

**PRESS RELEASE**
*For Immediate Release*

## FCOT announces 1QFY18 results and expects to complete Farnborough Business Park acquisition by end-January 2018

- Enhancement of FCOT's long-term growth potential and portfolio diversification via expansion of investment mandate to Europe, with an initial focus on the United Kingdom
- Right of first refusal over more than S\$4 billion of Sponsor's assets for future acquisition growth
- Acquisition of 50% interest in Farnborough Business Park ("**FBP**") expected to be DPU-accretive
- Revamp of Alexandra Technopark and retail podium of China Square Central expected to enhance long-term competitiveness and market potential of the assets

### Summary of FCOT's 1QFY18 Results

	1/10/17 – 31/12/17 (1Q FY18)	1/10/16 – 31/12/16 (1Q FY17)	Change (%)
Gross Revenue (S\$'000)	35,321	39,679	(11.0)
Net Property Income (S\$'000)	24,858	29,212	(14.9)
Net Property Income (cash basis) (S\$'000) <sup>(1)</sup>	25,098	29,344	(14.5)
Distribution to Unitholders (S\$'000)	19,456	19,939	(2.4)
Distribution Per Unit	2.40¢ <sup>(2)</sup>	2.51¢ <sup>(3)</sup>	(4.4)

(1) Excluding the effects of recognizing accounting income on a straight line basis over lease terms.

(2) The number of Units used to calculate the amount available for DPU was 810.7 million.

(3) The number of Units used to calculate the amount available for DPU was 795.8 million.

**Singapore – 22 January 2018** – Frasers Centrepoint Asset Management (Commercial) Ltd ("**FCAMCL**" or the "**Manager**"), the manager of Frasers Commercial Trust ("**FCOT**", SGX:Frasers Comm Tr), wishes to announce that for the financial quarter ended 31 December 2017 ("**1QFY18**"), FCOT achieved a distribution income to Unitholders of S\$19.5 million<sup>1</sup>. Distribution per Unit ("**DPU**") of 2.40 cents for 1QFY18<sup>2</sup> was stable compared with the DPU of 2.41 cents for the preceding quarter, 4QFY17.

<sup>1</sup> Please refer to 1QFY18 Financial Statements for more details.

<sup>2</sup> The distribution of 2.40 cents per Unit for 1QFY18 will be paid out on 1 March 2018, with the distribution books closure date scheduled for 31 January 2018.

The Manager will be applying the distribution reinvestment plan (“**DRP**”) for the distribution for 1QFY18. 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.

### **Expansion of Investment Mandate to Europe and Acquisition of Farnborough Business Park to enhance long-term growth and diversification**

As part of the Manager’s strategy to enhance the long-term growth potential of FCOT and the diversification of its portfolio, the Manager had announced the expansion of FCOT’s investment mandate to Europe, with an initial focus on the United Kingdom, on 14 December 2017.

The expansion of FCOT’s investment mandate creates further synergistic alignment with FCOT’s sponsor, Frasers Centrepoint Limited (“**FCL**”), given that Europe is currently FCL’s third largest market by asset size, behind FCOT’s current markets of Singapore and Australia. In support of the expansion of investment mandate by FCOT, FCL has granted FCOT a right of first refusal over its office, business space and business park assets in Europe including the UK. Combined with existing pipeline assets in Singapore and Australia, the current visible pipeline for FCOT totals more than S\$4 billion in value, which is around twice the value of FCOT’s current asset base.

In-line with the foregoing growth and diversification strategy, FCOT entered into a 50:50 joint venture with FCL on 14 December 2017 to acquire FBP, an award-winning business park in Thames Valley in the United Kingdom, at a property value of £175 million<sup>3</sup>. The acquisition of a 50% interest in FBP, which comprises 14 commercial buildings with total net lettable area (“**NLA**”) of close to 550,000 square feet (“**sf**”), will result in around 7.5% growth to FCOT’s portfolio asset value, to S\$2,212 million<sup>4</sup>.

The acquisition is expected to complete by end-January 2018, and based on the contemplated financing plan involving a combination of debt and equity, is expected to be DPU-accretive to Unitholders.

Mr Jack Lam, Chief Executive Officer of the Manager, said, “We look forward to the inclusion of FBP in FCOT’s portfolio. FBP is a solid asset with strong fundamentals including a well-connected location, good building quality, a high occupancy rate, long-dated leases and well-established corporate tenants. It will add quality, defensiveness and diversity to FCOT. We also look to extract further value from FBP by, for example, leveraging on portfolio synergies and market power afforded by the network of business parks, namely Winnersh Triangle, Chineham Park and Watchmoor Park, that FCL owns in Thames Valley.”

Further details and photographs of FBP are set out in Appendix A.

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<sup>3</sup> Refer to the announcement dated 14 December 2017 for further details.

<sup>4</sup> Based on the pro forma portfolio asset value as at 31 December 2017.

## Enhancing and repositioning properties for long-term growth

Enhancing and rejuvenating assets provide another important source of long-term growth for FCOT, and the Manager proactively undertakes asset enhancement initiatives for the properties when opportunities arise.

At Alexandra Technopark, a S\$45.0 million asset enhancement initiative (“**ATP AEI**”), which was announced on 23 January 2017, is currently underway and is expected to complete by around mid-2018. The ATP AEI aims to rejuvenate and transform the property into a vibrant, engaging and stimulating business campus that will enhance its long-term market position and competitiveness. When the ATP AEI is completed, tenants can look forward to a wide array of new wellness, social and other amenities including food and beverage outlets, end-of-trip facilities, sports facilities and meeting facilities, among others.

At China Square Central, Written Permission was granted by the Urban Redevelopment Authority in November 2017 for a S\$38 million<sup>5</sup> asset enhancement initiative to rejuvenate and reposition the retail podium at 18 Cross Street (“**CSC Retail AEI**”). The CSC AEI aims to create an exciting destination focusing on food and beverage, wellness and services, as well as increase the NLA of the retail podium from the current 64,000 sf to around 75,000 sf<sup>5</sup>, which will further boost its market competitiveness and income-generating potential. Construction works for the CSC AEI are expected to commence in 1Q 2018 and complete around mid-2019.

Another recent development at China Square Central is that an entity of global co-working space operator, WeWork, has committed to lease around 28,700 sf of space, which will be taken up in phases starting with approximately 16,800 sf in the second half of 2018. The committed space is located at the heritage shophouse block at 20 Cross Street.

Mr Lam, commented, “We are delighted to welcome WeWork to China Square Central, which will add further vibrancy and diversity to the property on top of other exciting developments that are taking place. The take-up by WeWork is a strong testament to the attractiveness of China Square Central as a work and business location. We foresee rising demand for co-working facilities and other non-traditional workplace formats in light of the continuous evolution of work culture and re-shaping of the business eco-system, and are glad to be able to capitalise on this trend.”

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<sup>5</sup> Based on provisional scheme and may be subject to change.

## Appendix A: Further information on FBP

FBP is a 46.5-hectare freehold high-quality business park comprising 14 commercial buildings<sup>6</sup> with a total net lettable area of approximately 555,000 square feet located west of London. It benefits from excellent connectivity including direct connection to key motorways and direct train service to Waterloo Station, London. Further, FBP is approximately 1.6 kilometres to Farnborough Town Centre, adjacent to the TAG Farnborough Airport and Farnborough International Exhibition & Conference Centre and is approximately 40 kilometres away from London's Heathrow Airport.

In addition, the Property is located in the micro-market of Blackwater Valley (part of Thames Valley), which is home to a large pool of highly skilled labour. For this reason, many corporations especially technology and engineering companies are located within the region, benefitting from access to research institutions, universities, amenities, transport connectivity and residential areas.

Further details on FBP are set out below:

<b>Tenure</b>	Freehold
<b>Total net lettable area</b>	554,672 sq ft
<b>Selected major tenants as at 30 September 2017</b>	Fluor Limited, INC Research UK Ltd, Time Inc (UK) Ltd, Aetna Global Benefits (UK) Ltd and a unit of Regus
<b>Occupancy Rate</b>	98.1% <sup>7</sup>
<b>WALE by Gross Rental Income (years)</b>	8.3 <sup>8</sup>
<b>Property Valuation (£million)</b>	175.05 <sup>9</sup>

<sup>6</sup> Includes a car showroom to be built, which is pre-let and expected to be completed by January 2019. FBP also includes five freehold reversions subject to long leaseholds and four listed buildings relating to British aviation history.

<sup>7</sup> As at 30 September 2017 and after adjusting for leases for which the tenants have exercised their rights to break.

<sup>8</sup> By gross rental income as at 30 September 2017 after taking into account certain rent guarantees and reimbursement of rent free incentives from the Vendor for existing leases and potential lease breaks/ lease expirations in 2018. The WALT (after accounting for rights to break) is 5.9 years.

<sup>9</sup> Based on the valuation report by BNP Paribas Real Estate Advisory & Property Management UK Limited dated 11 December 2017.




## Farnborough Business Park



## Farnborough Business Park, Site Map



 FBP site boundary

Note: boundary shown is illustrative only and includes certain lots sold on long leaseholds.

## **About Frasers Commercial Trust**

Frasers Commercial Trust (FCOT) is a commercial real estate investment trust (REIT) focused on growing shareholder value for its unitholders through active asset management, sound financial management and strategic investments. FCOT is sponsored by Frasers Centrepoint Limited (FCL).

FCOT invests primarily in quality income-producing commercial properties. As at 31 December 2017, its portfolio includes six quality commercial buildings located in Singapore and Australia, representing a combined appraised value of approximately S\$2.1 billion.

For more information on FCOT, please visit [www.fraserscommercialtrust.com](http://www.fraserscommercialtrust.com)

## **About Frasers Centrepoint Limited**

Frasers Centrepoint Limited (“FCL”), is a multi-national company that owns, develops and manages, a diverse, integrated portfolio of properties. Listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and headquartered in Singapore, the company is organised around five asset classes, with assets totalling S\$27 billion as at 30 September 2017.

FCL’s assets range from residential, hospitality, retail and commercial, to industrial and logistics properties in Singapore, Australia, Europe, China and Southeast Asia. Its well-established hospitality business owns and / or operates serviced apartments and hotels in over 80 cities across Asia, Australia, Europe, the Middle East and Africa. The company is unified by its commitment to deliver enriching and memorable experiences for customers and stakeholders, leveraging knowledge and capabilities from across markets and property sectors, to deliver value in its multiple asset classes.

FCL is also a sponsor of three real estate investment trusts and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust, Frasers Commercial Trust, and Frasers Logistics & Industrial Trust are focused on retail properties, office and business space properties, logistics and industrial properties respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties.

For more information on FCL, please visit [www.fraserscentrepoint.com](http://www.fraserscentrepoint.com).

## **IMPORTANT NOTICE**

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view on future events.

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 their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This publication 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.