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# Frasers Commercial Trust

SGX-REITAS Education Series in Singapore

8 May 2019



# Important notice

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Certain statements in this Presentation constitute “forward-looking statements”, including forward-looking financial information. Such forward-looking statement and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Frasers Commercial Trust (“FCOT”) or the Manager, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the Manager’s present and future business strategies and the environment in which FCOT or the Manager will operate in the future. Because these statements and financial information reflect the Manager’s current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information.

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

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

This advertisement has not been reviewed by the Monetary Authority of Singapore.

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# FCOT Overview



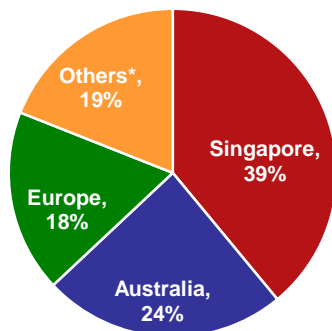
# Frasers Commercial Trust (“FCOT”) Overview

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



Market capitalisation: S\$5.4 billion (listed on SGX-ST)  
 Total assets: S\$33 billion  
 Presence: Over 80 cities

**Frasers Property 2QFY19 total assets by geography**



1



**FRASERS  
COMMERCIAL  
TRUST**

Listed on SGX-ST: March 2006 (Stock code: Frasers Com Tr)^

Market capitalisation: S\$1.3 billion

Total assets: S\$2.1 billion

Free float: 75% (25% held by Frasers Property and its subsidiaries)

Presence: 6 office and business space/park properties (total 3.4 mil sf) in Singapore, Australia and the UK

2



(retail properties)

3



4



As at 31 March 2019.

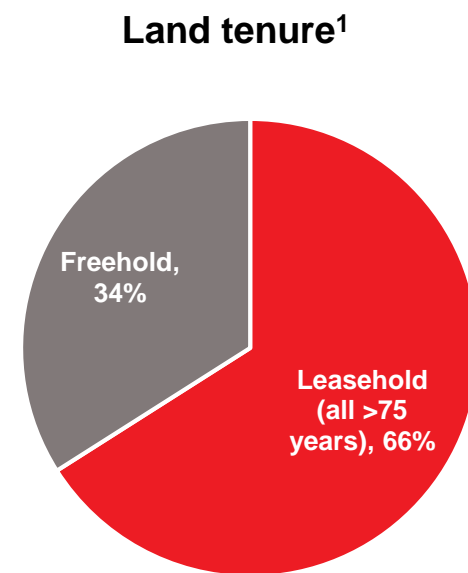
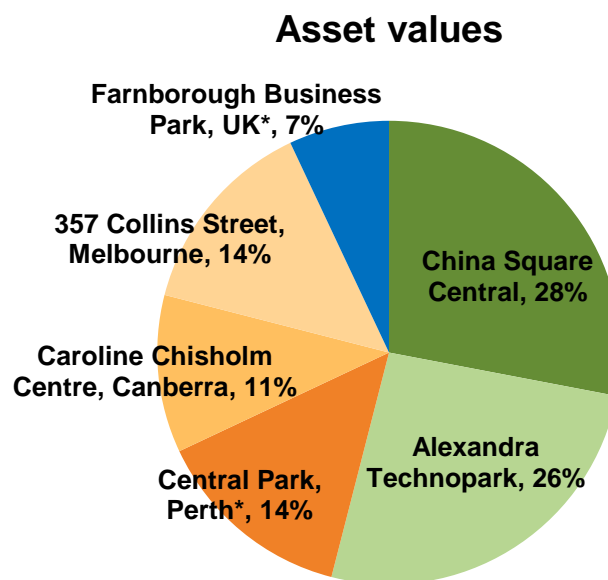
Sources: Bloomberg, Frasers Property 2QFY19 Results Presentation.

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

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

# Portfolio Review *Asset values*

- ◆ Diversified portfolio with no single property accounting for more than 28% of portfolio value
- ◆ 100% of portfolio has more than 75 years' land tenures, including 34% with freehold tenures



## Asset values as at 31 March 2019

Singapore	\$	1,150.5 mil	54%
Australia	\$	820.0 mil	39%
United Kingdom	\$	155.0 mil	7%
<b>Portfolio asset value</b>	<b>\$</b>	<b>2,125.5 mil</b>	<b>100%</b>

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

<sup>1</sup> Based on asset values as at 31 March 2019.

# FCOT Overview *Accolades*

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



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



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



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



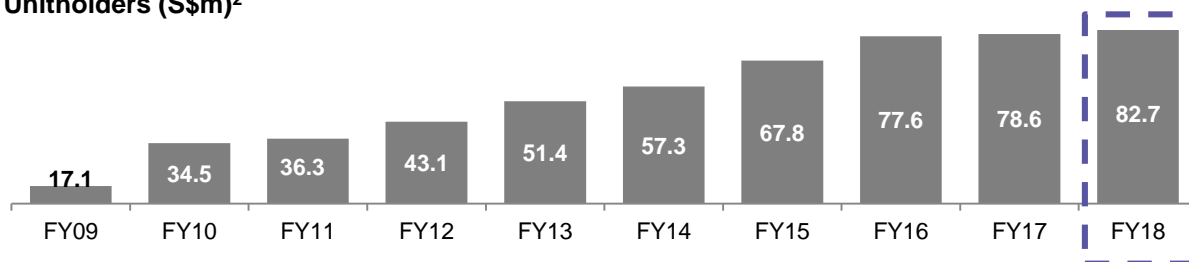
- Gold, Best Annual Report 2017 in the Singapore Corporate Awards (REITS and Business Trusts Category)

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

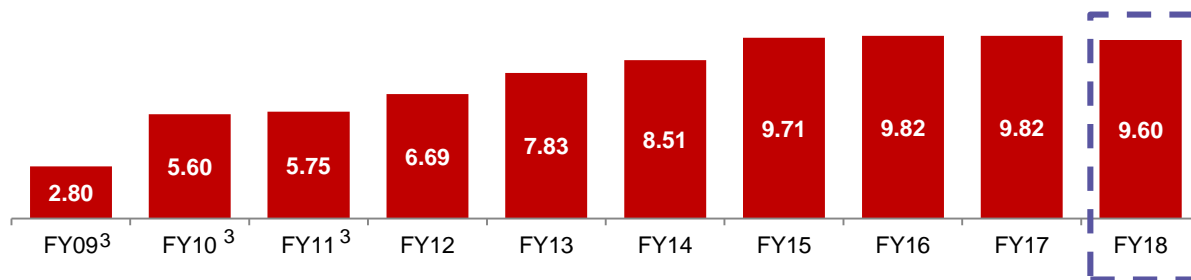
# Record Annual Distribution Income in FY18

- ◆ FCOT has been listed for 12 years since 30 March 2006 (initially as Allco Reit)
- ◆ Became part of Frasers Property Group in Aug 2008
- ◆ 5-year total return of 63.3% exceeded the FTSE Straits Times Index's total return of 22.1%<sup>1</sup>

Distribution income to Unitholders (S\$m)<sup>2</sup>



DPU (Cents)<sup>2</sup>



**30 March 2006**  
 No. of properties: 2  
 Portfolio value: S\$0.7 billion<sup>4</sup>



**30 September 2018**  
 No. of properties: 6  
 Portfolio value: S\$2.1 billion

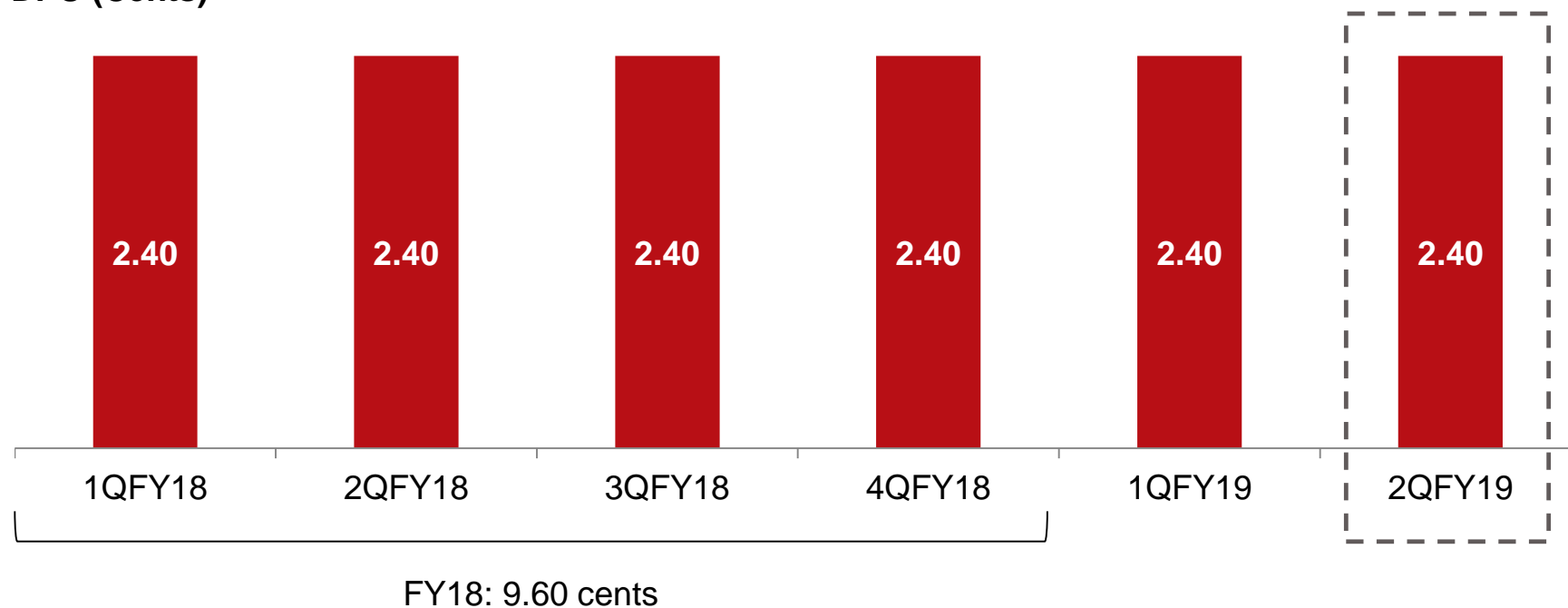
1. 5-year up to September 2018. Assumes dividends are reinvested. Source: Bloomberg.  
 2. On 26 August 2009, Frasers Commercial Trust changed its financial year end from 31 December to 30 September. As a result, FY09 comprised a 9-month period from 1 January to 30 September 2009.  
 3. Adjusted for Unit consolidation.  
 4. As set out in the prospectus dated 23 March 2006.



# DPU profile

- ◆ 2QFY19 DPU was stable both Q-o-Q and Y-o-Y

## DPU (Cents)<sup>1</sup>

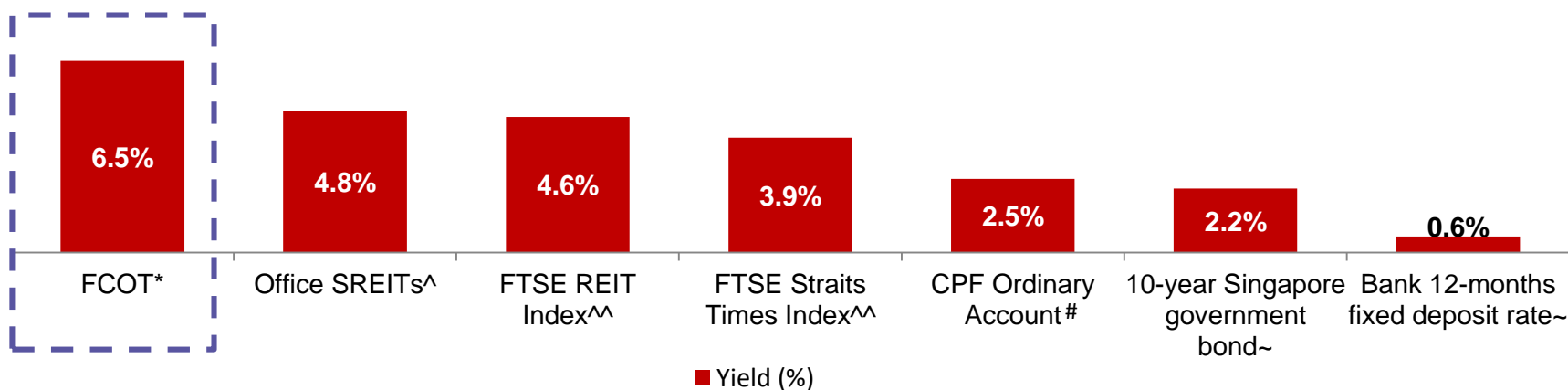


1. 100% management fees were paid in Units in 2QFY19, 1QFY19 and all four quarters of FY18.

# Attractive yield

- FCOT offers an attractive yield and currently trades around 430 basis points above the 10-year Singapore government bond

## Yield (%)



### Preferential tax rates for investors

Individuals
Qualifying unitholders (Singapore incorporated and tax-resident companies)
Foreign unitholders (non-individual)

### Taxable dividends received\*\*

Gross
Gross, but income tax payable at own applicable tax rates
Net of 10.0% withholding tax

\* Based on FCOT's closing price of \$1.48 per Unit as at 30 April 2019 and annualised FY19 DPU of 9.63 cents.

^ Based on closing prices as at 30 April 2019 and annualised DPU. Source: Bloomberg. Weighted average (based on market capitalisation) and comprised Frasers Commercial Trust, Keppel REIT, CapitaLand Commercial Trust and Suntec REIT.

^^ As at 30 April 2019. Source: Bloomberg.

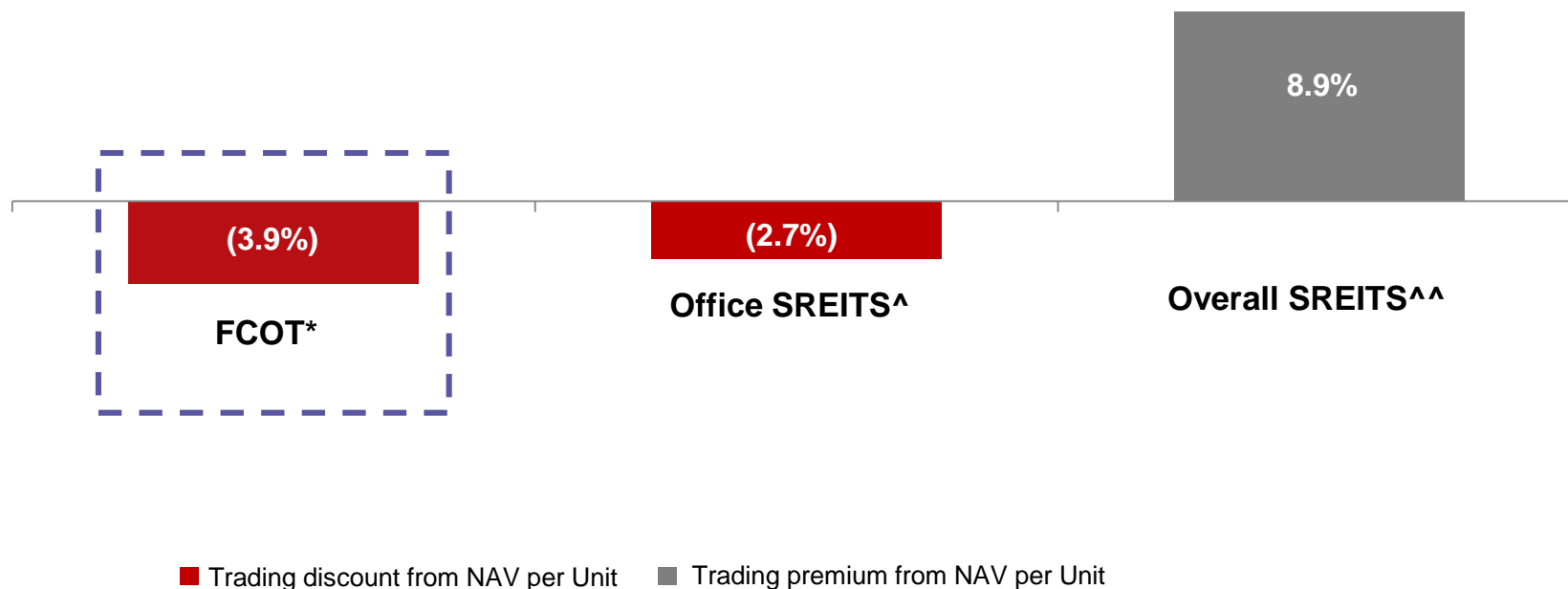
# Based on the interest rate paid on the Central Provident Fund (CPF) Ordinary Account from Jan 2019 to Mar 2019. Source: www.cpf.gov.sg.

~ As at April 2019. Source: www.mas.gov.sg.

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

# Discount to NAV

## Trading premium/discount to NAV per Unit (%)



\* Based on FCOT's closing price of \$1.48 per Unit as at 30 April 2019.

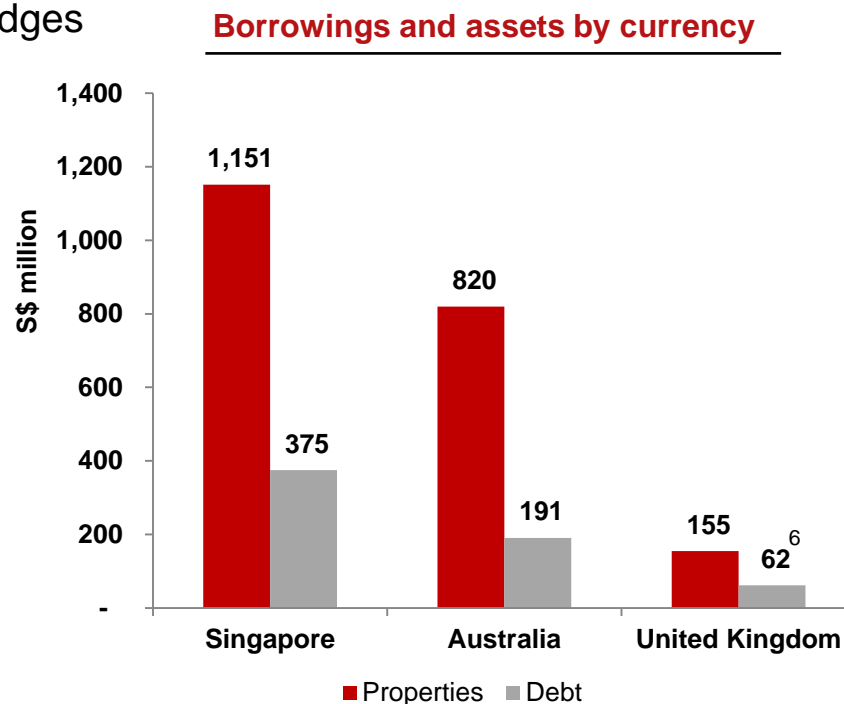
^ Based on closing prices as at 30 April 2019. Source: Bloomberg. Weighted average (based on market capitalisation) and comprised Frasers Commercial Trust, Keppel REIT, CapitalLand Commercial Trust and Suntec REIT.

^^ Based on closing prices as at 30 April 2019. Source: Bloomberg. Weighted average figures (based on market capitalisation) for all Singapore REITs and real estate trusts.

# Capital structure and debt statistics

- ◆ Prudent gearing of 29.1% affords financial flexibility for accretive investments and other growth opportunities
- ◆ Healthy interest coverage ratio of 4.7 times
- ◆ Borrowings in local currencies provide natural hedges

Statistics	As at 31 Mar 2019
Total Assets (S\$'000)	2,158,238
Gross Borrowings (S\$'000)	627,593
Units on Issue and Issuable entitled to distribution	902,911,651
NAV per Unit (ex-DPU) (S\$) <sup>1</sup>	1.54
Gearing <sup>2</sup>	29.1%
Interest coverage ratio (times) <sup>3</sup>	4.68
Average borrowing rate <sup>4</sup>	2.98% p.a.
FCOT Issuer rating by Moody's <sup>5</sup>	Baa2



1. Based on issued Units for the financial quarter ended 31 March 2019.

2. Gross borrowing as a percentage of total assets.

3. Net income before changes in fair values of investment properties, interest, other investments and derivative instruments, income tax and distribution, and adding back certain non-recurring items/cash finance costs for the quarter ended 31 March 2019.

4. For quarter ended 31 March 2019.

5. Moody's affirmed FCOT's Baa2 ratings (with a negative outlook) in its credit opinion report dated 28 February 2019.

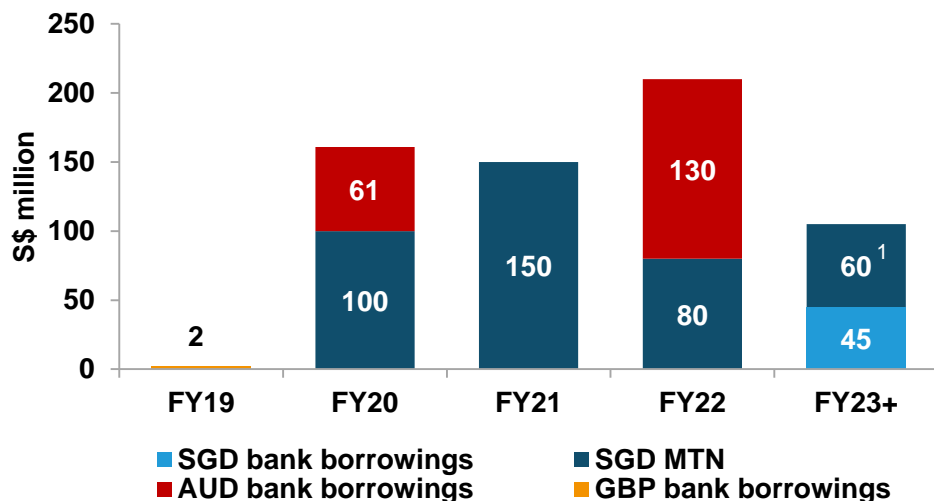
6. S\$60.0 million five-year senior unsecured notes issued in February 2018 was swapped into Sterling Pound.

# Prudent capital management

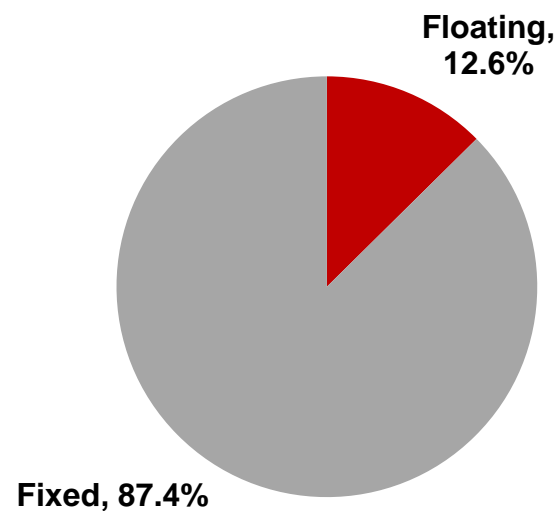
- ◆ Well-spread debt maturity profile
- ◆ No major refinancing need until FY20
- ◆ All debts are unsecured
- ◆ 87.4% of gross borrowings on fixed rates

## Debt maturity

Total borrowings: S\$628 million  
Weighted average term to maturity: 2.6 years



## Debt composition – floating vs. fixed interest rates



1. S\$60.0 million senior unsecured notes issued in February 2018 and swapped into Sterling Pound.  
2. Data (including exchange rates) as at 31 March 2019.

# Portfolio Review



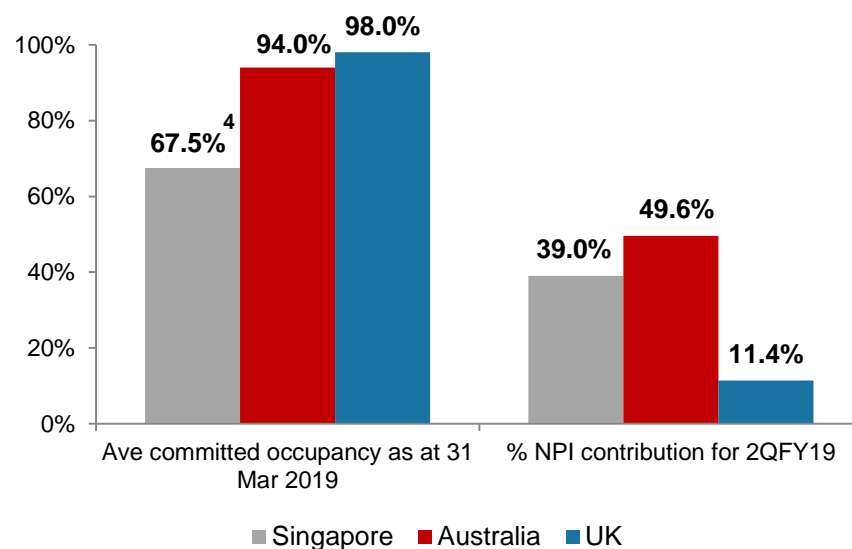
Central Park, Perth, Australia

# Portfolio Review *Occupancy & WALE*

- ◆ Average committed occupancy rate rises to 81.5%<sup>1</sup>
- ◆ Committed WALE of 4.7 years<sup>1,2</sup>

Key portfolio statistics as at 31 March 2019	Actual occupancy	Committed occupancy <sup>1</sup>
Ave Occupancy	78.8%	81.5%
Portfolio WALE by gross rental income <sup>2</sup>	4.3 years	4.7 years
Portfolio WALB by gross rental income <sup>2,3</sup>	4.1 years	4.4 years

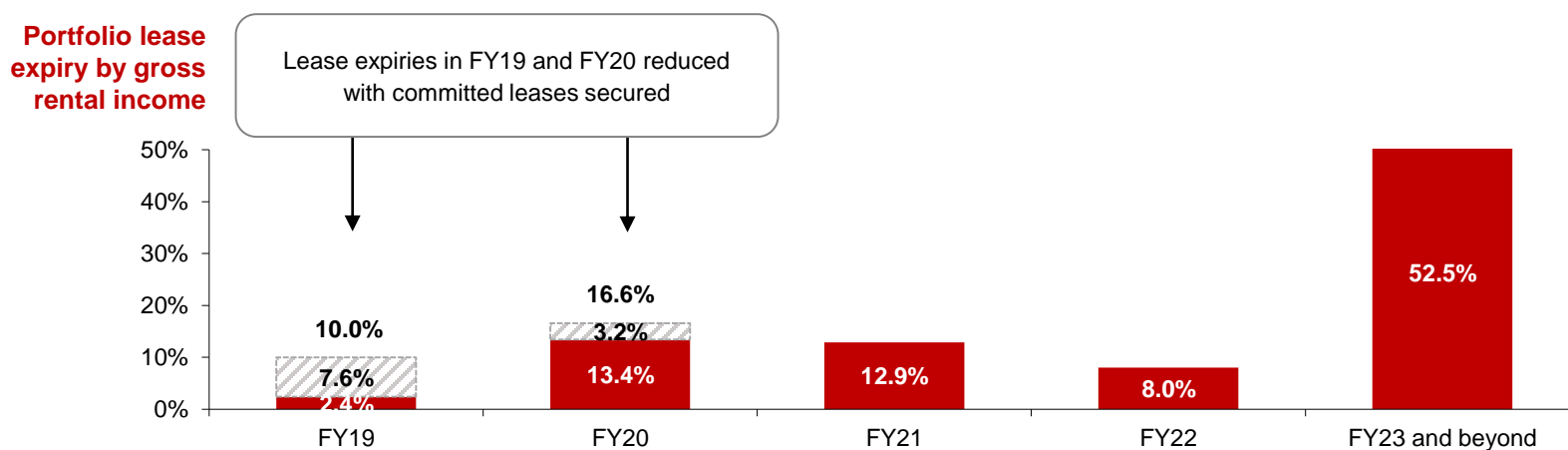
## Geographical occupancy<sup>1</sup> and NPI<sup>2</sup> contribution



1. The total NLA of the portfolio used in the computation of occupancy rate has excluded 18 Cross Street retail podium (NLA c. 64,000 sf) which is currently closed for asset enhancement works.
2. Excludes lease incentives and retail turnover rents, if any. For Farnborough Business Park, reimbursements of rent free incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details) are included.
3. WALB - weighted average lease to break, reflecting contractual rights for tenants to pre-terminate leases in certain cases.
4. Mainly affected by exits of Hewlett-Packard Enterprise Singapore Pte Ltd and Hewlett-Packard Singapore Pte Ltd from Alexandra Technopark (refer to the announcements dated 22 September 2017 and 3 November 2017 for further details).

# Portfolio Review *Lease expiry profile*

- ◆ Well-spread lease expiry profile provides income stability and defensiveness



## Portfolio lease expiry by gross rental income<sup>1</sup>

<b>Number of leases expiring</b>	36	43	45	29	91
<b>NLA (sq ft) expiring</b>	174,750	350,113	265,061	169,029	1,207,173
<b>Expiries as % total NLA</b>	6.2%	12.5%	9.4%	6.0%	42.9%
<b>Expiries as % total Gross Rental Income</b>	10.0%	16.6%	12.9%	8.0%	52.5%

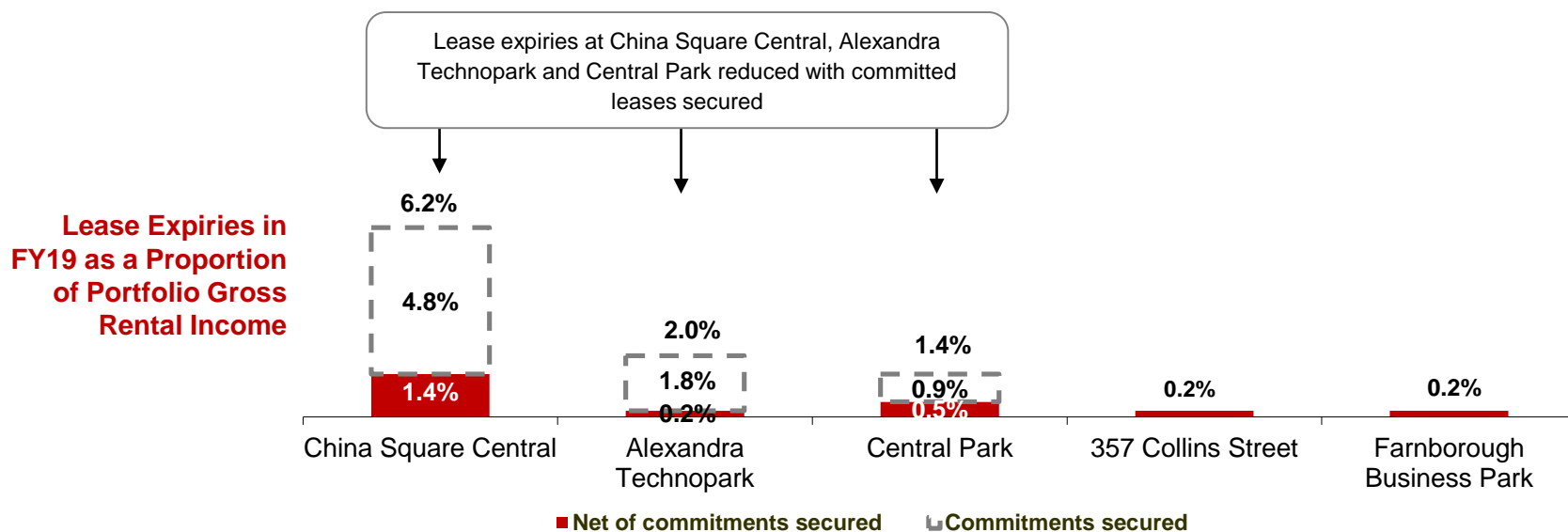
Data as at 31 March 2019. Exclude lease incentives and retail turnover rents, if any. For Farnborough Business Park, reimbursements of rent free incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details) are included.

1. The total NLA of the portfolio used in the computation has excluded 18 Cross Street retail podium (NLA c. 64,000 sf) which is currently closed for asset enhancement works.



# Portfolio Review *Lease expiry profile for FY19*

- ◆ Proactive management of leases with forward commitments



As at 31 March 2019

Number of leases expiring <sup>1</sup>	7 (office) 2 (retail)	1	3 (retail)	1 (office)	5
Average passing rents for expiring leases (excluding those with forward commitments secured) <sup>2</sup>	S\$6.42 (office) S\$5.36 (retail)	S\$3.90	A\$991 (retail)	A\$605 (office)	£22.7

1. Adjusted for forward commitments secured.

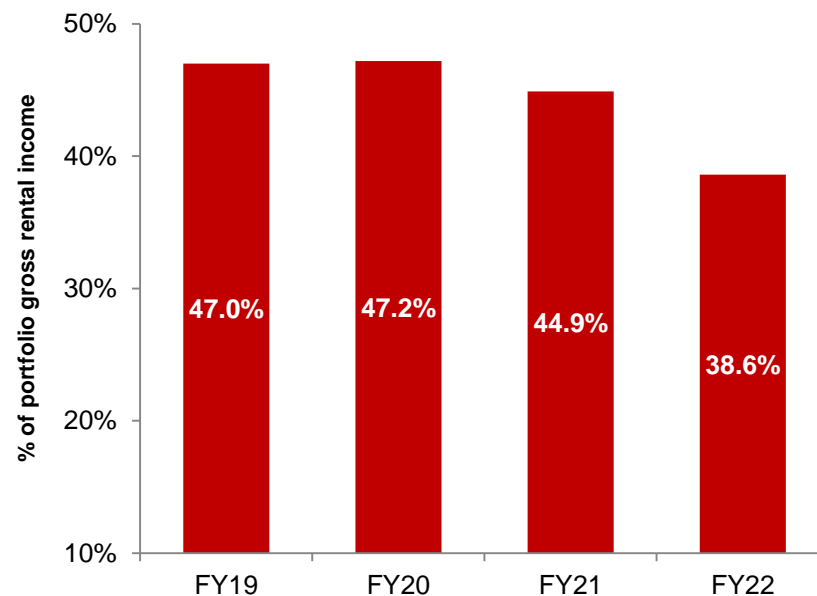
2. Excludes lease incentives and retail turnover rents, if any. Figures for Singapore properties are on a gross rent per square foot per month basis, figures for Australian properties are based on net face rent per square metre per annum basis while figures for Farnborough Business Park is based on net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

# Portfolio Review *Step-up rents*

**47% of FY19 leases by gross rental income incorporate rents escalations**

Property	Leases	Average step-up	GROSS RENTAL INCOME <sup>1</sup>	
			% of Property	% of Portfolio
China Square Central	7	2.6%	31.4%	5.5%
Alexandra Technopark	1	5.0%	0.1%	Negligible
Caroline Chisholm Centre	1	3.0%	100.0%	16.4%
Central Park	30	3.1%	86.5%	14.0%
357 Collins Street	27	3.9%	93.1%	11.0%
Farnborough Business Park	1	14.4%	1.0%	0.1%

**% of portfolio gross rental income with rent escalations<sup>2</sup>**



Weighted average fixed step-ups	2.6%	2.7%	2.5%	2.4%
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1. Excludes lease incentives and turnover rent, if any.

2. Based on leases as at 30 September 2018.

# Portfolio Review *Top-10 tenants*

- ◆ Diversified tenant base
- ◆ Top-10 tenants contributed 52% of portfolio gross rental income with a WALE of 5.8<sup>1</sup> years as at 31 March 2019

## Top 10 tenants by gross rental income (as at 31 March 2019)

Tenant	Property	Sector	Lease Expiry	% Gross Rental Income <sup>2</sup>
Commonwealth of Australia	Caroline Chisholm Centre	Government	Jul-25	16.5%
Rio Tinto Shared Services Pty Ltd	Central Park	Mining & resources	Jun-30	8.8%
Commonwealth Bank of Australia	357 Collins Street	Banking, insurance & financial services	Dec-22	6.9%
GroupM Singapore Pte Ltd	China Square Central	Consultancy & business services	Jul-23	3.6%
Service Stream Ltd	357 Collins Street	Multimedia & telecommunications	Dec-19 <sup>3</sup> / Dec-24	3.5%
Microsoft Operations Pte Ltd	Alexandra Technopark	IT products & services	Jan-20 <sup>4</sup>	3.1%
Fluor Limited	Farnborough Business Park	Engineering	May-19 <sup>5</sup> / Jun-25	3.0%
Suntory Beverage & Food Asia Pte Ltd	China Square Central	Food & beverage	May-20	2.4%
Nokia Solutions and Networks (S) Pte Ltd	Alexandra Technopark	Multimedia & telecommunications	Feb-21/ Jun-21	2.1%
Olympus Singapore Pte Ltd	Alexandra Technopark	Medical/ pharmaceutical	Oct-24	1.9%
<b>Total</b>				<b>51.8%</b>



Australian Government

groupm

SUNTORY  
SUNTORY BEVERAGE & FOOD

Microsoft

Commonwealth Bank

FLUOR NOKIA

servicestream  
ESSENTIAL NETWORK SERVICES

OLYMPUS

RioTinto

1. The WALB (after accounting for rights to break) is 5.5 years.
2. Excludes lease incentives and retail turnover rents, if any. For Farnborough Business Park, reimbursements of rent free incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details), are included.
3. Constitutes 0.3% of portfolio gross rental income.
4. During 2QFY19 tenant exercise its right to reduced lease tenure by two years to Jan 2020.
5. Constitutes 0.1% of portfolio gross rental income.

# Strengthening and Reshaping the Portfolio



Alexandra Technopark, Singapore

# Strengthening and reshaping the portfolio for long-term growth



## **Accretive Acquisitions**

- ◆ Expanded investment mandate to Europe (including UK) in January 2018 for portfolio diversification and long-term growth
- ◆ Enhanced alignment with Sponsor's top 3 geographical markets (Singapore, Australia and Europe)
- ◆ Completed income-accretive acquisition of 50.0% interest in Farnborough Business Park on 29 Jan 2018
- ◆ Current gearing of 29.1% provides financial flexibility to pursue investment opportunities

## **Capital Recycling through Strategic Divestments**

- ◆ To improve portfolio quality and long-term performance
- ◆ To recycle capital for other growth opportunities
- ◆ Divested 55 Market Street on 31 Aug 2018 and realised a net gain of approximately S\$75.7 million<sup>1</sup>

## **Asset Enhancement Initiatives**

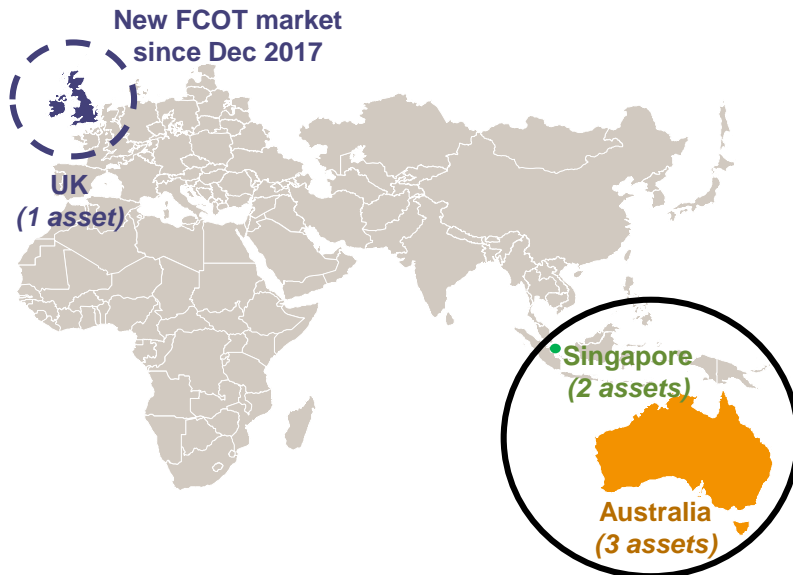
- ◆ Enhance long-term performance and competitiveness of properties and elevate tenants' and visitors' experiences
- ◆ Alexandra Technopark repositioned as a contemporary, vibrant and engaging business campus following a S\$45 million AEI which was fully completed in 2QFY19
- ◆ AEI for the retail podium of 18 Cross Street, China Square Central is currently underway and expected to complete in the second half of 2019

1. Net of transaction expenses and fees.

# Expansion of Investment Mandate

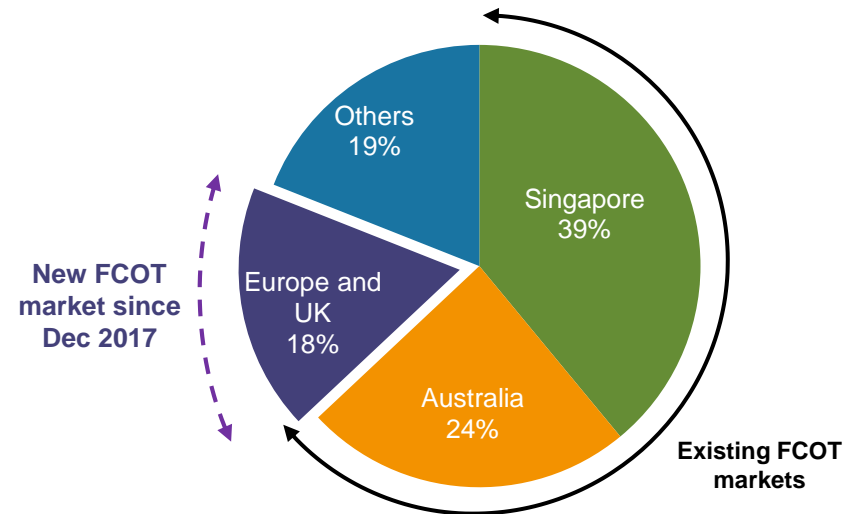
Synergistic alignment to Sponsor's top 3 markets for **GROWTH** and **DIVERSIFICATION**

- ◆ Announced expansion of investment mandate to Europe/UK in Dec 2017
- ◆ Granted right of first refusal for Frasers Property's relevant office/business space/business park assets in Europe (including UK)
- ◆ Enhanced potential for future growth and diversification



Alignment with Frasers Property's top 3 geographical markets

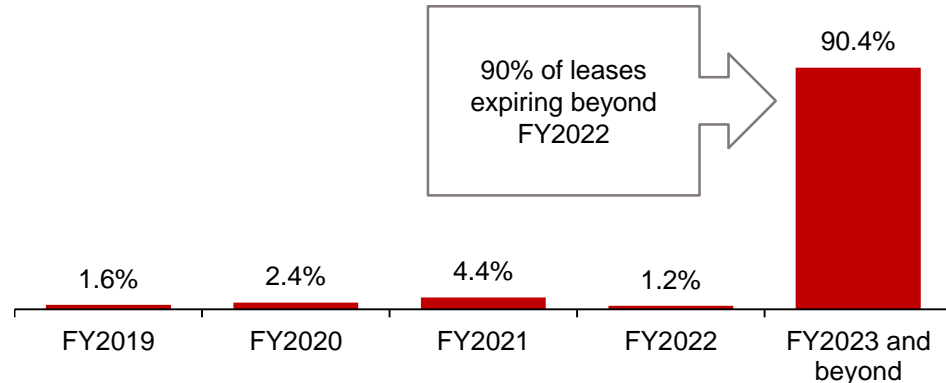
Frasers Property's assets by geography<sup>1</sup>



# Acquisition of Farnborough Business Park, UK

Strengthening portfolio for **LONG-TERM GROWTH**

- ◆ Acquisition of 50% interest in Farnborough Business Park (“FBP”) at a property value of £87.5 million<sup>1</sup> on 29 January 2018
- ◆ FBP is an award-winning business park with solid fundamentals in a well-connected location in Thames Valley



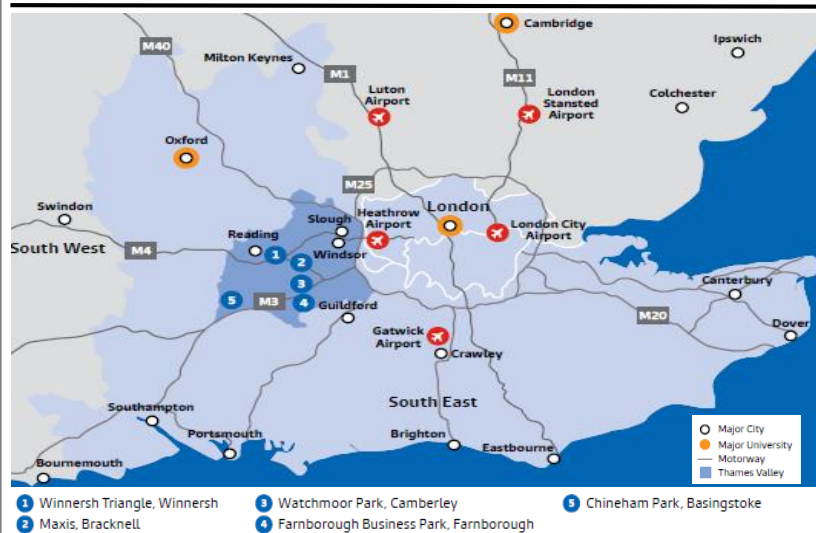
All data are as at 31 March 2019.

1. In respect of 50.0% interest in FBP. Refer to the announcement dated 14 December 2017.
2. By gross rental income and included reimbursements of lease incentives, rent guarantees for certain unlet units and other commercial arrangements performed by the vendor, in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details). The WALB (after accounting for rights to break) is 5.3 years.
3. After adjusting for leases for which the tenants have exercised their rights to break.

# Acquisition of Farnborough Business Park, UK (cont'd)

- 1**
- ◆ FBP is part of Frasers Property's 3.3m sf NLA portfolio in Thames Valley
  - ◆ Synergistic network effect and portfolio scale

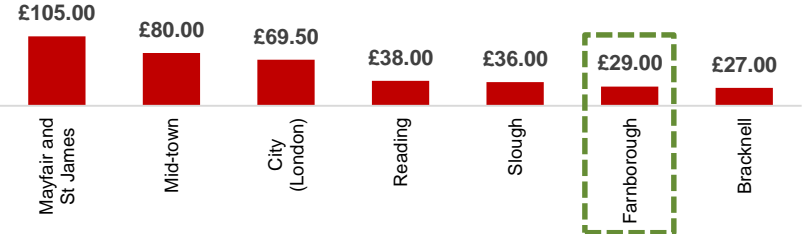
## Frasers Property Group's Thames Valley Business Parks



- 2**
- Resilient UK business park market supported by cost-efficient positioning

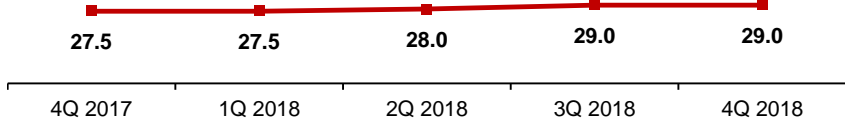
## Cost-efficient alternative to CBD and London locations

Prime rents<sup>1</sup> (£ psf pa)



## Rents continued growing post-Brexit referendum

Prime rents<sup>1</sup> £ psf pa in Farnborough Area



- 3**
- Thames Valley is the principal high-tech region in the UK

- ◆ Regarded as the principal high-tech region in the UK
- ◆ Home to over 200 of UK's top 300 companies
- ◆ Well-established key business clusters including in manufacturing, financial & business services, hi-tech, TMT and aerospace
- ◆ Access to quality workforce and talent pool from well-known universities
- ◆ Convenient transport linkages to London and Heathrow airport



Source: Market Overview Thames Valley and Farnborough Area, UK dated 30 November 2018, JLL Research, FCOT 2018 Annual Report, CBRE London Submarkets Snapshots Q4 2018, CBRE Market View, Thames Valley & M25 Office.

1. Prime rents is defined as the top open-market rent that could be expected for a notional office unit of the highest quality and specification in the best location in a market. It represents JLL's market view and is based on an analysis/review of actual transactions for prime office space, excluding any unrepresentative deals in a given time period.



# Divestment of 55 Market Street

- ◆ Completed divestment of 55 Market Street to an unrelated third party for S\$216.8 million on 31 Aug 2018
- ◆ Sale price was almost triple of initial purchase price<sup>1</sup>
- ◆ Significant value unlocked with a net gain of S\$75.7 million<sup>2</sup> over book value<sup>2</sup>
- ◆ Divestment proceeds used to repay debts, significantly reducing gearing to 28.3% as at 30 September 2018 (30 June 2018: 35.4%)
- ◆ Created substantial debt headroom and financial flexibility to pursue future growth opportunities initiatives



<p><b>S\$216.8 mil</b> or <b>S\$3,020 psf</b> sale consideration</p>	<p><b>c. 3X</b> of S\$72.5 mil original purchase price in 2006</p>	<p><b>S\$75.7 mil</b> net gain over S\$139.9 mil book value<sup>1</sup></p>	<p><b>1.6%</b> Implied exit NPI yield<sup>3</sup></p>
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1. Acquired in 2006 for S\$72.5 million.  
 2. Net of transaction expenses and fees.  
 3. Based on the annualised net property income of 55 Market Street for 3QFY18.

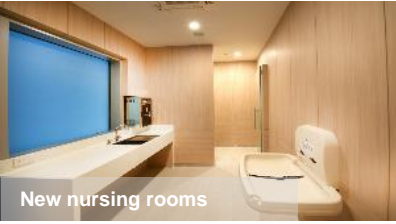
# Alexandra Technopark AEI fully completed

- ◆ \$45 million AEI fully completed
- ◆ Contemporary business campus with a more vibrant, stimulating and engaging environment
- ◆ Generous offering of wellness, lifestyle, social and other amenities
- ◆ Well received by tenants and other stakeholders



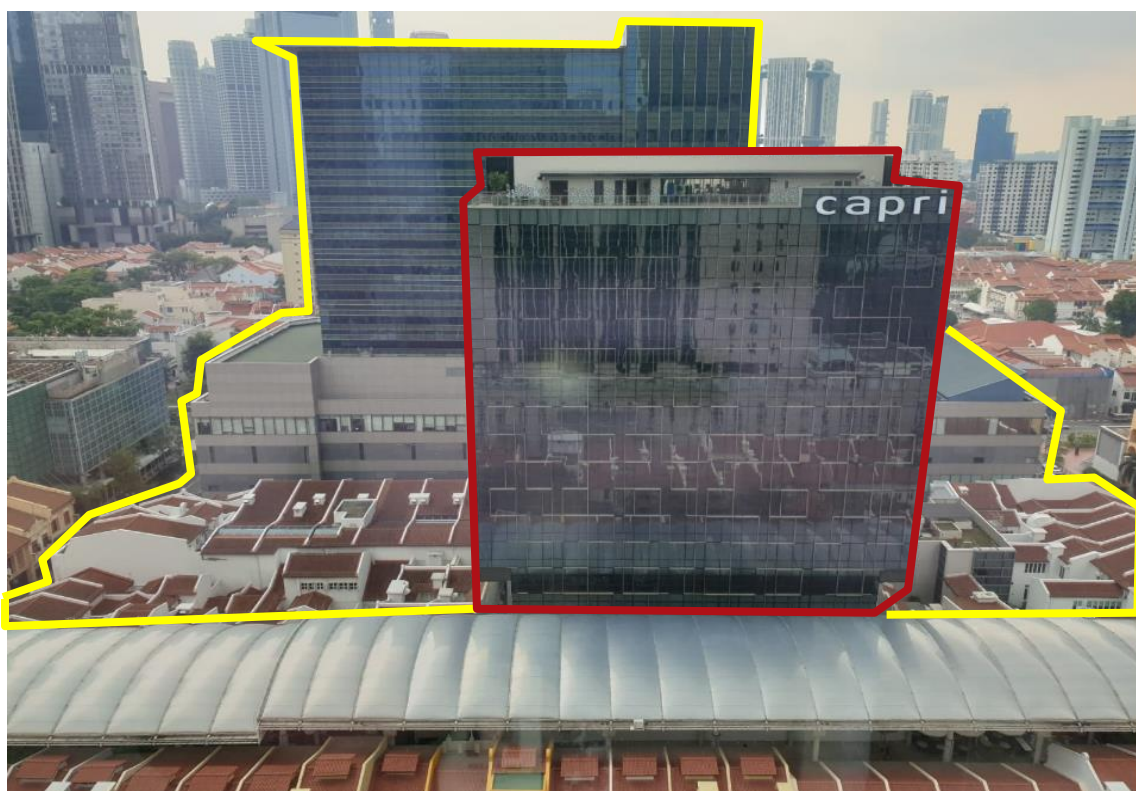
# Alexandra Technopark *A contemporary Business Campus*

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



# China Square Central *New hotel to enhance vibrancy*

- ◆ New 16-storey Hotel<sup>1</sup> at China Square Central (“CSC”) obtained Temporary Occupation Permit
- ◆ The 304-room Capri by Fraser, China Square hotel is expected to commence operations in 2Q 2019 and will bring increased activity and vibrancy to CSC and benefit retail tenants



China Square Central

Capri by Fraser, China Square

1. Undertaken and owned by an entity of Frasers Property Limited. Refer to the Circular to Unitholders dated 3 June 2015 for details.

# China Square Central Revamping 18 Cross Street retail podium

- ◆ S\$38 million AEI in progress and expected to complete in 2H2019<sup>1</sup>
- ◆ Retail podium NLA to potentially increase to c.80,000 sf<sup>1</sup> from c.64,000 sf pre-AEI
- ◆ Close to half of NLA pre-committed to-date
- ◆ JustCo to occupy the entire 2<sup>nd</sup> level of the retail podium and certain adjoining spaces



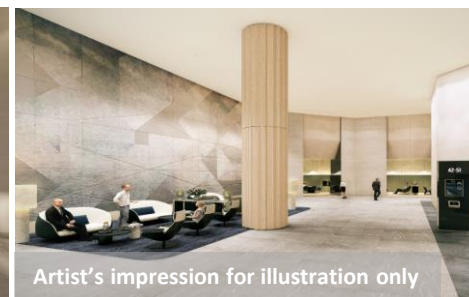
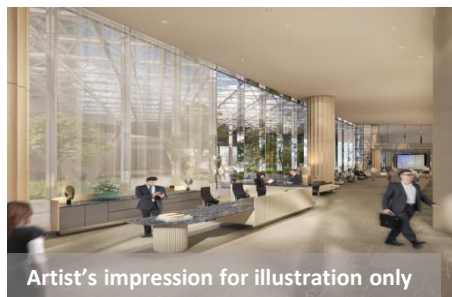
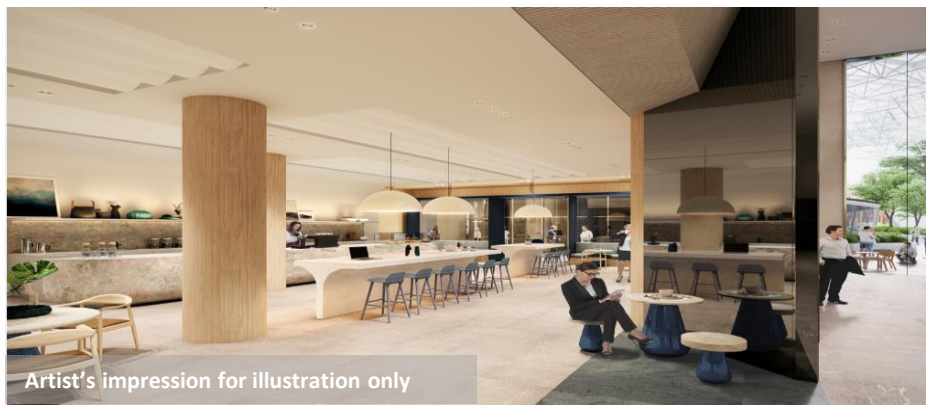
1. Based on provisional scheme and may be subject to change.

# Central Park *Enhancing experience and functionality*

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

## *Community-friendly features:*

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



# Appendix



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# Appendix: Asset Details and Market Overview



# Portfolio Update *Singapore assets*

## China Square Central – healthy occupancy



## Alexandra Technopark – rejuvenation and repositioning fully completed



<b>Occupancy</b>	95.3% <sup>1,2</sup> (office tower: 96.8% <sup>1,2</sup> )	59.2% <sup>2</sup>
<b>WALE</b>	1.7 years	2.1 years
<b>WALB</b>	1.7 years	2.0 years
<b>Recent new leases and renewals (selected)</b>	Grasshopper Pte Ltd, Elitaire Law LLP, Reps Holdings Pte Ltd, Vincent Lim & Associates LLC, Gravitea Private Limited, Ichikokudo Hokkaido Ramen, Harry's Bar, Ground Zero	Zuse Holdings Pte Ltd, Power Automation Pte Ltd, SAP Asia Pte Ltd, Omron Asia Pacific Pte Ltd

### Tenants (selected)



Data as at 31 March 2019.

1. Excluding 18 Cross Street retail podium (NLA c 64,000 sq ft) which is currently closed for asset enhancement works.
2. Committed occupancy as at 31 March 2019.

# Portfolio Update *Australia assets*

**Central Park –  
long WALE of 7.7 years<sup>1</sup>**



**Caroline Chisholm Centre –  
fully occupied with long WALE  
of 6.3 years**



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



<b>Occupancy</b>	83.5% <sup>1</sup>	100.0%	97.3%
<b>WALE</b>	7.7 years	6.3 years	3.1 years
<b>WALB</b>	7.6 years	6.3 years	3.1 years
<b>Recent new leases and renewals (selected)</b>	WeWork, IOOF Service Co Pty Ltd	Property occupied until July 2025 by a single tenant, the Commonwealth of Australia (AAA rated <sup>2</sup> )	Analytical Systems Pty Ltd, Fresh Fulham Place Melbourne Pty Ltd

**Tenants (selected)**



Data as at 31 March 2019.

1. Committed occupancy as at 31 March 2019.
2. Based on Standard and Poor's rating in September 2018.

# Portfolio Update *United Kingdom asset*

## Farnborough Business Park – long WALE and healthy occupancy



<b>Occupancy</b>	98.0% <sup>1</sup>
<b>WALE</b>	7.3 years <sup>2</sup>
<b>WALB</b>	5.3 years <sup>2</sup>
<b>Recent new leases and renewals (selected)</b>	-
<b>Tenants (selected)</b>	

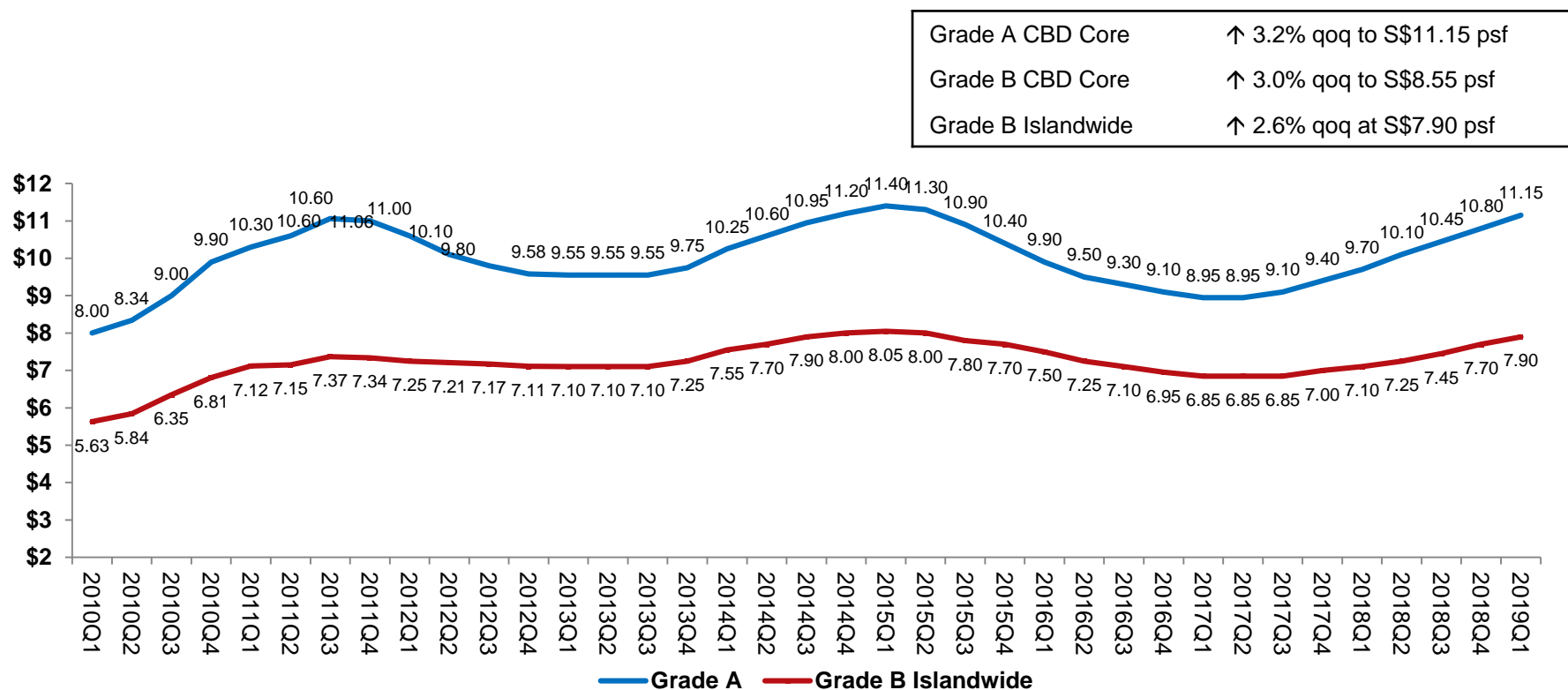
Data as at 31 March 2019.

1. After adjusting for leases for which the tenants have exercised their rights to break.
2. Include reimbursements of lease incentives and rent guarantee for certain unlet units, among others, by the vendor in accordance with the terms of the acquisition (refer to announcement dated 14 December 2017 for details).

# Singapore office rents

- ◆ General outlook for the office market is positive

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

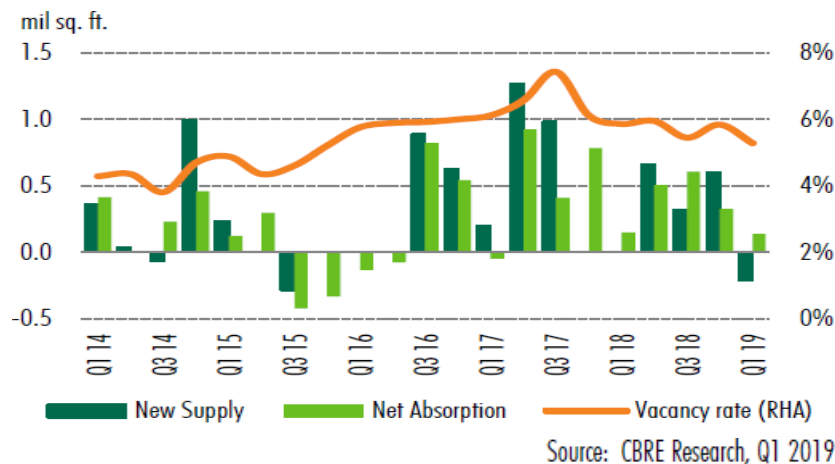


Source: CBRE Research

1. CBRE, Singapore Market View, Q1 2019

# Demand, supply and outlook for Singapore CBD office market

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



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

	Q1 19	Q-o-q	Y-o-y
Islandwide	5.3%	-56 bps	-58 bps
Core CBD	4.6%	-60 bps	-136 bps
Fringe CBD	5.4%	-31 bps	-104 bps
Decentralised	6.7%	-73 bps	166 bps
Grade A (Core CBD)	4.8%	-31 bps	-106 bps

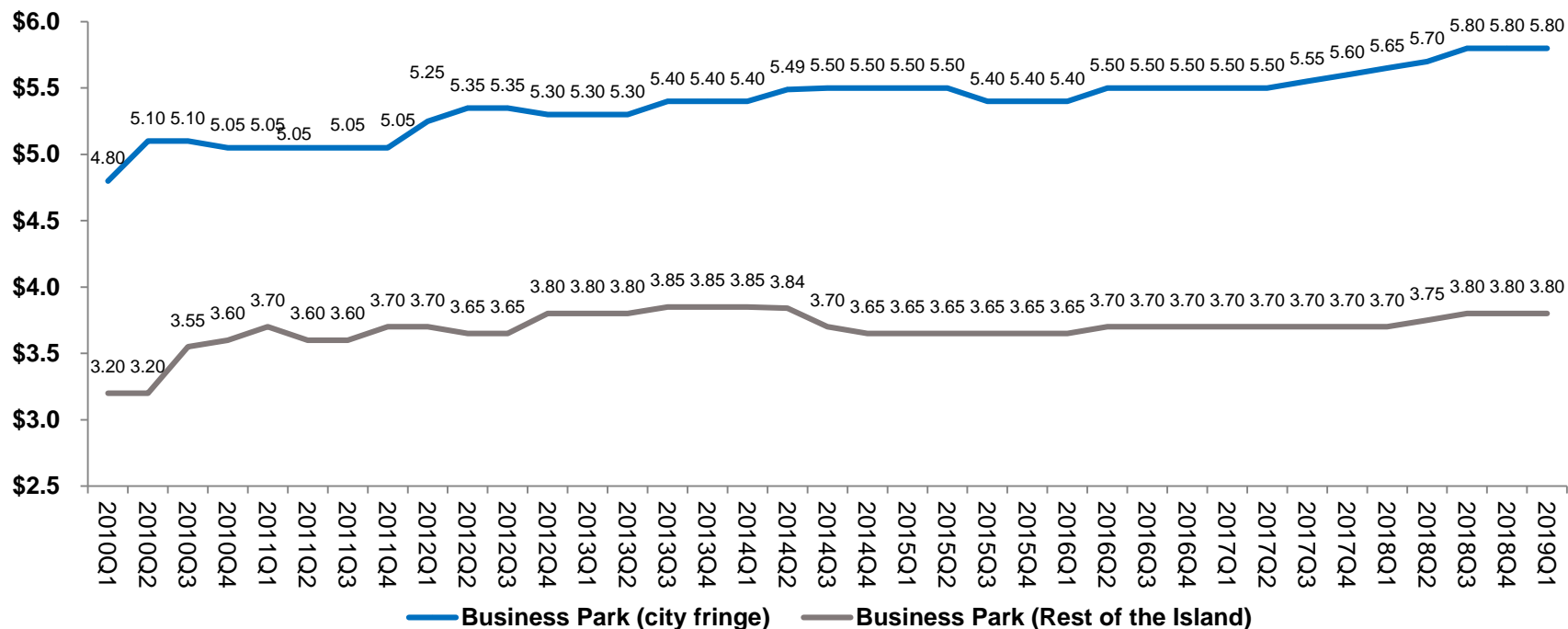
Source: CBRE Research, Q1 2019

- ◆ CBRE reported that the overall market continued to look robust with tightening vacancy, healthy absorption levels and increasing rents
- ◆ Island-wide office vacancy rate reduced to 5.3% as at March 2019 compared to 5.8% as at December 2018
- ◆ Tenant demand was mainly driven by the technology sector and co-working space operators, while the majority of leasing activities comprised of small and medium sized transactions
- ◆ According to CBRE, the positive outlook for rents is supported by the tapering new supply in the medium term
- ◆ CBRE also expects a potential medium-term reduction in the existing supply due to redevelopment activities.

# Singapore business park rents<sup>1</sup>

- ◆ City fringe and rest of the island business park average rents remain stable<sup>2</sup>

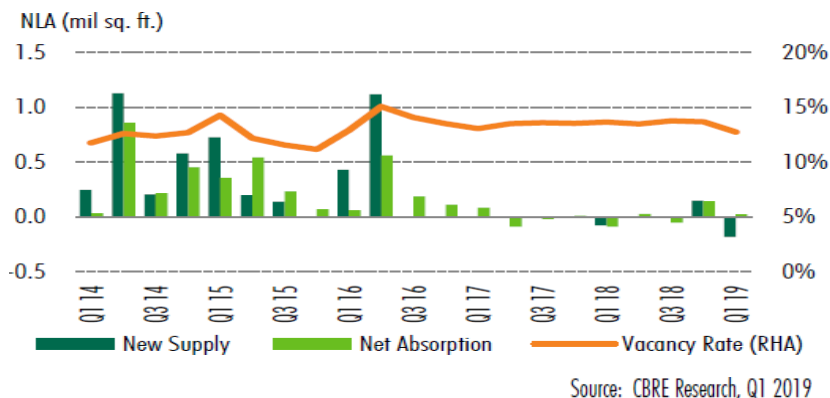
## Singapore Business Park (city fringe) rents<sup>2</sup>



1. Alexandra Technopark is a high-specification B1 industrial development located at the city-fringe, with certain physical attributes similar to business parks. Due to limited availability of market research information directly relating to the asset class of Alexandra Technopark, market research information for business parks is provided for indicative reference.  
 2. CBRE, Singapore Market View, Q1 2019

# Demand, supply and outlook for Singapore business park market<sup>1</sup>

## Business park supply-demand dynamics<sup>2</sup>



- ◆ Island-wide vacancy decreased from 13.7% as at December 2018 to 12.8% as at March 2019, partly due to a decrease in stock
- ◆ Net absorption was weak given the limited availability of quality space
- ◆ According to CBRE, the outlook for business park space in the city fringe remains positive

## Business park future pipeline<sup>2</sup>

	City Fringe	Rest of Island	Total
2019	-	0.24 mil	0.24 mil
2020	0.53 mil	0.73 mil	1.26 mil
2021	-	0.59 mil	0.59 mil
2022	0.18 mil	-	0.18 mil

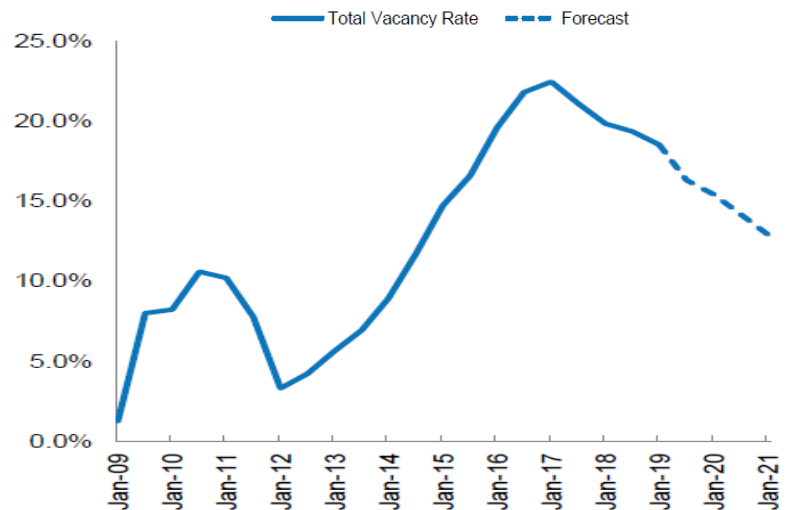
Source: CBRE Research, Q1 2019

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 2. CBRE, Singapore Market View, Q1 2019

# Perth CBD office supply and rents

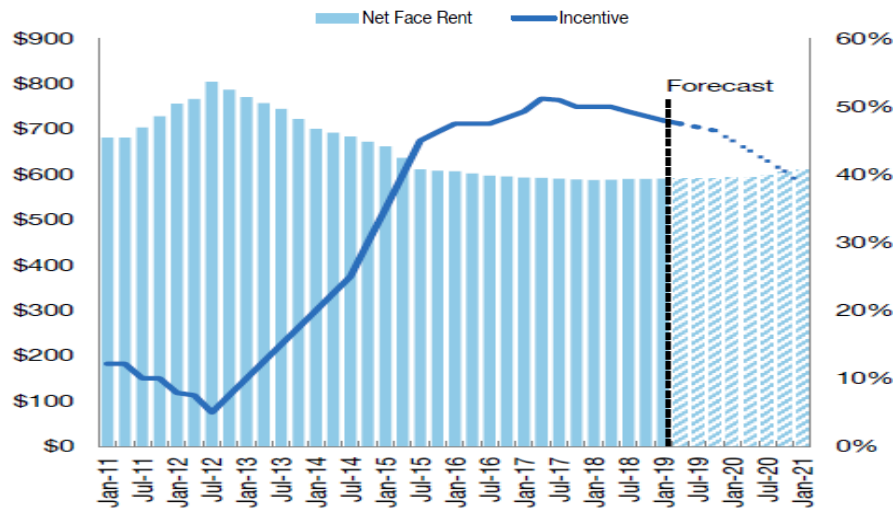
- ◆ Improving business sentiment in Western Australia's economy continued to benefit Premium Grade and A Grade CBD office segments
- ◆ Total market vacancy reduced from 19.8% in January 2018 to 18.5% in January 2019
- ◆ Prime Grade average net face rent was A\$540 to A\$640 per sqm per annum as at January 2019, with average lease incentives between 40% and 50%
- ◆ Knight Frank expects Prime Grade net effective rents to continue growing as the level of incentives decline

## Perth CBD office vacancy (%)



Source: Knight Frank Research/PCA

## Perth CBD office face rents (A\$ psm pa) and incentives (%)



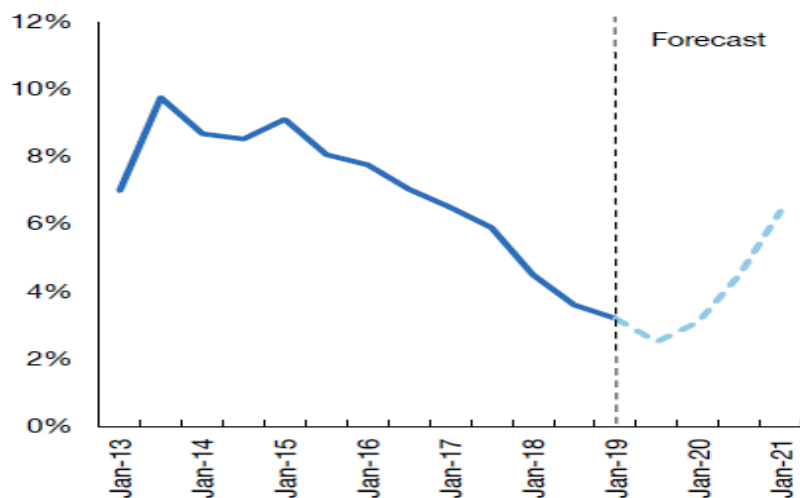
Source: Knight Frank Research



# Melbourne CBD office supply and rents

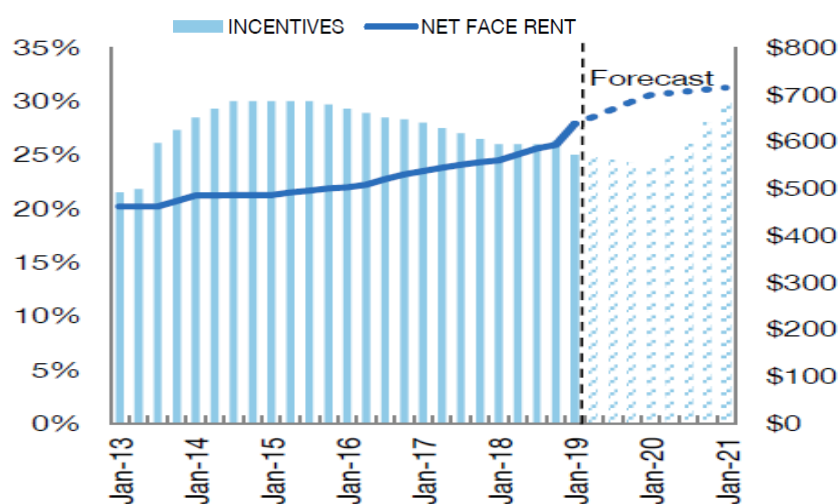
- ◆ Melbourne CBD office market continued to be strong, on the back of strong economic performance in the state of Victoria and rising demand for flexible working space
- ◆ Market vacancy reduced from 4.5% in January 2018 to 3.2% in January 2019, the lowest level recorded in ten years
- ◆ Prime Grade office average net face rent was A\$638 per sqm per annum as at January 2019, with lease incentives between 22% to 28%
- ◆ Knight Frank projects net face rents to rise by 9.0% in 2019

Melbourne CBD office vacancy rate (%)



Source: Knight Frank Research

Melbourne CBD Prime Grade office incentives (%) and net face rents (A\$ psm pa)

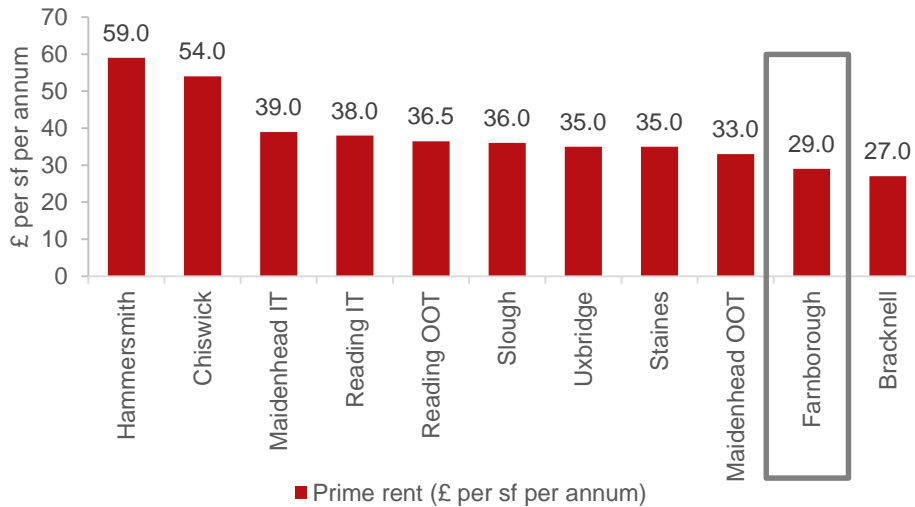


Source: Knight Frank Research

# Thames Valley office supply and rents

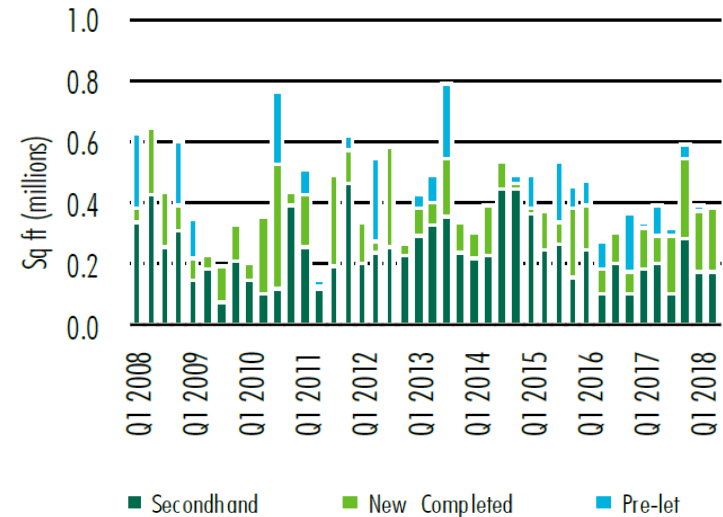
- ◆ Rents generally remained stable in 2018, with prime office rents in the majority of locations achieving all-time highs
- ◆ For the Farnborough area, the indicative prime office headline rent was £29.0 psf per annum as at December 2018, while lease incentives were generally around 17.5% (for typical 10-year lease terms)
- ◆ CBRE Research forecasts rents in the Farnborough area to increase and incentives to remain stable in the next twelve months

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



Source: CBRE Research, Q4 2018

**Thames Valley take up, Q4 2018**



Source: CBRE Research, Q4 2018

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# Appendix: Sustainability

# Sustainability

- ◆ Sustainability is one of the key aspects contributing to our aspirations of becoming a leading owner of quality commercial real estate properties and the preferred choice for businesses and investors and to deliver long-term growth to our Unitholders
- ◆ FCOT's sustainability strategies and action plans are based on the Frasers Group's Sustainability Framework, which sets out sustainability priorities until 2030
- ◆ Key highlights of sustainability performance in FY2018 include:

## Acting Progressively

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

## Consuming Responsibly

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

## Focusing on People

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

**Experience  
matters.**

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