

FCOT declares stable DPU of 2.40 cents for 2QFY18

- ◆ Maiden contribution from Farnborough Business Park, United Kingdom, following completion of acquisition on 29 January 2018
- ◆ Right of first refusal over more than S\$4 billion of the Sponsor's assets for future acquisition growth
- ◆ Revamps of Alexandra Technopark and China Square Central retail podium underway to enhance long-term value

SUMMARY OF FCOT'S 2QFY18 RESULTS

	1/1/18 – 31/3/18 (2Q FY18)	1/1/17 - 31/3/17 (2Q FY17)	Change (%)	1/10/17 - 31/3/18	1/10/16 - 31/3/17	Change (%)
Gross Revenue (S\$'000)	33,014	40,240	(18.0)	68,335	79,919	(14.5)
Net Property Income (S\$'000)	22,432	30,020	(25.3)	47,290	59,232	(20.2)
Net Property Income (cash basis) (S\$'000) ⁽¹⁾	22,574	30,558	(26.1)	47,672	59,902	(20.4)
Distribution to Unitholders (S\$'000)	20,601	20,022	2.9	40,057	39,961	0.2
Distribution Per Unit	2.40¢ ⁽²⁾	2.51¢ ⁽³⁾	(4.4)	4.80¢	5.01¢	(4.2)

(1) Excluding the effects of recognizing accounting income on a straight-line basis over tenure of leases.

(2) 2QFY18 DPU comprise:

- advanced distribution of 0.800 cents for the period from 1 January 2018 to 31 January 2018 which was paid out in cash on 12 March 2018 (computed based on 810.7 million Units); and
- distribution of 1.600 cents for the period from 1 February 2018 to 31 March 2018 (computed based on 882.2 million Units).

(3) The number of Units used to calculate the amount available for DPU was 799.1 million.

SINGAPORE, 20 APRIL 2018

Fraser's Commercial Asset Management Ltd. ("**FCOAM**" or the "**Manager**"), the manager of Fraser's Commercial Trust ("**FCOT**", SGX:Fraser's Com Tr), wishes to announce a total distribution to Unitholders of S\$20.6 million¹ for the financial quarter ended 31 March 2018 ("**2QFY18**"). Total declared distribution per Unit ("**DPU**") of 2.40 cents for 2QFY18 was stable compared with the preceding quarter.

The total DPU of 2.40 cents for 2QFY18 includes an advanced distribution of 0.80 cents per Unit for the period from 1 January 2018 to 31 January 2018, which was paid out in cash on 12 March 2018². The balance DPU of 1.60 cents for the period from 1 February 2018 to 31 March 2018 will be paid out on 30 May 2018, with the distribution books closure date scheduled for 30 April 2018¹.

¹ Refer to 2QFY18 Financial Statements for more details.

² Refer to announcement dated 14 February 2018 for more details.

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The Manager will be applying the distribution reinvestment plan (“**DRP**”) for the distribution of 1.60 cents per Unit for the period from 1 February 2018 to 31 March 2018. 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.

SUMMARY OF 2QFY18 RESULTS

Gross revenue of S\$33.0 million for 2QFY18 was 18.0% lower year-on-year mainly due to the lower occupancy rates for the properties in Singapore, Central Park, 357 Collins Street, the absence of one-off payment in relation to a termination of lease in Central Park and the effects of the average weaker Australian dollar. Net property income (“**NPI**”) of S\$22.4 million was 25.3% lower year-on-year mainly due to the reasons mentioned as well as higher repair and maintenance expenses for Caroline Chisholm Centre. The gross revenue and **NPI** figures are before contribution from **FCOT**’s 50% indirect interest in Farnborough Business Park, which is held as a joint venture and equity-accounted.

2QFY18 total distributable income of S\$20.6 million, which included the maiden contribution from **FCOT**’s 50% indirect interest in Farnborough Business Park, United Kingdom (“**UK**”), following the completion of the acquisition on 29 January 2018³, was 2.9% higher year-on-year.

Portfolio average committed occupancy rate was 83.5%⁴ as at 31 March 2018. The committed occupancy rates for the Singapore portfolio, the Australia portfolio and Farnborough Business Park was 76.1%⁵, 89.5% and 97.2%⁶, respectively.

CREATING DIVERSIFIED AND LONG-TERM GROWTH VIA ACQUISITIONS

The acquisition of a 50% indirect interest in Farnborough Business Park, UK was completed on 29 January 2018. The total acquisition cost⁷ of the investment was funded mainly by a combination of debt and equity raised in February 2018.

The Manager raised S\$100.0 million from a private placement (“**Private Placement**”) of Units which was over five times subscribed on the back of strong demand from existing and new institutional investors. The 67,567,000 new Units issued under the Private Placement were priced at S\$1.48 per Unit, implying a discount of 1.4% to the adjusted volume weighted average price⁸. **FCOT**’s free float has increased by more than 10% to 661.1 million Units⁹ as at 31 March 2018 following the Private Placement. The Manager also raised S\$60.0 million from the issuance of five-year senior unsecured notes due in 2023 and with a fixed rate of 3.185%¹⁰, under the S\$1.0 billion Multicurrency Medium Term Note Programme.

Mr Jack Lam, Chief Executive Officer of the Manager said, “Farnborough Business Park is an award-winning, high-quality asset with solid fundamentals, and we are delighted to see its accretive contribution commencing from the end of January 2018. We will look to extract further value from the property and grow its income contribution even more going forward. Farnborough Business Park is also part of Frasers

³ Share of results of joint venture for **FCOT**’s 50% interest in Farnborough Business Park.

⁴ Adjusted for, among other things, space committed by an entity of Rio Tinto Limited on a new 12-year lease commencing in FY18 and space that Rio Tinto Limited will be returning by end-FY18 as part of its partial relocation to new premises under the new lease. In addition, the total net lettable area (“**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.

⁵ Mainly affected by lease expiration for Hewlett-Packard Enterprise Singapore Pte Ltd and phased reduction in lease area by Hewlett-Packard Singapore Pte Ltd at Alexandra Technopark (refer to the announcements dated 22 September 2017 and 3 November 2017 for further details).

⁶ After adjusting for leases for which the tenants have exercised their rights to break.

⁷ Total acquisition cost of S\$163.5 million comprised (i) purchase consideration of S\$161.3 million; and (ii) transaction costs of S\$2.2 million. The remaining total acquisition cost was funded by internal funds.

⁸ Refer to the announcement dated 31 January 2018 for further details.

⁹ Computed based on total Units in issue excluding Units held by Frasers Property Group.

¹⁰ Swapped into Sterling Pound.

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Property Group's network of business parks totalling more than 3 million square feet in the Thames Valley, which will see it benefitting from economies of scale and other synergistic values afforded by the portfolio."

"The UK is one of the largest economies in the world and its commercial real estate market is known to be well-established and highly institutionalised, which are attractive for long-term investments. We are pleased that FCOT has been granted right of first refusal over Frasers Property Group's portfolio of business parks in the Thames Valley¹¹, which will present opportunities to scale-up the Trust's UK presence in the future. Combined with similar rights granted over Frasers Property Group's relevant assets in Singapore and Australia, we have a potential pipeline of over S\$4 billion to provide diversified and long-term growth for Unitholders", Mr Lam added.

ADDITIONAL GROWTH THROUGH ASSET ENHANCEMENTS

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

At Alexandra Technopark ("**ATP**"), a S\$45 million asset enhancement initiative ("**ATP AEI**"), which was announced on 23 January 2017, is currently underway and 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 with a view to enhancing its long-term market position and competitiveness. 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.

As at 31 March 2018, the occupancy rate at ATP including pre-committed leases was 70.4%. This includes 135,756 sf occupied by Hewlett-Packard Singapore Pte Ltd, constituting 13.0% of the net lettable area of the property, for which leases will be expiring between 30 April 2018 and 31 December 2018¹². The opportunity to refresh and diversify the tenant base dovetails well with the objectives of the ATP AEI, and the Manager will continue to carry out proactive leasing and asset management strategies to normalize occupancy as soon as possible.

At China Square Central, a S\$38 million asset enhancement initiative to rejuvenate and reposition the retail podium at 18 Cross Street ("**CSC Retail AEI**") commenced in 1Q 2018 and is expected to complete around mid-2019. The CSC Retail AEI aims to create an exciting destination focusing on food and beverage, wellness and services, as well as increase the net lettable area of the retail podium from the current 64,000 sf to around 75,000 sf¹³, which will further boost its market competitiveness and income-generating potential.

The retail podium is also expected to benefit from increased visitor numbers to China Square Central, particularly outside work hours and on weekends and public holidays, that can be envisaged with the opening of the new 304-room Capri by Fraser, China Square hotel¹⁴ located adjacent to the retail podium. The hotel is currently scheduled to open by the first quarter of 2019. The completions of CSC Retail AEI and Capri by Fraser, China Square hotel are expected to bring about a major uplift to the vibrancy, attractiveness and market position of China Square Central as a whole.

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¹¹ Refer to announcement and other releases on 14 December 2017 for details.

¹² Refer to announcement dated 3 November 2017 for details.

¹³ Based on provisional scheme and may be subject to change.

¹⁴ Refer to Circular to Unitholders dated 3 June 2015 for details.

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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 assets totalling S\$28 billion as at 31 December 2017.

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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FOR MEDIA QUERIES, PLEASE CONTACT:

Frasers Commercial Asset Management Ltd.

Ms Wang Mei Ling

Vice President, Investor Relations

T +65 6277 2509

E meiling.wang@frasersproperty.com