

FCOT divests 55 Market Street for S\$216.8 million

- ◆ Divestment at 45% premium to valuation unlocks significant value and creates headroom for future growth initiatives
- ◆ In-line with the Manager's proactive portfolio and capital management to deliver long-term growth

SINGAPORE, 10 JULY 2018

Fraser's Commercial Asset Management Ltd. ("**FCOAM**" or the "**Manager**"), the manager of Fraser's Commercial Trust ("**FCOT**", SGX:Fraser's Com Tr), announced today that British and Malayan Trustees Limited, in its capacity as trustee of FCOT, has today entered into a property sale agreement for the sale of 55 Market Street, a 16-storey commercial property located in Raffles Place, Singapore, to an unrelated third party for a sale consideration of S\$216.8 million. The transaction is expected to be completed by 31 August 2018.

The sale consideration of S\$216.8 million, which is equivalent to S\$3,020 per square foot based on the building's net lettable area¹, was arrived at through a marketing process conducted by an appointed property consultant. The sale consideration represents a 44.5% premium above the property's valuation of S\$150.0 million as at 1 July 2018 and almost three times the original purchase price of S\$72.5 million in 2006. FCOT is expected to recognise an estimated net gain of approximately S\$76.5 million² over the property's book value of S\$139.0 million as at 30 September 2017. The sale consideration implies an annualised net property income yield of 1.7% based on the net property income of 55 Market Street for the financial quarter ended 31 March 2018.

Assuming all net divestment proceeds are used to repay existing debt, FCOT's aggregate leverage as at 30 September 2017 would reduce from 34.7% to 26.5%³ on a pro-forma basis. In addition, the divestment would have been accretive to FCOT's distribution per unit on a pro-forma basis for the financial year ended 30 September 2017, based on the same assumptions³.

Mr Jack Lam, Chief Executive Officer of the Manager said, "55 Market Street is the smallest of our assets and is non-core. Monetizing the asset at a gain of close to S\$67 million above valuation and almost tripling the initial purchase price unlocks significant value. It also creates opportunities for us to recycle capital to higher-yielding investments and pursue other growth initiatives as we continue to reshape and strengthen the portfolio for long-term growth."

Located in Raffles Place, Singapore, 55 Market Street is a 16-storey commercial building comprising 15 floors of office space and two floors of retail space on the ground floor and basement level. The property has a total net lettable area of 71,796 square feet and a committed occupancy of 87.9% as at 31 March 2018. The property constituted approximately 6.3% of FCOT's property portfolio value as at 31 March 2018 and contributed approximately 3.5% of FCOT's portfolio net property income for the quarter ended 31 March 2018⁴.

¹ As at 31 March 2018.

² Net of estimated transaction expenses and fees of S\$1.3 million.

³ Refer to the announcement dated 10 July 2018 for details.

⁴ Portfolio net property income for the financial quarter ended 31 March 2018 ("2QFY18") including 50% net property income of Farnborough Business Park for the period from 29 January to 31 March 2018 (held as a joint venture and equity-accounted in the financial statements). See financial results announcement dated 20 April 2018 for details.

55 MARKET STREET PROPERTY DETAILS

Location	55 Market Street, Singapore 048941
Net lettable area	71,796 square feet as at 31 March 2018
Committed occupancy	87.9% as at 31 March 2018
Number of storeys	15 floors of office space and 2 floors of retail space (including a basement level)
Land tenure	Leasehold 999 years commencing April 1826
Gross revenue	S\$1.3 million for 2QFY18
Net property income	S\$0.9 million for 2QFY18

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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 Property Limited (Frasers Property).

FCOT invests primarily in quality income-producing commercial properties. As at 31 March 2018, its portfolio includes seven quality commercial buildings located in Singapore, Australia and the United Kingdom, representing a combined appraised value of approximately S\$2.2 billion.

For more information on FCOT, please visit www.fraserscommercialtrust.com

About Frasers Property Limited

Frasers Property Limited ("Frasers Property" or the "Company"), 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 total assets of S\$30 billion as at 31 March 2018.

Frasers Property's assets range from residential, retail, commercial and business parks, to logistics and industrial 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.

Frasers Property is also the 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 and business parks, 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 Frasers Property, please visit www.frasersproperty.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.

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