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# Fraser's Commercial Trust

## Fraser's Day in Bangkok

28 November 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.

The Manager expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement or financial information contained in this Presentation to reflect any change in the Manager’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

The value of Units in FCOT and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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

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

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

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

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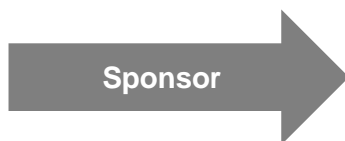
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# FCOT Overview



# 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 UK
- ◆ Investment mandate comprises Asia Pacific and Europe (with focus on UK)

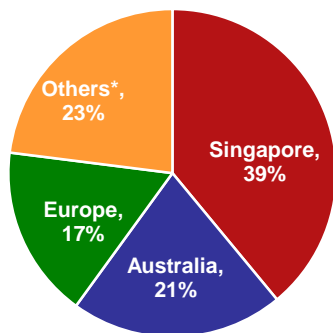


**Singapore-listed, multi-national and multi-asset class real estate group**

**Market capitalisation: S\$5.0 billion (listed on SGX-ST)**

**Total assets: S\$38 billion**

**Frasers Property FY19 total assets by geography**



Listed on SGX-ST:	March 2006 (Stock code: Frasers Com Tr)^
Market capitalisation:	S\$1.5 billion
Total assets:	S\$2.2 billion
Free float:	74% (26% 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

As at 30 September 2019.

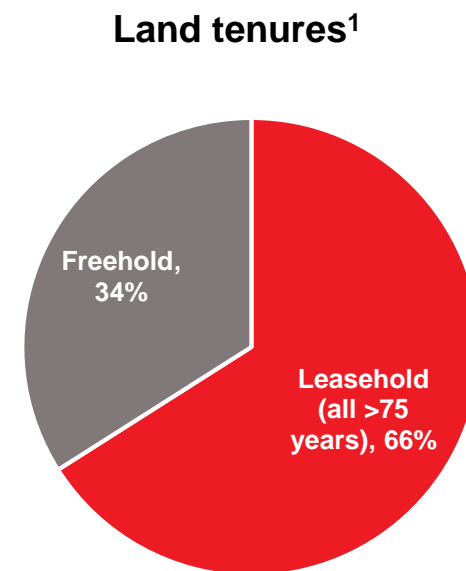
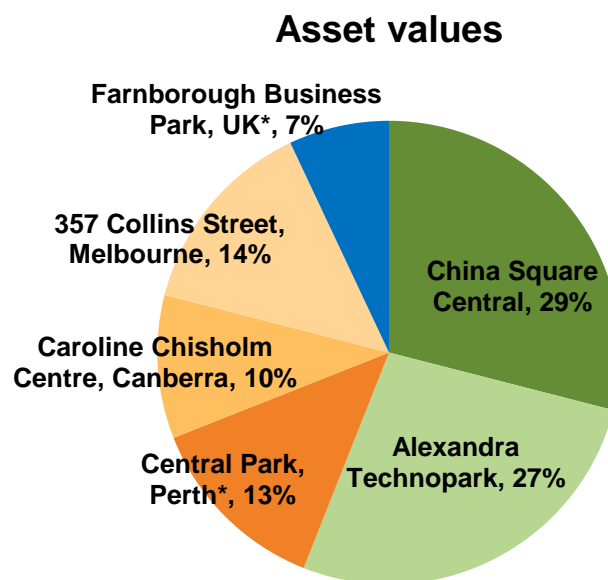
Sources: Bloomberg, Frasers Property 4QFY19 Results Presentation.

\* 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 Overview

- ◆ Diversified portfolio with no single property accounting for more than 29% of portfolio value
- ◆ 100% of portfolio has land tenures greater than 75 years, including 34% with freehold tenures



## Asset values as at 30 September 2019

Singapore	\$	1,254.0 mil	56%
Australia	\$	822.3 mil	37%
United Kingdom	\$	150.6 mil	7%
<b>Portfolio asset value</b>	<b>\$</b>	<b>2,226.9 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 30 September 2019.

# Accolades

- ◆ FCOT has received various awards for good corporate governance, investor relations practices and sustainability reporting
- ◆ FCOT was placed 5<sup>th</sup> out of 46 in the Singapore Governance and Transparency Index 2019 (REIT and Business Trust category)<sup>1</sup>



SIAS  
INVESTORS'  
CHOICE  
AWARDS

Runner-up 2013, 2014 and 2015 in the Singapore Corporate Governance Award (REITs and Business Trusts Category) at the SIAS Investors Choice Award<sup>2</sup>



Asia Sustainability Reporting Awards

asra

2016 FINALIST

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



THE 9TH ANNUAL  
GLOBAL CSR  
SUMMIT AND AWARDS 2017™

GLOBAL GOOD GOVERNANCE AWARDS™



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



SINGAPORE  
CORPORATE  
AWARDS

CELEBRATING THE BEST IN  
CORPORATE GOVERNANCE

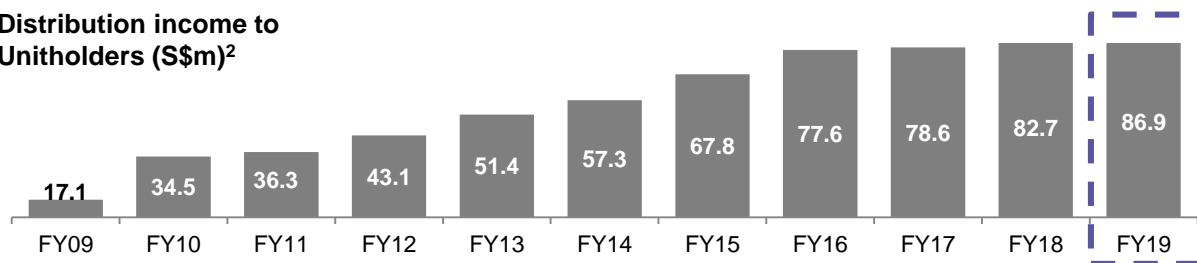
- Gold, Best Annual Report 2017 in the Singapore Corporate Awards (REITs and Business Trusts Category)

1. Joint initiative of CPA Australia, NUS Business School's Centre for Governance, Institutions and Organisations and Singapore Institute of Directors, and supported by The Business Times.  
2. There was no such category for REITs and Business Trust in 2016.

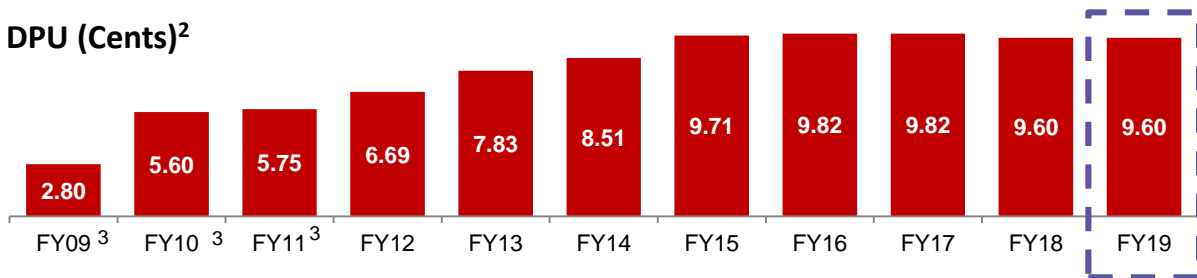
# FCOT Track Record

- ◆ FCOT has been listed for 13 years since 30 March 2006 (initially as Allco Reit)
- ◆ Became part of Frasers Property Group in Aug 2008
- ◆ 5-year total return of 68.2% exceeded the FTSE Straits Times Index's total return of 14.0%<sup>1</sup>

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



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



## Portfolio Growth

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



30 September 2019
No. of properties: 6 Portfolio value: S\$2.2 billion

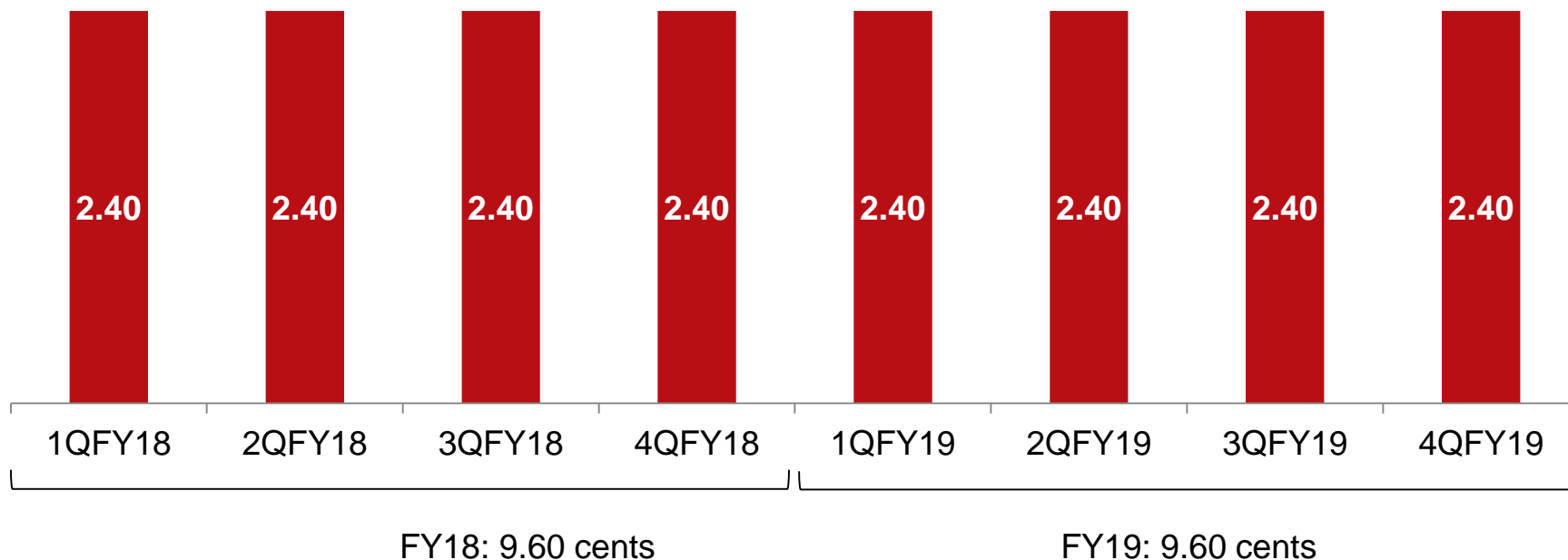
1. 5-year up to September 2019. Assumes dividends are reinvested. Source: Bloomberg.  
 2. On 26 August 2009, Frasers Commercial Trust changed its financial year end from 31 December to 30 September. As a result, FY09 comprised a 9-month period from 1 January to 30 September 2009.  
 3. Adjusted for Unit consolidation.  
 4. As set out in the prospectus dated 23 March 2006.



# DPU profile

- ◆ FY19 full-year DPU was stable Y-o-Y

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

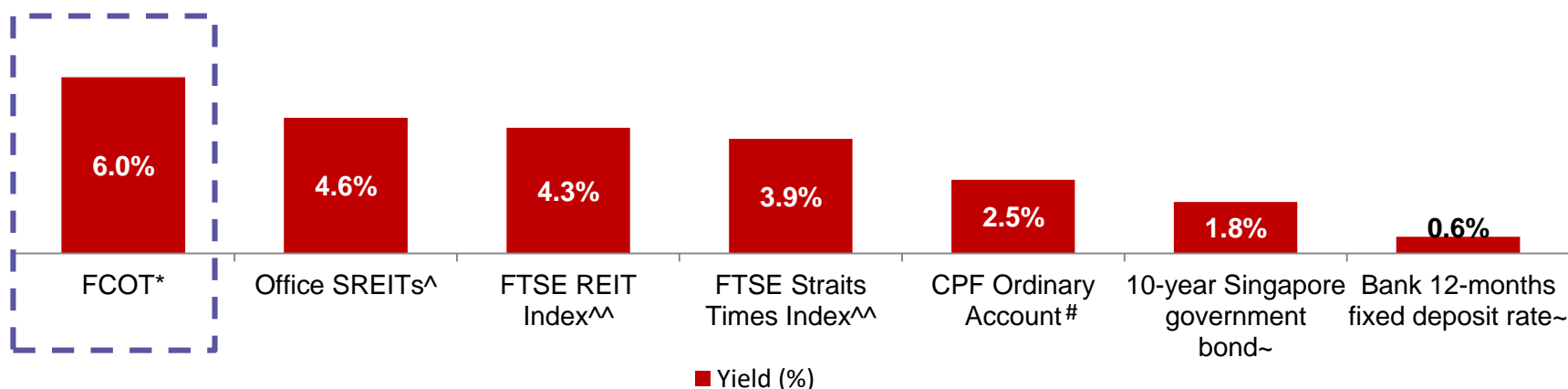


1. 100% management fee were paid in Units in FY18 and FY19.

# Attractive yield

- FCOT offers an attractive yield and currently trades around 420 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 \$1.610 per Unit as at 31 October 2019 and total DPU of 9.60 cents for FY2019.

^ Based on closing prices as at 31 October 2019 and total DPU. Source: Bloomberg. Weighted average (based on market capitalisation) and comprised Frasers Commercial Trust, Keppel REIT, CapitalLand Commercial Trust and Suntec REIT.

^^ As at 31 October 2019. Source: Bloomberg.

# Based on interest rate paid on the Central Provident Fund ordinary account from October 2019 to December 2019. Source: www.cpf.gov.sg.

~ As at 31 October 2019. Source: www.mas.gov.sg.

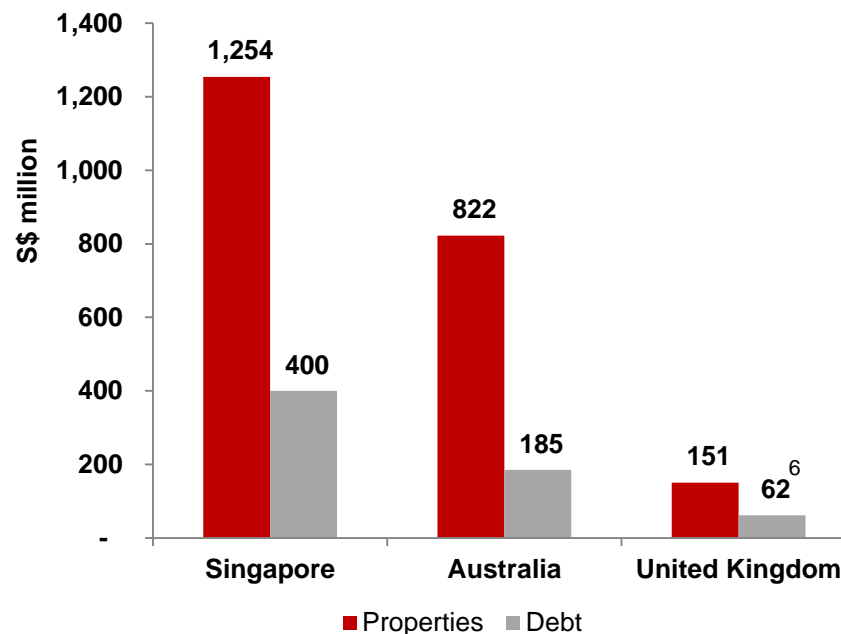
\*\* Subject to declaration of tax status, and advice by investors' own tax advisors.

# Capital structure and debt statistics

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

Statistics	As at 30 Sept 2019
Total Assets (S\$'000)	2,259,645
Gross Borrowings (S\$'000)	646,657
Units on Issue and Issuable entitled to distribution	912,715,429
NAV per Unit (ex-DPU) (S\$) <sup>1</sup>	1.61
Gearing <sup>2</sup>	28.6%
Interest coverage ratio (times) <sup>3</sup>	5.20
Average borrowing rate <sup>4</sup>	2.97% p.a.
FCOT Issuer rating by Moody's <sup>5</sup>	Baa2

## Borrowings and assets by currency



1. Based on issued Units for the financial quarter ended 30 September 2019.

2. Gross borrowing as a percentage of total assets.

3. Net income before changes in fair values of investment properties, interest, other investments and derivative instruments, income tax and distribution, and adding back certain non-recurring items/cash finance costs for the quarter ended 30 September 2019.

4. For quarter ended 30 September 2019.

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

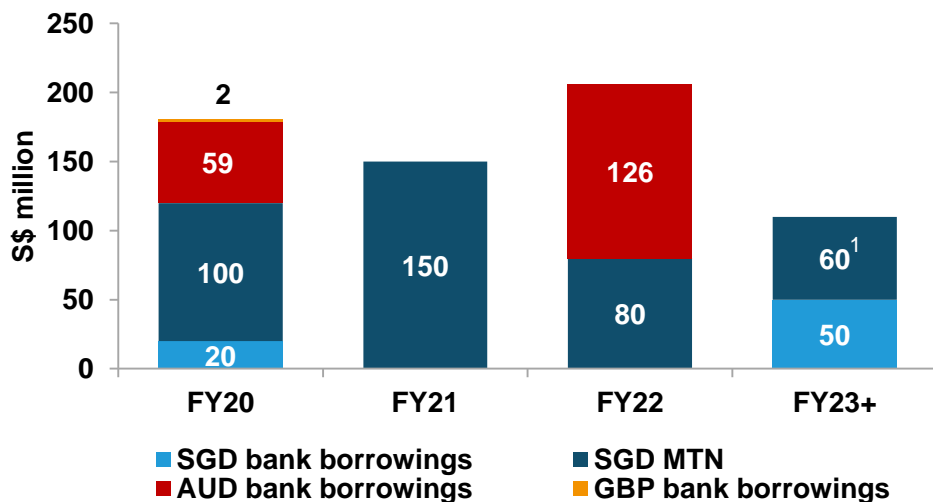
6. S\$60.0 million five-year senior unsecured notes issued in February 2018 was swapped into Sterling Pound.

# Prudent capital management

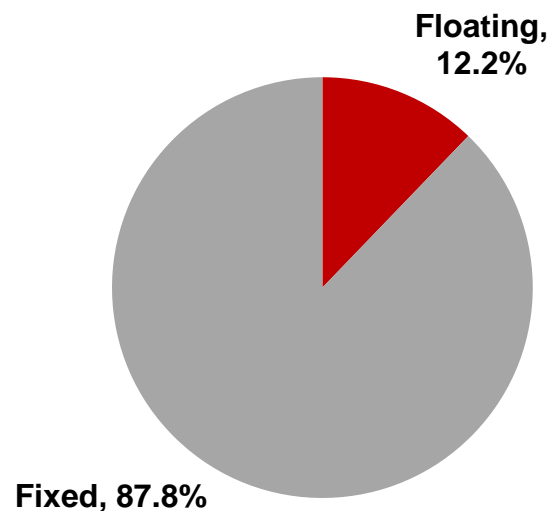
- ◆ Well-spread debt maturity profile
- ◆ All debts are unsecured
- ◆ 87.8% of gross borrowings on fixed rates
- ◆ FCOT is expected to be able to meet debt obligations as and when they fall due

## Debt maturity

Total borrowings: S\$647 million  
Weighted average term to maturity: 2.1 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 30 September 2019.

# Portfolio Review



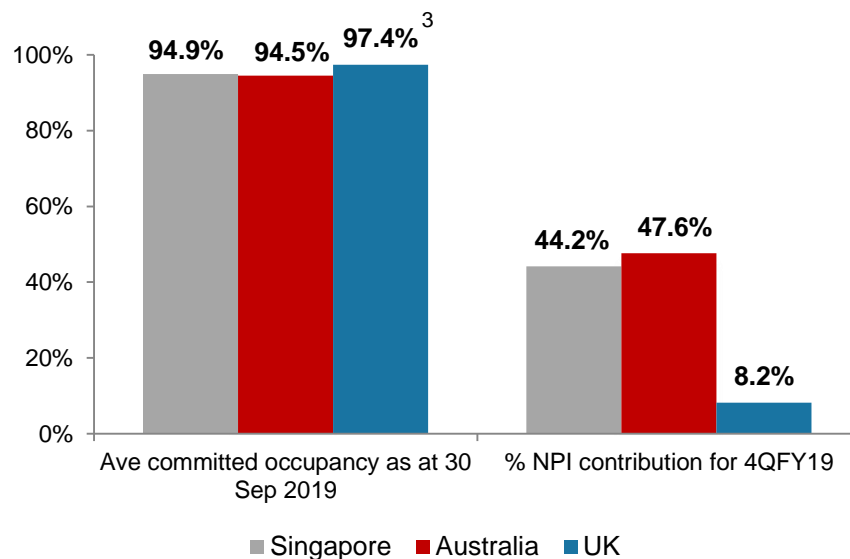
Central Park, Perth, Australia

# Portfolio Review *Occupancy & WALE*

- ◆ Average committed occupancy rate increased to 95.0% (↑0.9 pps from 3QFY19)
- ◆ Committed WALE of 4.9 years<sup>1</sup>

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

## Geographical occupancy and NPI contribution



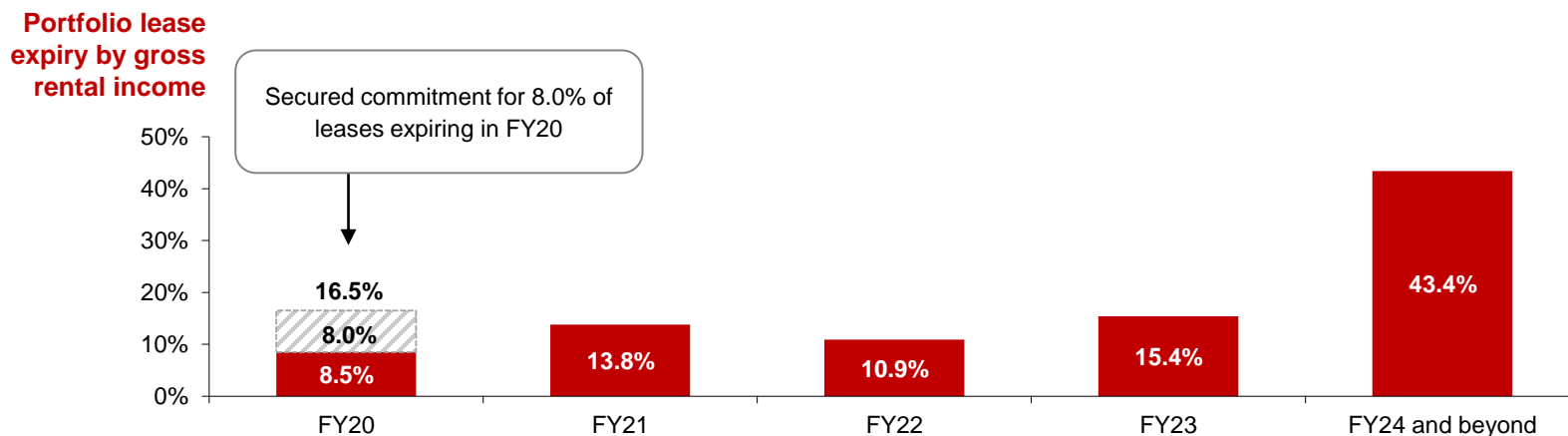
1. WALE – Weighted average lease tenure to expiry (excluding lease incentives and retail turnover rents, if any).

2. WALB – Weighted average lease tenure to break, reflecting contractual rights for tenants to pre-terminate leases in certain cases.

3. Inclusive of a new lease concluded in October 2019, the committed occupancy would be 99.1%.

# Portfolio Review *Lease expiry profile*

- ◆ Well-spread lease expiry profile and proactive leasing provide income stability and defensiveness

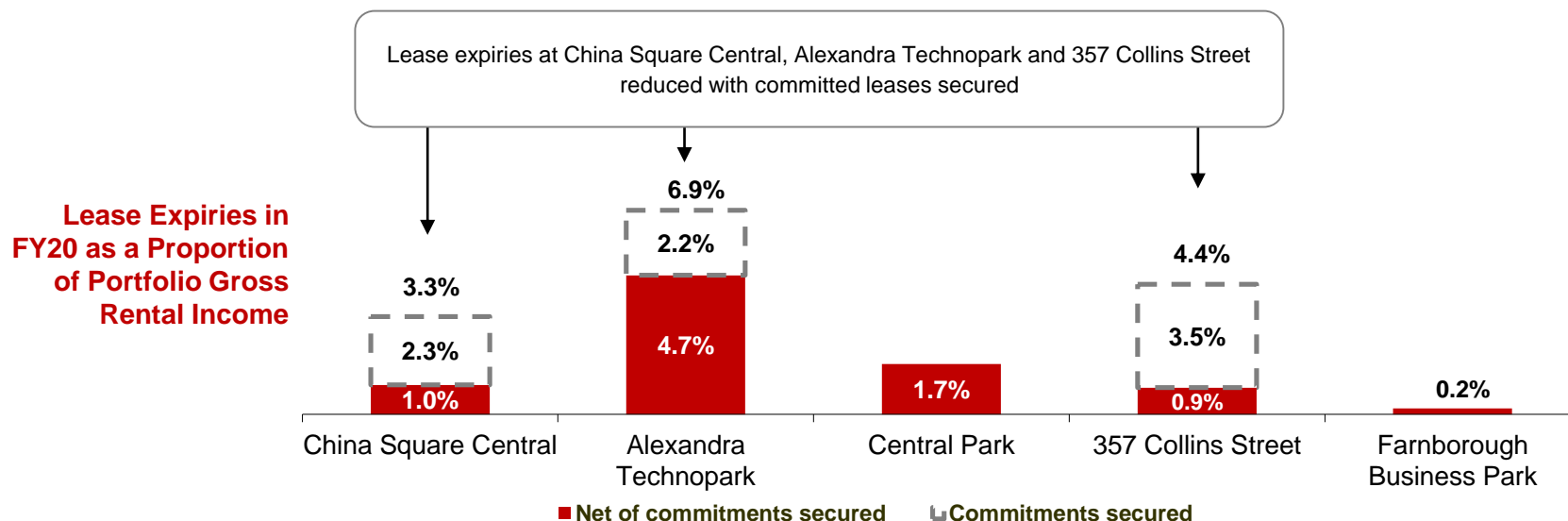


## Portfolio lease expiry by gross rental income as at 30 Sep 2019

<b>Number of leases expiring</b>	37	51	44	32	68
<b>NLA (sq ft) expiring</b>	353,809	280,923	221,239	290,437	1,044,571
<b>Expiries as % of total NLA</b>	12.5%	9.9%	7.8%	10.3%	36.9%
<b>Expiries as % of total Gross Rental Income</b>	16.5%	13.8%	10.9%	15.4%	43.4%

# Portfolio Review *Lease expiry profile for FY20*

- ◆ Proactive management of leases with forward commitments



## As at 30 September 2019

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

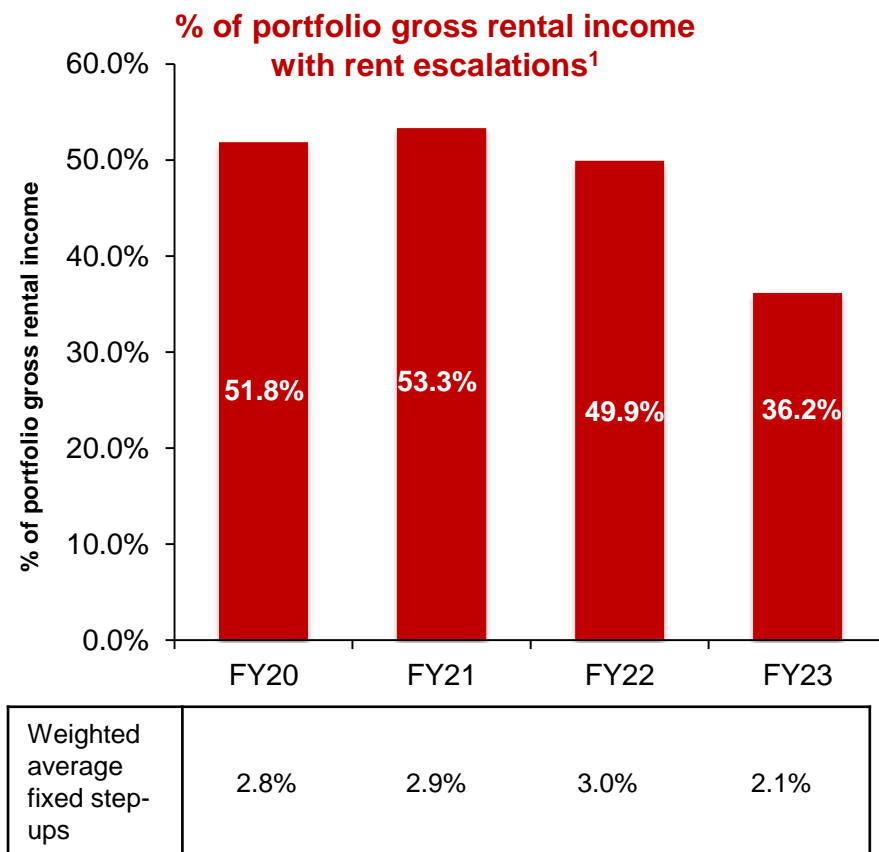
- Adjusted for forward commitments secured.
- Includes 4 leases at 18 Cross Street office tower.
- Excludes lease incentives and retail turnover rents, if any. Figures for Singapore properties are on a gross rent per square foot per month basis, figures for Australian properties are based on net face rent per square metre per annum basis while figures for Farnborough Business Park is based on net rent per square foot per annum basis.
- For a single lease which may not be reflective of other leases in the building.



# Portfolio Review *Step-up rents*

**51.8% of FY20 leases<sup>1</sup> by gross rental income incorporate rent escalations**

Property	Leases	Average step-up	GROSS RENTAL INCOME <sup>2</sup>	
			% of Property	% of Portfolio
China Square Central	11	3.0%	40.2%	7.4%
Alexandra Technopark	3	4.0%	6.3%	1.4%
Caroline Chisholm Centre	1	3.0%	100.0%	16.0%
Central Park	32	3.1%	90.3%	15.5%
357 Collins Street	25	3.8%	72.7%	11.5%
Farnborough Business Park	1	54.1% <sup>3</sup>	0.2%	Negligible



1. Based on leases in place as at 30 September 2019.
2. Excludes lease incentives and turnover rent, if any.
3. Based on specific commercial terms associated with the subject lease, which may not be reflective of market norms.

# Portfolio Review *Top-10 tenants*

- ◆ Diversified tenant base
- ◆ Top 10 tenants contributed 52% of portfolio gross rental income with 5.7 years WALE<sup>1</sup> as at 30 September 2019

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

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

1. The WALB (after accounting for rights to break) is 5.6 years.

2. Exclude lease incentives and retail turnover rents, if any.

3. 0.3% of portfolio gross rental income.

4. Microsoft had exercised its rights to shorten the lease tenure by two years to end in January 2020. As at 30 September 2019, forward lease commitments have been secured for approximately 72% of the space, with the balance under advanced discussions with prospective tenants.

5. 0.02% of portfolio gross rental income.

6. Aggregate of WeWork group's leases at China Square Central and Central Park signed under separate legal entities.

# Strengthening and Reshaping the Portfolio



# Strengthening and reshaping the portfolio for long-term growth



## Accretive Acquisitions

- ◆ Expanded investment mandate to Europe (including UK) in January 2018 for portfolio diversification and long-term growth
- ◆ Enhanced alignment with Sponsor's top-3 geographical markets (Singapore, Australia and Europe)
- ◆ Completed income-accretive acquisition of 50.0% interest in Farnborough Business Park on 29 Jan 2018
- ◆ Current healthy gearing of 28.6% provides financial flexibility to pursue investment opportunities

## Capital Recycling through Strategic Divestments

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

## Asset Enhancement Initiatives

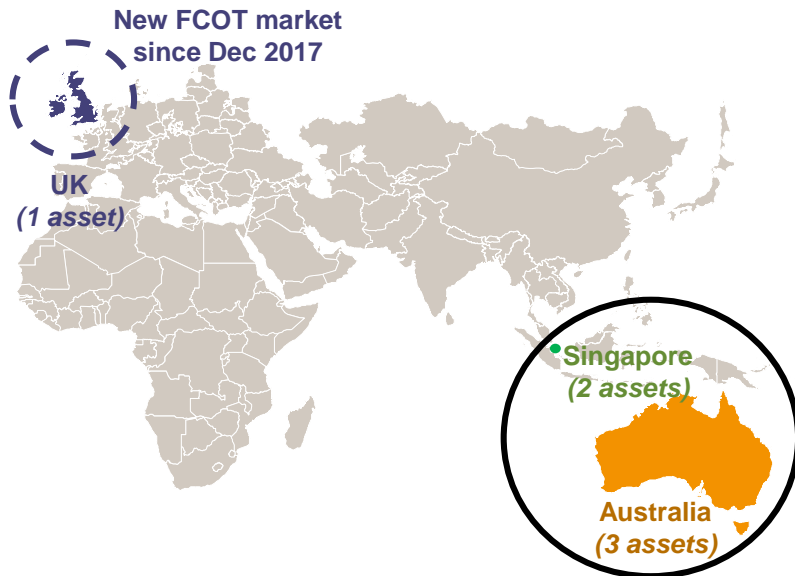
- ◆ Enhance long-term performance and competitiveness of properties and elevate tenants' and visitors' experiences
- ◆ Alexandra Technopark repositioned as a contemporary, vibrant and engaging business campus following c. S\$40 million AEI which was fully completed in 2QFY19
- ◆ S\$38 million AEI works for the retail podium of 18 Cross Street, China Square Central obtained Temporary Occupation Permit in 4QFY19. Retail podium commenced operations from November 2019
- ◆ AEI for the lobby and forecourt areas of Central Park is currently underway and expected to complete in the third quarter of 2020

1. Net of transaction expenses and fees.

# Expansion of Investment Mandate

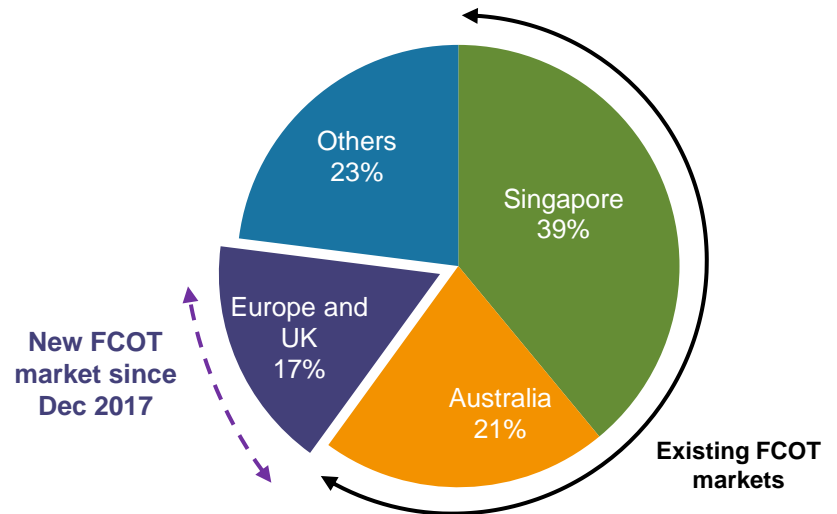
Synergistic alignment to Sponsor's top 3 markets for **GROWTH** and **DIVERSIFICATION**

- ◆ Announced expansion of investment mandate to Europe (with an initial focus on the 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



Close alignment with Frasers Property's top 3 geographical markets

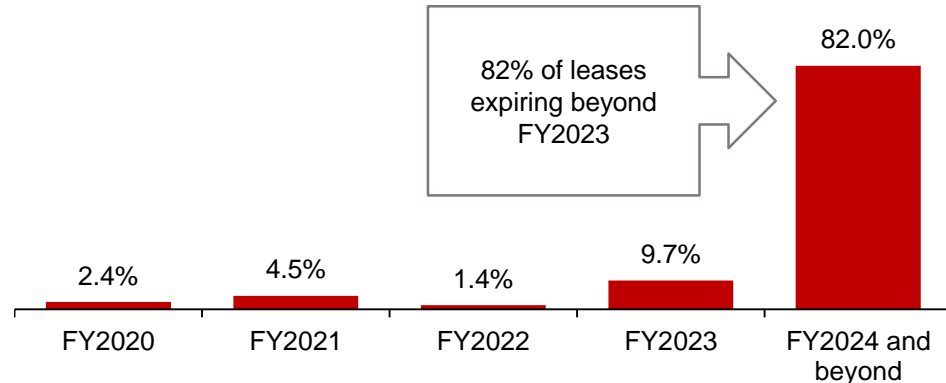
Frasers Property's assets by geography<sup>1</sup>



# 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



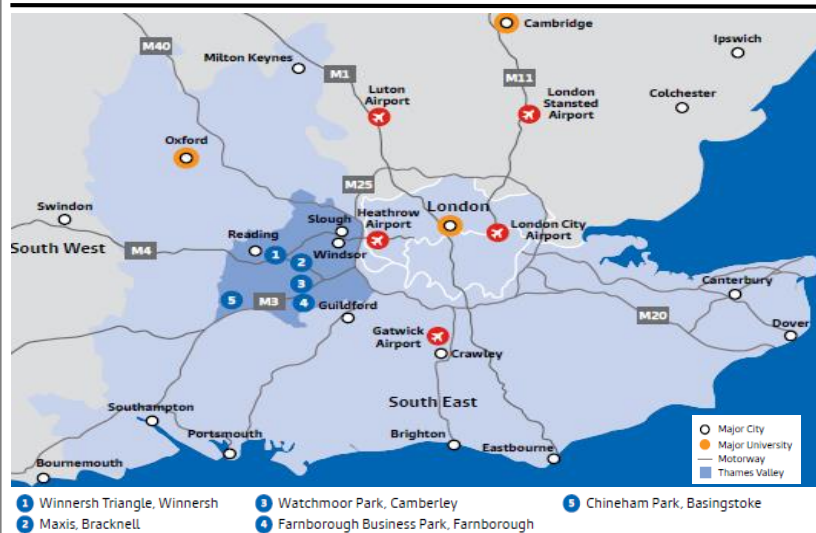
All data are as at 30 September 2019.

1. In respect of 50.0% interest in FBP. Refer to the announcement dated 14 December 2017.
2. By gross rental income. The WALB (after accounting for rights to break) is 5.3 years.
3. Inclusive of a new lease concluded in October 2019, the committed occupancy would be 99.1%.

# 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

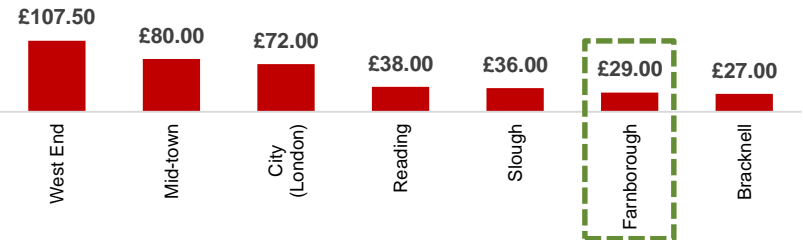
## Frasers Property Group's Thames Valley Business Parks



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

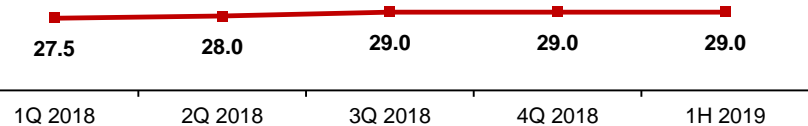
## Cost-efficient alternative to CBD and London locations

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

3M Company	Aetna Inc	Aon Plc	Audi AG
Automatic Data Processing Ltd	Becton Dickinson UK Ltd	Dell	Fluor Limited
Flagship Food Group	General Electric Company	Hewlett-Packard	Huawei Technologies Co., Ltd
International Business Machines Corporation	Jacobs Engineering Group	Microsoft Corporation	Novartis AG
Oracle Corporation	Pabulum Ltd	Sanofi	Skillssoft
Telefonaktiebolaget LM Ericsson	Time Inc.		

Source: Market Overview Thames Valley and Farnborough Area, UK dated 30 November 2018, JLL Research, FCOT 2018 Annual Report, CBRE Market View, Thames Valley & M25 Office, Q1 2019, United Kingdom Offices Q2 2019, CBRE and CBRE.

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



<b>S\$216.8 mil</b> or <b>S\$3,020 psf</b> <b>sale consideration</b>	<b>c. 3X</b>  of S\$72.5 mil original purchase price in 2006	<b>S\$75.7 mil</b>  net gain over S\$139.9 mil book value <sup>1</sup>	<b>1.6%</b>  Implied exit NPI yield <sup>3</sup>
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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.



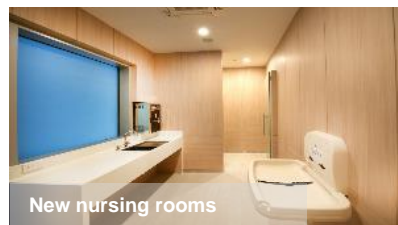
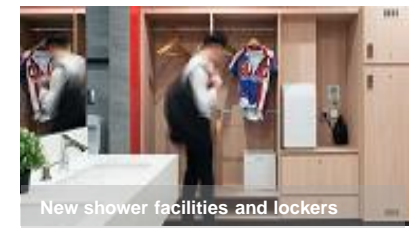
# Alexandra Technopark AEI fully completed

- ◆ Around \$40 million AEI fully completed in 2QFY19
- ◆ Contemporary business campus with a more vibrant, stimulating and engaging environment
- ◆ Generous offering of wellness, lifestyle, social and other amenities
- ◆ Well received by tenants and other stakeholders



# Alexandra Technopark *A contemporary Business Campus*

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



# Alexandra Technopark *Value-enhancing transformation*

## ATP AEI has brought about significant tangible benefits and positive outcomes

### Heightened market appeal

Since completion of AEI works in Jan 2019:

- ◆ Close to 490,000 sf of leasing transactions (including more than 460,000 sf of new leases signed)

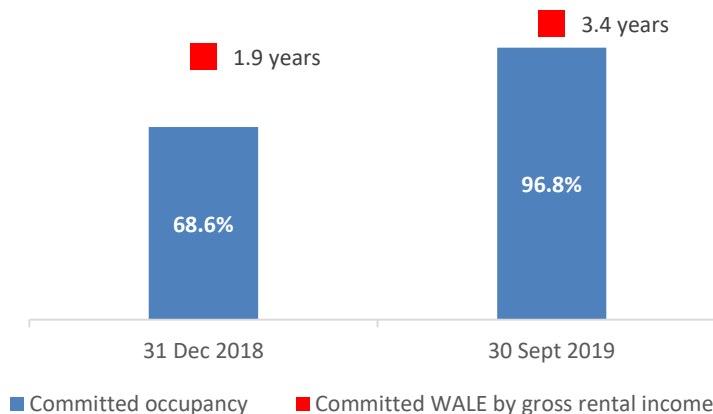
### Higher signing rents

- ◆ 4QFY19 signing rents at S\$4.30 – S\$4.60 psf/ month generally
- ◆ Significantly higher than average passing rent of S\$3.97 psf/ month as at end-Dec 2018

### Enhanced tenant mix

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

### ATP committed occupancy<sup>1</sup> continued to increase post-AEI completion in Jan 2019



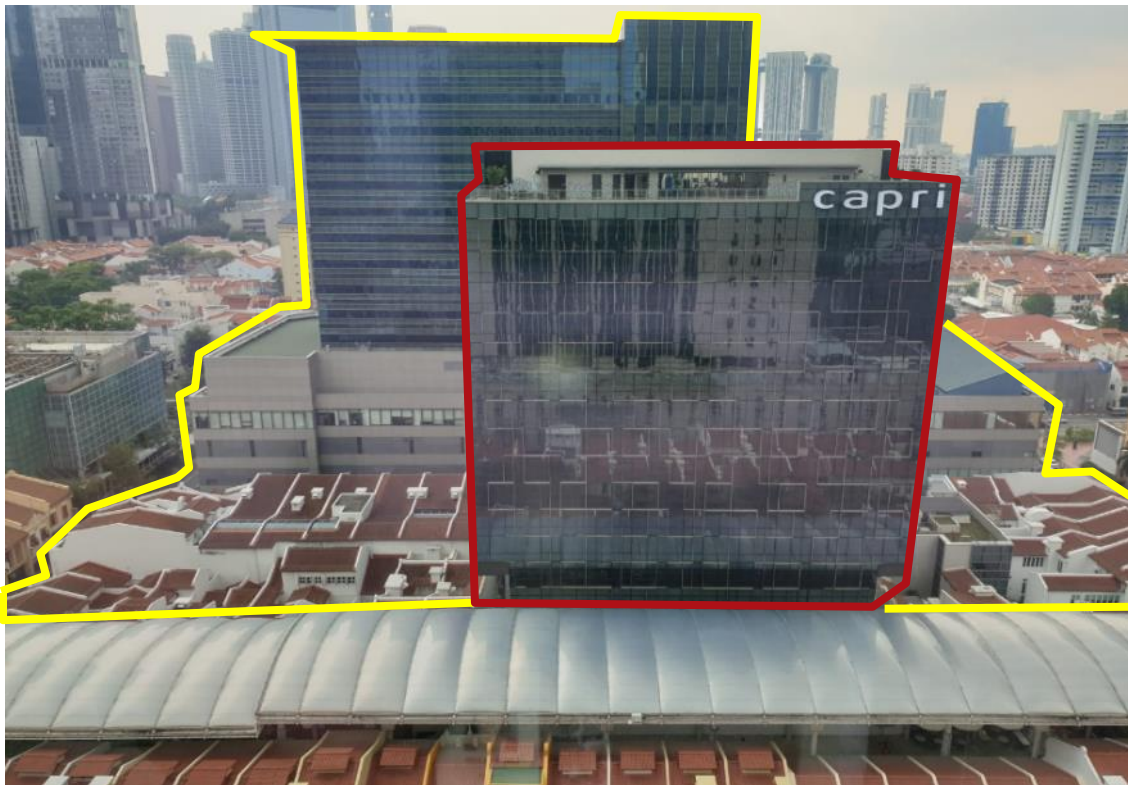
### Backfilling of Microsoft<sup>2</sup> space in good progress

Forward lease commitments have been secured for approximately 72% of the space, with the balance under advanced discussions with prospective tenants

1. Inclusive of the commitment by Google Asia Pacific Pte. Ltd. to lease around 344,100 sq ft of space (approximately 33.3% of the property's NLA), for a term of five years commencing in 1Q 2020 (refer to the announcement dated 25 June 2019 for details), among others.
2. Microsoft Operations Pte. Ltd. had exercised its rights to shorten the lease tenure in respect of 77,761 sf of space by two years to end in January 2020.

# China Square Central *New hotel enhances vibrancy*

- ◆ 304-room Capri by Fraser, China Square hotel<sup>1</sup> commenced operations in May 2019
- ◆ Brings increased activity and vibrancy to China Square Central and benefits retail tenants



China Square Central

Capri by Fraser, China Square

1. 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 works obtained Temporary Occupation Permit in 4QFY19
- ◆ Business operations commenced from November 2019
- ◆ Close to 80% of NLA pre-committed to-date
- ◆ In active negotiations for another c.10% of space



# China Square Central *Creating value and increasing future income*

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

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

Committed tenants  
at 18 Cross Street  
retail podium  
(selected)

absolute  
WELLNESS

ASTUTE  
MEDICAL CENTRE

ERIC KAYSER  
ARTIS & SOULMATES  
PARIS

graviteabar  
GROUND ZERO

HAUS  
ATHLETICS

JUST  
CO

KILLINEY  
SINCE 1910  
MORNING  
GRIND

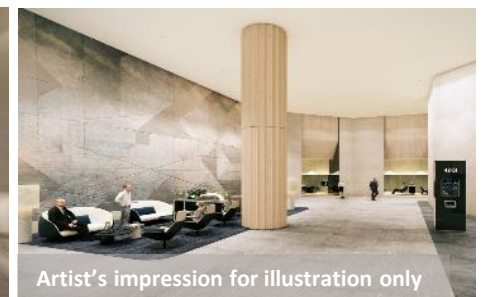
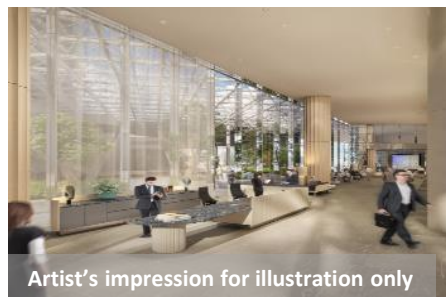
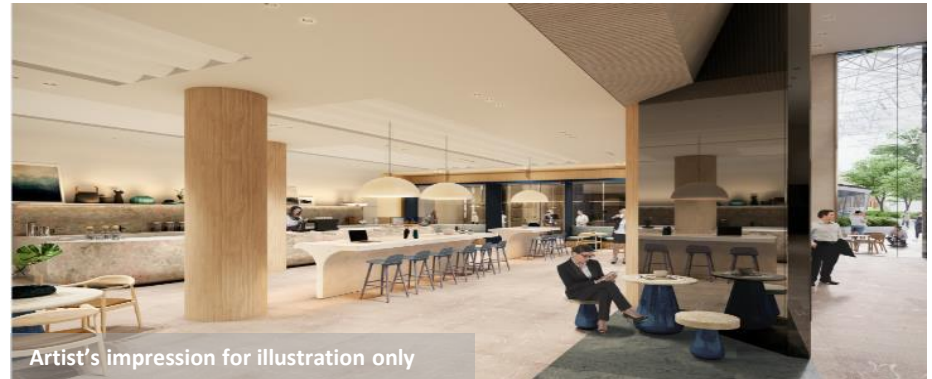
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# Central Park *Enhancing experience and functionality*

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

## *Community-friendly features:*

- *Contemporary lobby with modern finishes and more natural lighting*
- *Flexible 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





# Portfolio Update *Singapore assets*

## China Square Central – healthy occupancy



## Alexandra Technopark – healthy occupancy a testament to successful AEI



<b>Occupancy</b>	89.9% <sup>1,2</sup> (office tower: 92.9% <sup>2</sup> )	96.8% <sup>2</sup>
<b>WALE</b>	2.6 years <sup>1</sup> (3.9 years <sup>3</sup> )	2.0 years (3.4 years <sup>5</sup> )
<b>WALB<sup>4</sup></b>	2.6 years <sup>1</sup> (3.9 years <sup>3</sup> )	1.9 years (3.1 years <sup>5</sup> )
<b>Tenants (selected)</b>	<ul style="list-style-type: none"> <li>◆ Equinix Asia Pacific Pte Ltd</li> <li>◆ GroupM Singapore Pte Ltd</li> <li>◆ OCBC Properties Services Pte Ltd</li> <li>◆ Suntory Beverage &amp; Food Asia Pte Ltd</li> <li>◆ WeWork Singapore Pte Ltd</li> </ul>	<ul style="list-style-type: none"> <li>◆ JT International Tobacco Services (Singapore) Pte Ltd</li> <li>◆ Microsoft Operations Pte Ltd</li> <li>◆ Nokia Solutions and Networks Singapore Pte Ltd</li> <li>◆ Olympus Singapore Pte Ltd</li> <li>◆ Omron Asia Pacific Pte Ltd</li> </ul>

Data as at 30 September 2019.

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

# Portfolio Update *Australia assets*

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



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



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



<b>Occupancy</b>	83.0% <sup>1</sup>	100.0%	99.7% <sup>1</sup>
<b>WALE</b>	8.0 years (8.2 years <sup>2</sup> )	5.8 years	2.6 years (3.6 years <sup>5</sup> )
<b>WALB<sup>3</sup></b>	7.9 years (8.1 years <sup>2</sup> )	5.8 years	2.6 years (3.6 years <sup>5</sup> )
<b>Tenants (selected)</b>	<ul style="list-style-type: none"> <li>◆ 152 Saint Georges Terrace Pty Ltd (WeWork)</li> <li>◆ Australian Energy Market Operator Limited</li> <li>◆ Japan Australia LNG (MIMI) Pty Ltd</li> <li>◆ PF Lawyers Pty Limited (DLA Piper)</li> <li>◆ Rio Tinto Shared Services Pty Ltd</li> </ul>	<ul style="list-style-type: none"> <li>◆ Commonwealth of Australia<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>◆ Analytical Systems Pty Ltd</li> <li>◆ Commonwealth Bank of Australia</li> <li>◆ Meridian Lawyers Limited</li> <li>◆ Orange Business Services Australia Pty Ltd</li> <li>◆ Service Stream Limited</li> </ul>

Data as at 30 September 2019.

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

# Portfolio Update *United Kingdom asset*

## Farnborough Business Park – long WALE and healthy occupancy



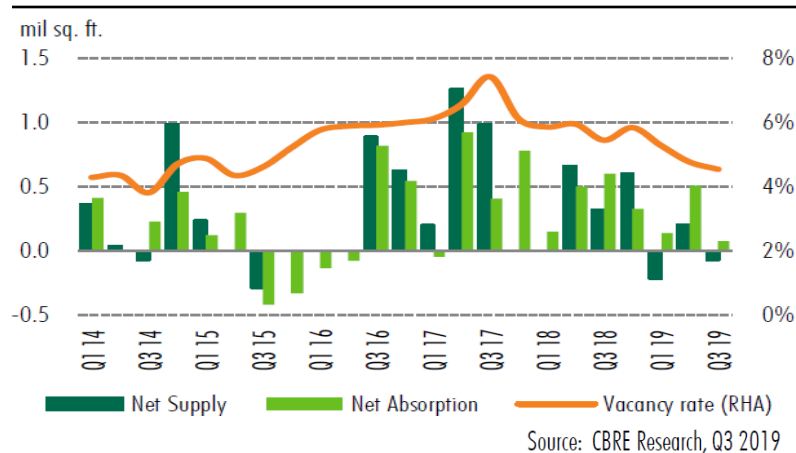
<b>Occupancy</b>	97.4% <sup>1</sup>
<b>WALE</b>	6.8 years
<b>WALB<sup>2</sup></b>	5.3 years
<b>Tenants (selected)</b>	<ul style="list-style-type: none"><li>◆ Aetna Global Benefits (UK) Ltd</li><li>◆ Bolling Investments Limited</li><li>◆ Fluor Limited</li><li>◆ Syneos Health UK Limited</li><li>◆ TI Media Limited</li></ul>

Data as at 30 September 2019.

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

# Singapore CBD office trends and outlook

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



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

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

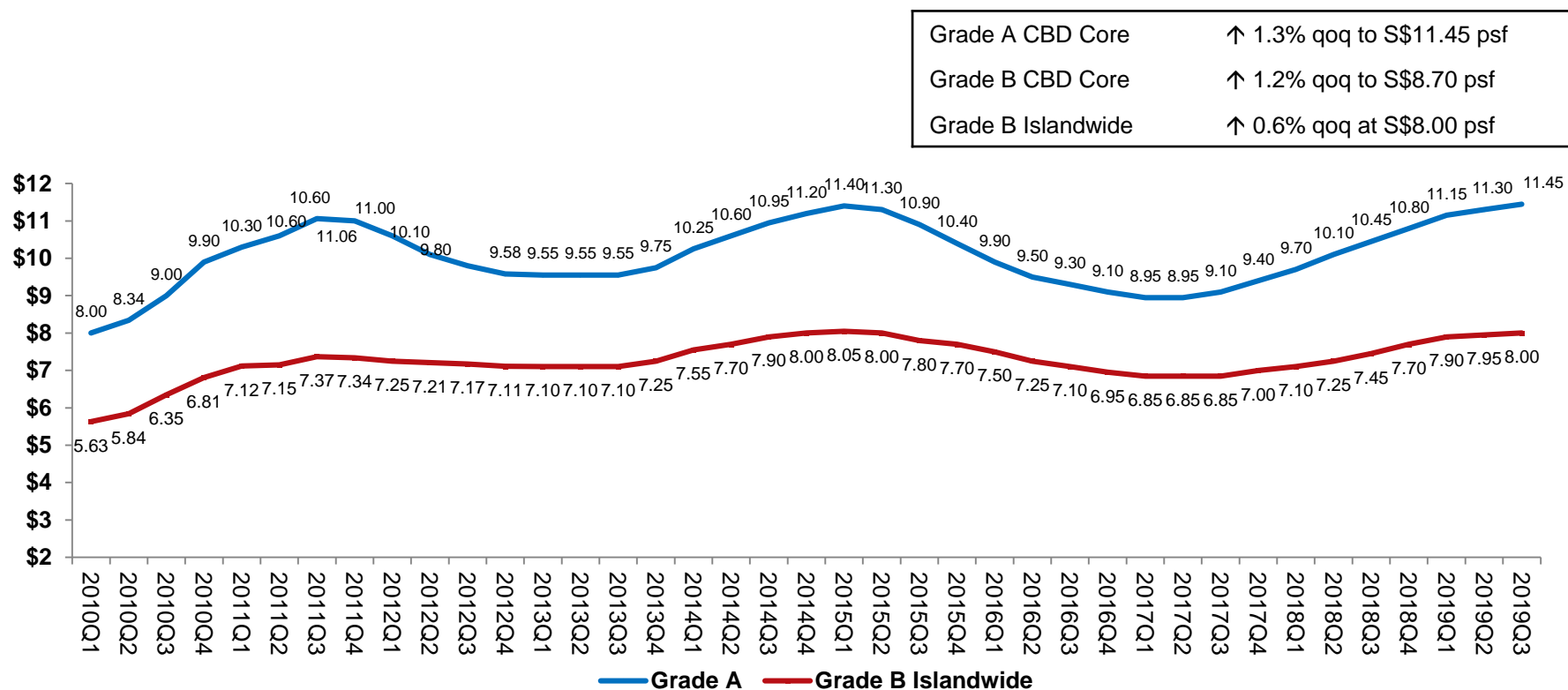
Source: CBRE Research, Q3 2019

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

# Singapore office rents

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

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

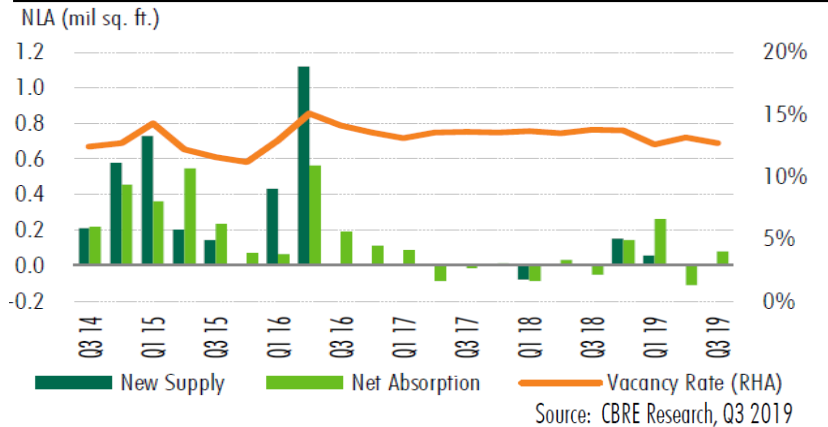


Source: CBRE Research

1. CBRE, Singapore Market View, Q3 2019

# Singapore business park<sup>1</sup> trends and outlook

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



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

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

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

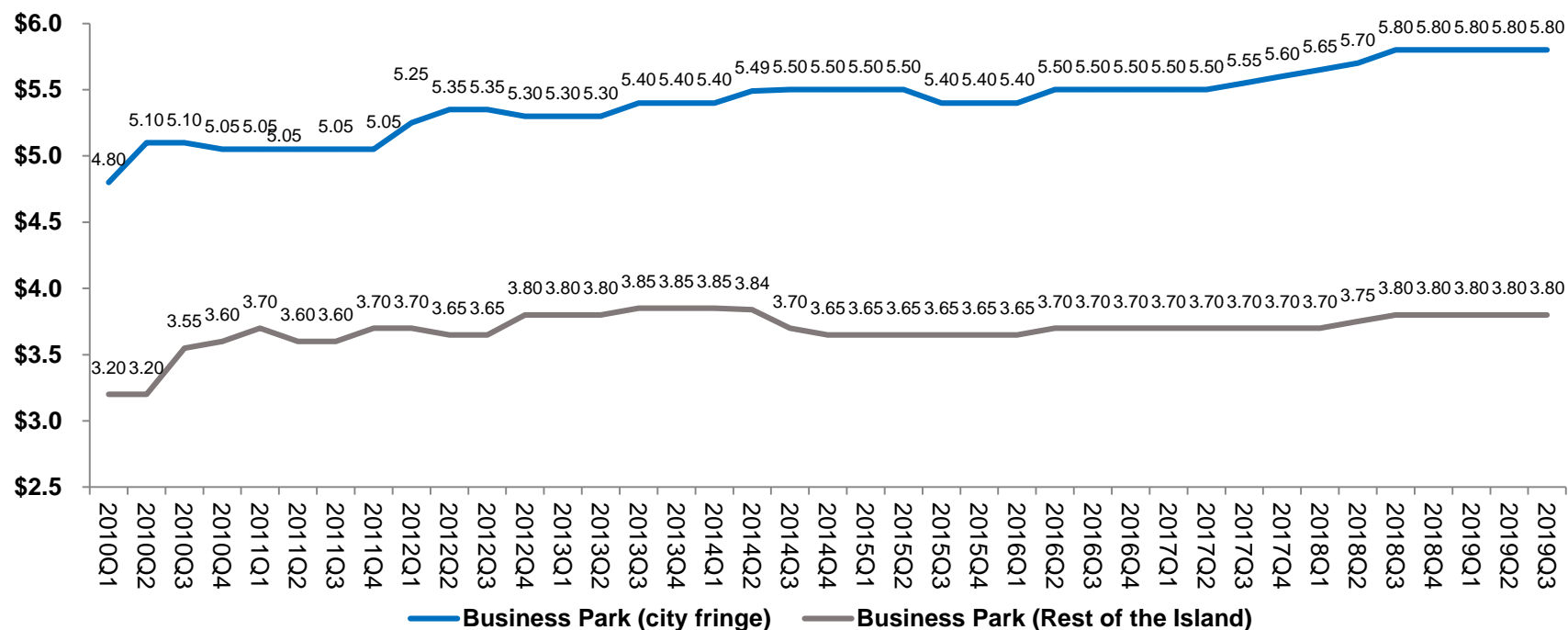
Source: CBRE Research, Q3 2019

1. Alexandra Technopark is a high-specification B1 industrial development located at the city-fringe, with certain physical attributes similar to business parks. Due to limited availability of market research information directly relating to the asset class of Alexandra Technopark, market research information for business parks is provided for indicative reference.
2. CBRE, Singapore Market View, Q3 2019.
3. Announced during the Singapore National Day Rally 2019.

# Singapore business 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>

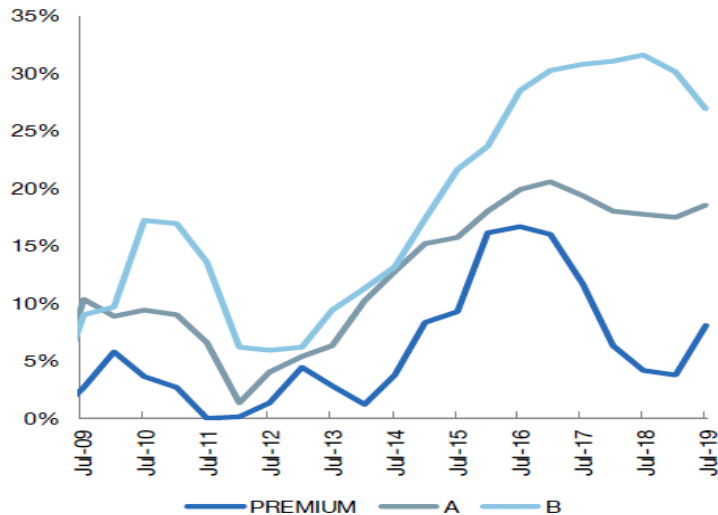


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 2. CBRE, Singapore Market View, Q3 2019

# Perth CBD office trends and outlook

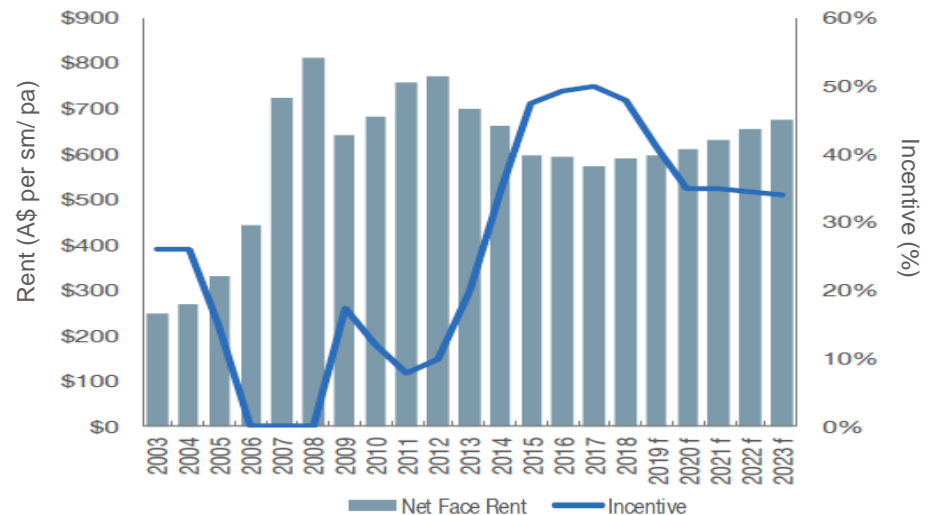
- ◆ Leasing market has rebounded strongly, with prime effective rents growing averagely by 9.5% year-on-year as at end-July 2019
- ◆ Demand for office space was mainly driven by the re-centralisation to CBD and 'flight to quality' trends
- ◆ Prime Grade average net face rent was A\$550 to A\$650 per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

## Perth CBD office vacancy rate by grade (%)



Source: Knight Frank Research/ PCA

## Perth CBD office prime grade net face rents and incentives



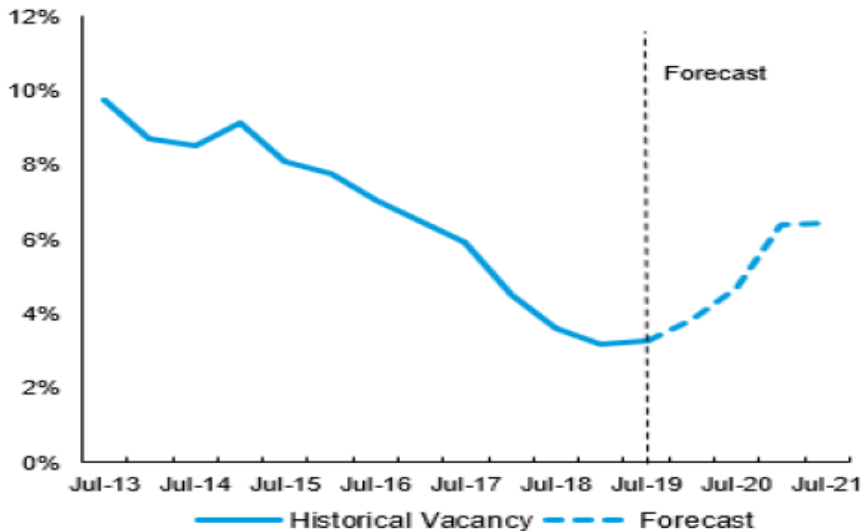
Source: Knight Frank Research



# Melbourne CBD office trends and outlook

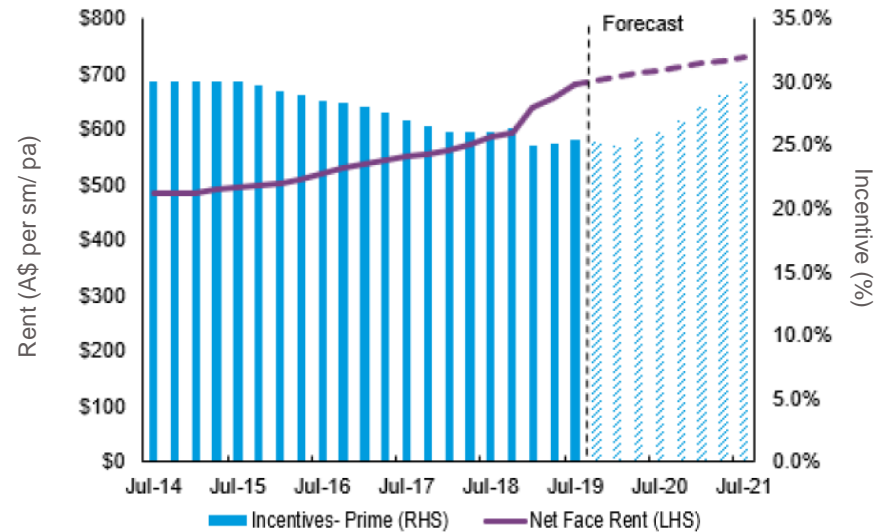
- ◆ Unprecedented employment and population growths in Melbourne continued to drive demand for office space
- ◆ Demand for office space continued to be strong in the Premium and Grade A segments
- ◆ Strong level of demand are expected to fulfil the next wave of new supply in 2020
- ◆ Melbourne CBD Prime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

Melbourne CBD office vacancy rate (%)



Source: Knight Frank Research/ PCA

Melbourne CBD office prime grade net face rents and incentives

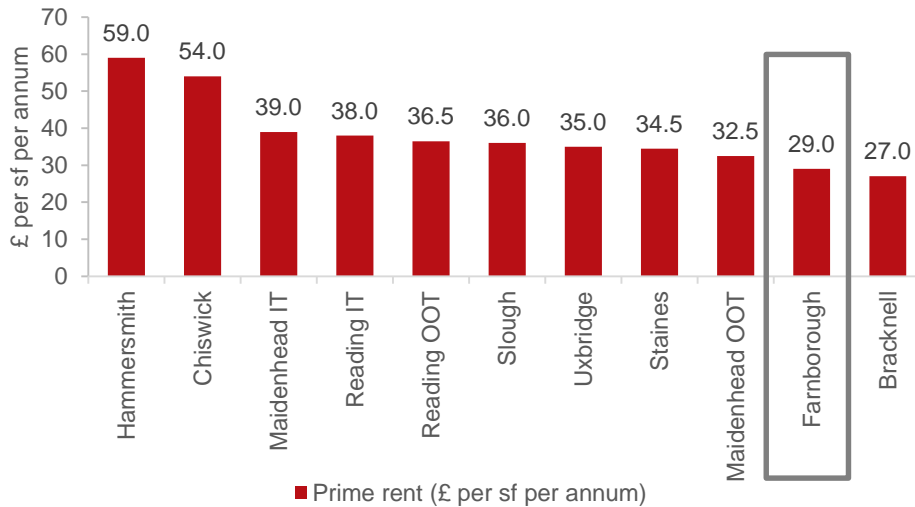


Source: Knight Frank Research

# Thames Valley office trends and outlook

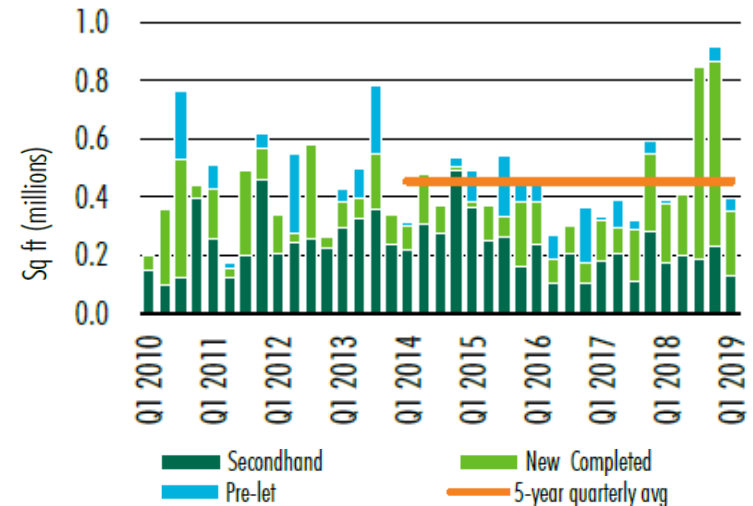
- ◆ Total absorption of 393,653 sf in 1Q 2019 signaled a solid start to the year
- ◆ Rents generally remained stable in 2018, with prime office rents in the majority of locations achieving all-time highs
- ◆ For the Farnborough area, the indicative prime office headline rent was £29.0 psf per annum as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

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



Source: CBRE Research, Q1 2019

Thames Valley take up, Q1 2019



Source: CBRE Research, Q1 2019

# Sustainability

- ◆ Sustainability is one of the key aspects contributing to our aspirations of becoming a leading owner of quality commercial real estate properties and the preferred choice for businesses and investors and to deliver long-term growth to our Unitholders
- ◆ FCOT's sustainability strategies and action plans are based on the Frasers 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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