

PRESS RELEASE
For Immediate Release

FCOT's FY17 distributable income up 1.3% year-on-year to S\$78.6 million

- FY17 DPU of 9.82 cents in-line with FY16
- Obtained Provisional Permission from URA for asset enhancement to rejuvenate and reposition retail podium of 18 Cross Street, China Square Central
- Full occupancies at Caroline Chisholm Centre and 357 Collins Street provide stability
- No refinancing requirements until August 2018

Summary of FCOT's 4QFY17 and FY17 Results

	1/7/17 – 30/9/17 (4Q FY17)	1/7/16 – 30/9/16 (4Q FY16)	Change (%)	1/10/16 – 30/9/17 (FY17)	1/10/15 – 30/9/16 (FY16)	Change (%)
Gross Revenue (S\$'000)	38,306	39,330	(2.6)	156,551	156,497	-
Net Property Income (S\$'000)	26,735	29,289	(8.7)	113,843	115,614	(1.5)
Net Property Income (cash basis) (S\$'000) ⁽¹⁾	26,870	29,114	(7.7)	114,853	113,794	0.9
Distribution to Unitholders (S\$'000)	19,397	19,485	-	78,600	77,607	1.3
Distribution Per Unit	2.41¢ ⁽²⁾	2.45¢ ⁽³⁾	(1.6)	9.82¢	9.82¢	-

(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 is 805.8 million.

(3) The number of Units used to calculate the amount available for DPU was 794.3 million.

Singapore – 20 October 2017 – Frasers Centrepoint Asset Management (Commercial) Ltd (“**FCAMCL**” or the “**Manager**”), the manager of Frasers Commercial Trust (“**FCOT**”, SGX:Frasers Comm Tr), is pleased to announce that for the financial year ended 30 September 2017 (“**FY17**”), FCOT’s distributable income to Unitholders of S\$78.6 million was 1.3% above that of the financial year ended 30 September 2016 (“**FY16**”). Distribution per Unit (“**DPU**”) of 9.82 cents for FY17 was in-line with that of FY16.

Mr Jack Lam, Chief Executive Officer of the Manager, said “We are pleased to have delivered a stable set of results for the full financial year despite the challenges present in the markets. We are also pleased to inform that we have initiated plans for the enhancement and repositioning of the retail podium in China Square Central, for a budget of around S\$38 million. This asset enhancement initiative aims to update and upgrade the shopper experience and tenancy mix in the mall and increase its leasable area, among other things, to enhance its market positioning and long-term income-generating potential. This timely and forward-looking move will enable the mall to better capitalize on the uplift in human traffic and general activity

level that will come about from the planned opening of the new Capri by Fraser hotel¹ within the development in 2019.”

Australia assets lend stability to the portfolio

Gross revenue of S\$156.6 million for FY17 was in-line with FY16. In FY17, net property income (“**NPI**”) for the overall portfolio declined 1.5% year-on-year to S\$113.8 million, mainly due to the higher repair and maintenance expenses for Caroline Chisholm Centre and lower occupancy rates at Alexandra Technopark, China Square Central and Central Park. However, NPI for the Australian properties increased 2.5% year-on-year mainly as a result of the better performance from 357 Collins Street on the back of higher average occupancy and rental rates achieved, coupled with the stronger Australian dollar. Overall portfolio NPI on cash basis, excluding the effects of recognising accounting income on a straight line basis over the terms of the leases, increased by 1.0% year-on-year to S\$114.9 million in FY17.

FY17 aggregate DPU of 9.82 cents was in-line year-on-year, as the higher distributable income was offset by the increase in number of Units from a year ago. The Manager will be applying the distribution reinvestment plan (“**DRP**”) for the distribution for 4QFY17. 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.

The distribution of 2.41 cents per Unit for 4QFY17 will be paid out on 29 November 2017, with the distribution books closure date scheduled for 31 October 2017.

Leasing and occupancy updates

The portfolio average committed occupancy rate was 85.9%² as at 30 September 2017. The overall average committed occupancy rate for the Singapore portfolio was 77.8%³; while that for the Australian portfolio was 96.5%, underpinned by continued full occupancies at Caroline Chisolm Centre and 357 Collins Street. Committed occupancy at Central Park has increased by 6.6 percentage points quarter-on-quarter to 88.9%⁴.

The income-weighted average lease expiry (“**WALE**”) of the portfolio was 3.4 years² as at 30 September 2017.

In 4QFY17, new and renewed leases totalling approximately 67,000 square feet (“**sf**”) or about 2.6% of the portfolio net lettable area (“**NLA**”), commenced during the quarter. The weighted average rent reversion for these leases was positive 3.1%⁵. For the whole of FY17, the weighted average rent reversion for new and renewed leases that commenced during the financial year, which totalled approximately 253,900 sf or 9.7% portfolio NLA, was positive 1.9%⁵. 357 Collins

¹ Refer to the Circular to Unitholders dated 3 June 2015 for further details.

² Committed up to January 2018, taking into account, among others, space committed by an entity of Rio Tinto Limited on a new 12-year lease commencing in FY18 and 6.8% space which will not be renewed by Hewlett-Packard Enterprise Singapore Pte Ltd (“HPE”) upon lease expirations on 30 September 2017 and 30 November 2017 (refer to the announcement dated 22 September 2017 for further details).

³ Planned vacancies at China Square Central due to on-going construction works for the Hotel and Commercial Project (refer to the Circular to Unitholders dated 3 June 2015 for details) coupled with the HPE lease expirations contributed to lower average occupancy for the Singapore portfolio.

⁴ Committed occupancy up to January 2018, taking into account space committed by an entity of Rio Tinto Limited on a new 12-year lease commencing in FY18 at Central Park, among others.

⁵ Weighted average rental reversion is calculated by comparing the initial rent for a new lease versus the rent at expiry of the previous lease, excluding incentives and turnover rents, if any.

Street and Caroline Chisholm Centre enjoyed contracted rent escalations of 3.9% per annum (average for existing leases) and 3.0% per annum, respectively, during the financial year.

On 22 September 2017 the Manager announced that Hewlett-Packard Enterprise Singapore Pte Ltd (“**HPE**”) intended to vacate an aggregate of 178,843 sf of space at Alexandra Technopark (“**ATP**”) upon the expiration of relevant leases on 30 September 2017 and 30 November 2017⁶. The space vacated or to be vacated by HPE accounts for around 17.1% of the total net lettable area of the property and 6.6% of the portfolio gross rental income of FCOT as at 30 September 2017. To-date, about 61,000 sf of the space vacated by HPE have been committed to other tenants.

The Manager will continue to carry out proactive leasing and asset management strategies to normalize occupancy at ATP as soon as possible. The opportunity to refresh and diversify the tenant base at ATP dovetails well with the \$45 million on-going asset enhancement initiative (“**ATP AEI**”) that was announced on 23 January 2017. The ATP AEI, which is on schedule to complete by around mid-2018, is geared towards rejuvenating and transforming ATP into a vibrant, engaging and stimulating business campus that will enhance its long-term market position and competitiveness.

The Manager is still in discussion with another tenant, Hewlett-Packard Singapore Pte Ltd (“**HPS**”), with regard to its plans for its leases at ATP. HPS currently occupies approximately 304,920 sf of space at ATP under leases expiring on 30 November 2017 and which constitute approximately 11.1% of FCOT’s total gross rental income for the month ended 30 September 2017. The Manager will announce material developments with regard to the HPS leases at the appropriate time.

Rejuvenating and repositioning the retail podium of China Square Central

FCOT has obtained Provisional Permission from the Urban Redevelopment Authority to undertake an asset enhancement initiative at the retail podium of 18 Cross Street, China Square Central (“**CSC Retail AEI**”). Estimated to cost approximately S\$38 million⁷, the CSC Retail AEI aims to rejuvenate and reposition the retail podium to create an exciting destination focusing on food and beverage, wellness and services. The NLA of the retail podium is expected to increase from the current 64,000 sf to around 75,000 sf⁷, which will further boost its income-generating potential. Expected to commence in Q1 2018 and to be completed around mid-2019⁷, the CSC Retail AEI, together with the introduction of a new Capri by Fraser hotel⁸ in the development in 2019 will complete the overall revamp of China Square Central⁹ and bring about greater vibrancy, market competitiveness and income potential for the asset.

Portfolio value increased 4.1% to S\$2.1 billion

The independent valuers have valued FCOT’s properties at S\$2.1 billion as at 30 September 2017, up 4.1% compared to a year ago. The increase in portfolio value was mainly attributed to higher valuations assessed for China Square Central and the Australian properties. The valuation gain for China Square Central took into consideration the CSC Retail AEI plans which is expected to commence in Q1 2018, while growth for the Australian portfolio came mainly as

⁶ Refer to the announcement dated 22 September 2017 for further details.

⁷ Based on provisional scheme and may be subject to change.

⁸ Refer to the Circular to Unitholders dated 3 June 2015 for further details.

⁹ The asset enhancement for the office tower of 18 Cross Street and the rejuvenation of Nankin Mall were completed in 2013.

a result of higher rents for Caroline Chisolm Centre and 357 Collins Street coupled with the stronger Australian dollar compared to a year ago.

Proactive capital management

FCOT has no debts maturing until August 2018, and the Manager will continue to be proactive in managing the maturing debts. As at 30 September 2017, the weighted average debt expiry for FCOT was 2.5 years, gearing remained healthy at 34.7% and interest rates for 80.7% of borrowings have either been fixed or hedged.

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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 Centrepoint Limited (FCL).

FCOT invests primarily in quality income-producing commercial properties. As at 30 September 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

About Frasers Centrepoint Limited

Frasers Centrepoint Limited ("FCL") is a full-fledged international real estate company and one of Singapore's top property companies with total assets of around S\$25 billion as at 30 June 2017. FCL has three strategic business units – Singapore, Australia and Hospitality, which focus on residential, commercial, retail and industrial properties in Singapore and Australia, and the hospitality business spanning more than 80 cities across Asia, Australia, Europe, and the MENA region. FCL also has an International Business unit that focuses on China, Europe, and Southeast Asia.

FCL is listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). FCL is also a sponsor and its subsidiaries are the managers of three REITs listed on the SGX-ST, Frasers Centrepoint Trust, Frasers Commercial Trust, and Frasers Logistics & Industrial Trust that are focused on retail properties, office and business space properties, logistics and industrial properties respectively, as well as one stapled trust listed on the SGX-ST, Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) that is focused on hospitality properties.

As a testament to its excellent service standards, best practices, and support of the environment, FCL is the proud recipient of numerous awards and accolades both locally and abroad.

For more information on FCL, please visit 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.