PRESS RELEASE
For Immediate Release

FCOT's 1QFY17 distributable income of S$19.9 million supported by a healthy portfolio

- 1QFY17 distributable income increased 1.2% year-on-year
- 1QFY17 DPU of 2.51 cents 2% above preceding quarter
- Healthy average portfolio occupancy of 93.0%
- Office tower of China Square Central achieved 100% committed occupancy
- Caroline Chisholm Centre and 357 Collins Street remained fully occupied

Summary of FCOT's 1QFY17 Results

	1/10/16 – 31/12/16 (1Q FY17)	1/10/15 – 31/12/15 (1Q FY16)	Change (%)
Gross Revenue (S$'000)	39,679	39,623	0.1
Net Property Income (S$'000)	29,212	29,378	(0.6)
Net Property Income (cash basis) (S$'000) (1)	29,344	29,104	0.8
Distribution to Unitholders (S$'000)	19,939	19,702	1.2
Distribution Per Unit	2.51¢(2)	2.51¢(3)	-

(1) Excluding the effects of recognising accounting income on a straight line basis over the lease terms.
(2) The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 795.8 million.
(3) The number of Units used to calculate the amount available for DPU is 785.0 million

Singapore – 23 January 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 quarter ended 31 December 2016 ("1QFY17"), FCOT's distributable income to Unitholders increased by 1.2% to S$19.9 million, as compared to the financial quarter ended 31 December 2015 ("1QFY16"). 1QFY17 DPU also held steady at 2.51 cents compared with a year ago, with no management fees taken in Units[1]. 1QFY17 DPU was approximately 2% higher compared to the DPU of 2.45 cents in the previous quarter ended 30 September 2016, where there were also no management fees taken in Units.

Mr Jack Lam, Chief Executive Officer of the Manager, said "We are pleased to have delivered stable growth in distributable income for FCOT despite the challenging and uncertain market conditions in Singapore and in the wider global economy as a whole. The stability and diversification of our portfolio has in particular been boosted by the acquisition of 357 Collins

[1] In 1QFY16, 23% of the Manager's management fees for the quarter were taken in Units.

Street in August 2015, which is enjoying full occupancy in a strong Melbourne market and has no leases expiring until FY18."

Distributable income to Unitholders increased 1.2%

Gross revenue of S$39.7 million for 1QFY17 remained steady as compared to 1QFY16. Net property income ("NPI") for 1QFY17 decreased marginally by 0.6% to S$29.2 million as compared to a year ago. NPI on cash basis, excluding the effects of recognising accounting income on a straight line basis over the lease terms, was S$29.3 million for 1QFY17, a 0.8% increase compared to a year ago. The overall stable performance of FCOT was supported by the better performance of 357 Collins Street as a result of higher occupancy and rental rates, coupled with the stronger Australian dollar. These were offset by the effects of lower occupancy rates at China Square Central and Central Park and higher marketing expenses for Central Park.

Construction works for the development of a 16 storey hotel ("Hotel") and the additions and alterations works ("Commercial Project") at China Square Central[2] are in progress. The loss of income in 1QFY17 attributed to certain affected units[3] will be supplemented by a capital distribution of S$0.9 million of the proceeds from the disposal of the Hotel development rights.

DPU remained steady year-on-year at 2.51 cents in 1QFY17, with no management fees taken in Units for the quarter. In 1QFY16, 23% of the Manager's management fees for the quarter were taken in Units. The Manager will be applying the distribution reinvestment plan ("DRP") for the distribution for 1QFY17. 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 2.51 cents per Unit for 1QFY17 will be paid out on 1 March 2017. The distribution books closure date for the Units is 1 February 2017.

Office tower of China Square Central achieved 100.0% committed occupancy

As at 31 December 2016, the average occupancy rate for the Trust's property portfolio was a healthy 93.0%. The average occupancy rates of the properties in Singapore and Australia were 92.3% and 93.8%, respectively.

The office tower of China Square Central achieved 100.0% committed occupancy as at 31 December 2016, while Caroline Chisholm Centre in Canberra and 357 Collins Street in Melbourne remained fully occupied.

The income-weighted average lease expiry ("WALE") of the portfolio was 3.8 years as at 31 December 2016[4]. Caroline Chisholm Centre continues to anchor the portfolio with its long WALE of 8.5 years.

In 1QFY17, tenant demand for space in the properties stemmed from diverse industries such as consultancy and business services, energy, food and beverage, IT products and services, legal, medical and real estate. Alexandra Technopark achieved a positive weighted average

[2] Refer to Circular to Unitholders dated 3 June 2015 for details.
[3] Mainly retail units at 18 Cross Street and certain units at the shophouses at 20 and 22 Cross Street.
[4] Inclusive of (a) the early renewal of the lease with Microsoft Operations Pte Ltd at Alexandra Technopark for a further 5 years from FY17 to FY22; and (b) space committed by an entity of Rio Tinto Limited for a new 12-year lease at Central Park. Excluding the early renewal and new lease, the WALE is 2.8 years.

rental reversion of 8.5%[5] for four new and renewed leases totalling approximately 16,700 square feet that commenced in 1QFY17.

With the Manager's proactive asset management approach, lease expiry by gross rental income for FY17 has been brought down to 15.3% of the portfolio as at the end of 1QFY17, from 21.8% as at the beginning of the financial year.

Hotel construction at China Square Central on track

Construction works for the development of a Hotel and Commercial Project at China Square Central are on track for completion by mid-2019. The Hotel is being developed by an entity of Frasers Centrepoint Limited and will be operated by Frasers Hospitality under the 'Capri by Fraser' brand. The Commercial Project at China Square Central will result in new retail and commercial spaces being created with better frontage and visibility. These developments are expected to rejuvenate and bring increased activity levels to China Square Central.

Healthy gearing

As at 31 December 2016, the Trust's gearing was healthy at 36.0% and the weighted average debt maturity was 2.3 years. In 1QFY17, interest coverage ratio was 4.6 times and the average interest rate was 2.98% per annum.

The Trust would not have any debt maturing until September 2017. All debts are unsecured, which provides a high degree of financial flexibility to the Trust. In addition, approximately 85.0% of borrowings are on fixed rates, providing certainty in interest costs and limiting the Trust's exposure to volatilities in the interest rate environment.

To manage its foreign currency exposure, the Trust hedges anticipated net Australian dollar denominated income approximately six to nine months forward.

Looking forward

Mr. Lam said, "Stable results for the first quarter has given us a good start to the financial year. However, we are aware that market conditions are overall anticipated to remain challenging for some time. We will continue to proactively manage the Trust and its property portfolio, with a view to enhancing defensiveness and income stability for Unitholders. We will also actively look at opportunities to improve and reposition the properties for them to stay competitive and enhance their marketability and long-term income potential."

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[5] The income-weighted average rental reversions based for new and renewed leases which commenced in 1QFY17 and gross signing rents. It includes a space which was previously vacant and for which the last-contracted rent is below current market level. There were no new or renewed leases which commenced in 1QFY17 for the office tower at 18 Cross Street and 55 Market Street. Caroline Chisholm Centre and 357 Collins Street were fully occupied.

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 2016, its portfolio includes six quality commercial buildings located in Singapore and Australia, representing a combined appraised value of approximately S$2.0 billion.

FCOT, formerly known as Allco Commercial REIT, was listed on the Main Board of Singapore Exchange Securities Trading Limited (SGX-ST) on 30 March 2006.

On 14 August 2008, Frasers Centrepoint Limited acquired the manager of FCOT and units in FCOT and renamed the manager of FCOT, Frasers Centrepoint Asset Management (Commercial) Ltd.

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 S$24 billion as at 30 September 2016. 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 Middle-East. FCL also has an International Business unit that focuses on the Group's investments in China, Southeast Asia, and the United Kingdom.

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, 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.