-settled)	(3,821)	(2,977)	–	(6,798)	(2,122)	(576)	–	(2,698)
Interest-bearing borrowings	(180,000)	(565,378)	–	(745,378)	(180,000)	(346,600)	–	(526,600)
Interest payable on borrowings	(18,370)	(34,114)	–	(52,484)	(11,696)	(23,566)	–	(35,262)
Security deposits	(5,340)	(7,736)	–	(13,076)	(5,340)	(7,736)	–	(13,076)
Trade and other payables	(15,972)	–	–	(15,972)	(15,379)	–	–	(15,379)
	(223,840)	(610,205)	–	(834,045)	(214,874)	(378,478)	–	(593,352)
Net undiscounted financial (liabilities)/assets	(149,431)	(610,205)	–	(759,636)	(68,879)	(350,740)	97,352	(322,267)

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 2017 and 30 September 2016.

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
2017			
Non-financial assets			
Investment properties	–	2,070,857	2,070,857
Financial liabilities			
Interest rate derivative financial instruments	(2,895)	–	(2,895)
2016			
Non-financial assets			
Investment properties	–	1,989,287	1,989,287
Financial liabilities			
Forward currency contracts	(247)	–	(247)
Interest rate derivative financial instruments	(7,187)	–	(7,187)
	(7,434)	–	(7,434)

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
2017			
Non-financial assets			
Investment properties	–	1,212,000	1,212,000
Financial liabilities			
Interest rate derivative financial instruments	(1,553)	–	(1,553)
2016			
Non-financial assets			
Investment properties	–	1,209,500	1,209,500
Financial liabilities			
Forward currency contracts	(247)	–	(247)
Interest rate derivative financial instruments	(3,547)	–	(3,547)
	(3,794)	–	(3,794)

(b) Level 2 fair value measurements

Forward exchange contracts and interest rate 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 credit quality of counterparties, foreign exchange spot and 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 2017	2016	Relationship of unobservable inputs to fair value
<u>Singapore properties</u>				
Income capitalisation method	– Capitalisation rate	3.2% – 6.0%	3.7% – 6.5%	The higher the rate, the lower the fair value
Discounted cash flow analysis	– Discount rate	7.0% – 7.7%	6.5% – 8.0%	The higher the rate, the lower the fair value
	– Terminal capitalisation rate	3.5% – 6.2%	3.7% – 6.7%	The higher the rate, the lower the fair value
<u>Australia properties</u>				
Income capitalisation method	– Capitalisation rate	5.2% – 7.2%	5.6% – 7.5%	The higher the rate, the lower the fair value
Discounted cash flow analysis	– Discount rate	6.7% – 7.7%	7.0% – 7.7%	The higher the rate, the lower the fair value
	– Terminal capitalisation rate	5.5% – 7.2%	5.9% – 7.7%	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.

(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.

26. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) Other financial assets and liabilities *(cont'd)*

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:

	2017		2016	
	Carrying amount S$'000	**Fair value S$'000**	**Carrying amount S$'000**	**Fair value S$'000**
Group				
Security deposits (Non-current)	7,423	6,947	7,736	7,317
Trust				
Security deposits (Non-current)	7,423	6,947	7,736	7,317
Loan to a subsidiary	92,542	110,184	90,646	106,867

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 Group's balance sheet.

	Group	
	2017 S$'000	**2016 S$'000**
Gross borrowings (Note 11)	749,956	745,378
Total assets	2,158,942	2,069,358
Gearing ratio	34.7%	36.0%

The Group is in compliance with all externally imposed capital requirements for the financial years ended 30 September 2017 and 2016.

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 2.17. 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 years ended 30 September 2017 and 30 September 2016 relate wholly to investing in real estate and real estate-related assets in the commercial sector in Singapore and Australia.

28. OPERATING SEGMENTS (CONT'D)

(b) Information about reportable segments

	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 income tax			135,116
Taxation			(23,672)
Total return for the financial year			111,444
Reportable segmental non-current assets	1,212,066	858,857	2,070,923
Reportable segmental current assets	12,836	16,565	29,401
Total assets for reportable segments	1,224,902	875,422	2,100,324
Capital expenditure	4,667	1,121	5,788

28. OPERATING SEGMENTS (CONT'D)

(b) Information about reportable segments *(cont'd)*

	Singapore S$'000	Australia S$'000	Total S$'000
2016			
Gross revenue	87,676	68,821	156,497
Property operating expenses	(24,370)	(16,513)	(40,883)
Segment net property income	63,306	52,308	115,614
Net change in fair value of investment properties	(556)	(134)	(690)
			114,924
Unallocated items:			
– Interest income			633
– Trust expenses			(15,301)
– Finance expenses			(24,763)
– Exchange differences			1,923
– Net change in fair value of derivative financial instruments			(785)
– Realised loss on derivative financial instruments			(551)
Total return before income tax			76,080
Taxation			(4,839)
Total return for the financial year			71,241
Reportable segmental non-current assets	1,209,581	779,787	1,989,368
Reportable segmental current assets	2,214	5,798	8,012
Total assets for reportable segments	1,211,795	785,585	1,997,380
Capital expenditure	1,079	1,867	2,946

28. OPERATING SEGMENTS (CONT'D)

(c) Reconciliations of reportable segment revenues, total return, assets and other material items

	Group 2017 S$'000	Group 2016 S$'000
Revenue		
Total revenue for reportable segments	156,551	156,497
Total return		
Total return for reportable segments	173,909	114,924
Unallocated items	(62,465)	(43,683)
Consolidated total return	111,444	71,241
Assets		
Total assets for reportable segments	2,100,324	1,997,380
Unallocated assets	58,618	71,978
Consolidated total assets	2,158,942	2,069,358

(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$22,217,000 (2016: S$21,202,000).

29. FINANCIAL RATIOS

	Group 2017 %	Group 2016 %
Expenses to weighted average net assets[(1)]		
– with performance fee	1.24	1.26
– without performance fee	0.95	0.95
Portfolio turnover ratio[(2)]	–	–
Total operating expenses to net asset value [(3)]	4.51	4.57

(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 and Trust 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 and Trust 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

(a) On 20 October 2017, the Trust declared a distribution of 2.4070 cents per Unit in respect of the period from 1 July 2017 to 30 September 2017.

(b) On 22 September 2017, the Group was informed by a key tenant, Hewlett-Packard Enterprise Singapore Pte Ltd ("HPE"), of non-renewal of leases at Alexandra Technopark upon the expiration of relevant leases on 30 September 2017 and 30 November 2017. HPE will not be renewing leases in respect of 178,843 square feet of space out of the total of 191,846 square feet which it occupied. The original leases by HPE constituted approximately 6.3% of the Group's gross revenue for the year ended 30 September 2017.

On 3 November 2017, the Group was informed by a key tenant, Hewlett-Packard Singapore Pte Ltd ("HPS"), of the partial extension of its lease at Alexandra Technopark expiring on 30 November 2017. Out of the floor area of 304,920 square feet which HPS occupied under the lease, HPS will be extending the lease in respect of an aggregate of 266,905 square feet by between two to thirteen months from 1 December 2017. The original lease by HPS constituted approximately 9.7% of the Group's gross revenue for the year ended 30 September 2017.

UNITHOLDERS' STATISTICS

AS AT 27 NOVEMBER 2017

ISSUED AND FULLY PAID-UP UNITS

As at 27 November 2017

805,815,367 Units (voting rights: one vote per Unit)
Market Capitalisation S$1,168,432,282 (based on closing price of S$1.450 per Unit on 27 November 2017)

TOP 20 UNITHOLDERS

As at 27 November 2017
As shown in the Register of Unitholders

No.	Name	No. of Units	%
1	FCL Trust Holdings (Commercial) Pte Ltd	123,621,055	15.3
2	Citibank Nominees Singapore Pte Ltd	120,158,600	14.9
3	DBS Nominees (Private) Limited	118,074,358	14.7
4	Frasers Centrepoint Asset Management (Commercial) Ltd	91,897,375	11.4
5	Raffles Nominees (Pte) Limited	39,497,298	4.9
6	HSBC (Singapore) Nominees Pte Ltd	36,232,019	4.5
7	DBSN Services Pte Ltd	23,501,049	2.9
8	United Overseas Bank Nominees (Private) Limited	10,099,382	1.3
9	OCBC Securities Private Limited	8,137,686	1.0
10	CIMB Securities (Singapore) Pte Ltd	5,509,409	0.7
11	DBS Vickers Securities (Singapore) Pte Ltd	4,965,521	0.6
12	UOB Kay Hian Private Limited	3,387,065	0.4
13	OCBC Nominees Singapore Private Limited	3,383,522	0.4
14	Sunshine Bay Limited	3,110,024	0.4
15	Maybank Kim Eng Securities Pte Ltd	2,970,867	0.4
16	Phillip Securities Pte Ltd	2,916,786	0.4
17	Heng Siew Eng	2,572,000	0.3
18	BNP Paribas Nominees Singapore Pte Ltd	1,844,714	0.2
19	BPSS Nominees Singapore (Pte) Ltd	1,844,356	0.2
20	Liang Thow Yick	1,767,000	0.2
	Total	605,490,086	75.1

DISTRIBUTION OF UNITHOLDERS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	184	1.8	6,819	0.0
100 – 1,000	1,241	12.4	721,503	0.1
1,001 – 10,000	5,206	51.8	27,161,690	3.4
10,001-1,000,000	3,389	33.7	155,370,316	19.3
1,000,001 and above	33	0.3	622,555,039	77.2
Total	10,053	100.0	805,815,367	100.0

UNITHOLDERS' STATISTICS

AS AT 27 NOVEMBER 2017

SUBSTANTIAL UNITHOLDERS

As at 27 November 2017

Name of Unitholder	Direct interest No. of Units	Deemed interest No. of Units	% of Units in Issue
Frasers Centrepoint Asset Management (Commercial) Ltd.	91,897,375	863,924[(1)]	11.5
FCL Trust Holdings (Commercial) Pte. Ltd.	123,621,055	–	15.3
Frasers Centrepoint Limited[(2)]	–	216,382,354	26.8
Thai Beverage Public Company Limited[(3)]	–	216,382,354	26.8
International Beverage Holdings Limited[(4)]	–	216,382,354	26.8
InterBev Investment Limited[(5)]	–	216,382,354	26.8
Siriwana Company Limited[(6)]	–	216,382,354	26.8
Maxtop Management Corp.[(7)]	–	216,382,354	26.8
Risen Mark Enterprise Ltd.[(8)]	–	216,382,354	26.8
Golden Capital (Singapore) Limited[(9)]	–	216,382,354	26.8
MM Group Limited[(10)]	–	216,382,354	26.8
TCC Assets Limited[(11)]	–	216,382,354	26.8
Charoen Sirivadhanabhakdi[(12)]	–	216,382,354	26.8
Khunying Wanna Sirivadhanabhakdi[(13)]	–	216,382,354	26.8

Notes:

(1) Frasers Centrepoint Asset Management (Commercial) Ltd. ("**FCAMC**") 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 Centrepoint Limited ("**FCL**") holds a 100% direct interest in each of FCAMC and FCL Trust Holdings (Commercial) Pte. Ltd ("**FCLTC**"). FCAMC and FCLTC hold units in FCOT and FCAMC is deemed interested in the units in FCOT held by FCPMC. FCL therefore has a deemed interest in the units in FCOT in which each of FCAMC and FCLTC 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 FCL;
- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

ThaiBev therefore has a deemed interest in the units in FCOT in which FCL 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 FCL;
- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

IBHL therefore has a deemed interest in the units in FCOT in which FCL has an interest, by virtue of Section 4 of the SFA.

(5) IBIL holds a greater than 20% interest in FCL;

- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

IBIL therefore has a deemed interest in the units in FCOT in which FCL 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 FCL;
- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

SCL therefore has a deemed interest in the units in FCOT in which FCL 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 FCL;
- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

MMC therefore has a deemed interest in the units in FCOT in which FCL 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 FCL;
- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

RM therefore has a deemed interest in the units in FCOT in which FCL 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 FCL;
- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

GC therefore has a deemed interest in the units in FCOT in which FCL 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 FCL;
- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

MM therefore has a deemed interest in the units in FCOT in which FCL has an interest, by virtue of Section 4 of the SFA.

(11) TCC Assets Limited ("**TCCA**") holds a majority interest in FCL;

- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

TCCA therefore has a deemed interest in the units in FCOT in which FCL 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 FCL;
- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

Charoen Sirivadhanabhakdi therefore has a deemed interest in the units in FCOT in which FCL has an interest, by virtue of Section 4 of the SFA.

UNITHOLDERS' STATISTICS

AS AT 27 NOVEMBER 2017

[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 FCL;
- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

Khunying Wanna Sirivadhanabhakdi therefore has a deemed interest in the units in FCOT in which FCL has an interest, by virtue of Section 4 of the SFA.

UNITHOLDINGS OF DIRECTORS OF THE MANAGER

As at 21 October 2017

	Directors	No. of Units Direct Interest	Deemed interest	% of Units in Issue
1	Dr Chua Yong Hai	164,438	164,438	0.0[1]
2	Tan Guong Ching	243,214	–	0.0[1]
3	Christopher Tang Kok Kai	–	200,000	0.0[1]
4	Bobby Chin Yoke Choong	100,000	–	0.0[1]
5	Low Chee Wah	–	60,000	0.0[1]

Note:

[1] Less than 0.05%

FREE FLOAT

Based on information available to the Manager as at 27 November 2017, approximately 73% 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 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 Centrepoint Asset Management (Commercial) Ltd		
– Management fees paid and payable[1]	(13,719)	–
Frasers Centrepoint Property Management Services Pte Ltd		
– Property management fees paid and payable	(4,996)	–
Frasers Property Limited (formerly known as Australand Management Services Pty Ltd)		
– Reimbursement of rent-free periods received[2]	200	–
Frasers Property Management Services Pty Ltd (formerly known as Australand Management Services Pty Ltd)		
– Property management fees contracted[3]	(2,111)	–
– Rental and other property income received	158	–
FCL Management Services Pte Ltd		
– Rental and other property income received	581	–
– Project management fees paid and payable	(1,245)	–
– Reimbursement of staff cost paid and payable	(450)	–
Fraser and Neave (Singapore) Pte Ltd		
– Rental and other property income received and contracted	745	–
British and Malayan Trustees Limited		
– Trustee's fees paid and payable	(627)	–

INTERESTED PERSON TRANSACTIONS

Management fees, acquisition fees and divestment fees payable to Frasers Centrepoint Asset Management (Commercial) Limited 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/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.

Notes

1 A summary of Units issued for part payment of the management fees to Frasers Centrepoint Asset Management (Commercial) Ltd in respect of the financial year ended 30 September 2017 is as follows:

Relevant Period	Issue date	Ordinary Units issued	Value $'000
1 April 2017 to 30 June 2017	26 July 2017	287,384	406
1 July 2017 to 30 September 2017	24 October 2017	451,535	622

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.

2 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 ended 30 September 2017, the reimbursements received pursuant to the foregoing amounted to approximately S$200,000.

3 Upon the expiry on 17 August 2017 of the property management agreement dated 18 August 2015 with Frasers Property Management Services Pty Ltd in respect of 357 Collins Street, a new property management agreement was entered into with Frasers Property Management Services Pty Ltd. Under the new property management agreement, Frasers Property Management Services Pty Ltd was re-appointed as property manager for 357 Collins Street for a period of 3 years commencing 18 August 2017. During the financial year ended 30 September 2017, the aggregate fees payable pursuant to the aforesaid property management agreements amounted to approximately S$2,111,000.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 9th 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 Monday, 22 January 2018 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 Centrepoint Asset Management (Commercial) Ltd., the manager of FCOT (the "**Manager**"), the Audited Financial Statements of FCOT for the financial year ended 30 September 2017 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.

To consider and, if thought fit, to pass the following Extraordinary Resolution, with or without any modifications:

Resolution (4)

4. That:

(a) approval be and is hereby given to amend the Trust Deed to include provisions regarding electronic communications of notices and documents to Unitholders in the manner set out in Annex A of the appendix to the Notice of Annual General Meeting (the "**Appendix**") dated 22 December 2017 (the "**Proposed Electronic Communications Trust Deed Supplement**"); and

(b) the Manager 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 or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of FCOT to give effect to the Proposed Electronic Communications Trust Deed Supplement.

(Please see the Explanatory Note)

Frasers Centrepoint Asset Management (Commercial) Ltd.
(Company Registration No: 200503404G)
as manager of Frasers Commercial Trust

Catherine Yeo
Company Secretary
Singapore
22 December 2017

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.

Resolution 4

In connection with the amendments to the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), companies are allowed to send notices and documents electronically to their shareholders with the express, deemed or implied consent (the "**Deemed Consent Regime**" and the "**Implied Consent Regime**", respectively) of the shareholders if the constitution of the company provides for it and the specified modes of electronic communications are set out in the constitution of the company (the "**Companies Act Electronic Communications Amendments**"). The SGX-ST has recently amended the listing rules of the SGX-ST (the "**Listing Rules**") to align the Listing Rules with the Companies Act Electronic Communications Amendments, with issuers allowed to transmit certain types of notices and documents to shareholders (or Unitholders, in the case of a listed real estate investment trust ("**REIT**") such as FCOT) electronically with the express, deemed or implied consent of shareholders.

Although FCOT is not bound by the Companies Act, it is nonetheless bound by the Listing Rules as a listed REIT. Accordingly, the Manager proposes to amend the Trust Deed to adopt certain provisions of the Listing Rules to implement the Implied Consent Regime and the Deemed Consent Regime and allow for such electronic transmission of notices and documents in relation to FCOT.

(See the Appendix in relation to the Proposed Electronic Communications Trust Deed Supplement for further details.)

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.

This page is intentionally left blank.

Apply glue here

Apply glue here

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 22 December 2017.

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 Monday, 22 January 2018 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 2017 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		
4.	To approve the Proposed Electronic Communications Trust Deed Supplement		

* 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.

Total number of Units held (Note 5)

Dated this ________________ day of ________________ 2017/2018

____

Signature(s) of Unitholder(s)/Common Seal

IMPORTANT: PLEASE READ NOTES TO THE PROXY FORM

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 (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.
4. Completion and return of this instrument appointing a proxy or proxies 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 instrument of proxy, 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 form of proxy 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 Centrepoint Asset Management (Commercial) 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 Centrepoint Asset Management (Commercial) Ltd.
438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958
Phone: +65 6276 4882
Fax: +65 6276 8942
Email: fcot@fraserscentrepoint.com
Website: www.fraserscommercialtrust.com

DIRECTORS OF THE MANAGER

Mr Bobby Chin Yoke Choong[1]
Chairman & Independent Non-Executive Director

Dr Chua Yong Hai[2]
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 Tan Guong Ching[3]
Independent 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[4]
Mr Chang Tou Chen[5]
Dr Chua Yong Hai[2]
Mr Tan Guong Ching[3]

NOMINATING AND REMUNERATION COMMITTEE

Mr Chang Tou Chen (Chairman)[6]
Mr Tan Guong Ching (Chairman)[3]
Mr Bobby Chin Yoke Choong[4]
Dr Chua Yong Hai[2]
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

Australia and New Zealand Banking Group Limited
BNP Paribas Singapore Branch
Commonwealth Bank of Australia, Singapore Branch
DBS Bank Limited
Malayan Banking Berhad
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

1 Appointed as Chairman of the Board of the Manager with effect from 30 November 2017.
2 Retired as Chairman of the Board of the Manager and as a member of the Audit, Risk and Compliance Committee and the Nominating and Remuneration Committee with effect from 30 November 2017.
3 Retired from the Board of the Manager and as the Chairman of the Nominating and Remuneration Committee and as a member of the Audit, Risk and Compliance Committee with effect from 30 November 2017.
4 Appointed as a member of the Audit, Risk and Compliance Committee and the Nominating and Remuneration Committee on 1 August 2017.
5 Appointed as a member of the Audit, Risk and Compliance Committee on 30 June 2017.
6 Appointed as a member of the Nominating and Remuneration Committee on 30 June 2017 and as the Chairman of the Nominating and Remuneration Committee on 30 November 2017.

FRASERS
COMMERCIAL
TRUST

Managed by:

FRASERS CENTREPOINT ASSET MANAGEMENT (COMMERCIAL) LTD.
Company Registration Number: 200503404G

438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958

Phone: +65 6276 4882
Fax: +65 6276 8942

www.fraserscommercialtrust.com