PRESS RELEASE

FCOT declares stable DPU of 2.40 cents and posts marked improvement in portfolio performance for 1QFY20

- Aggregate portfolio net property income[1] grew 22.6% quarter-on-quarter and 17.4% year-on-year
- Portfolio committed occupancy continued to increase to 95.2%
- Gearing remained healthy and prudent at 29.0%
- Proposed merger with Frasers Logistics & Industrial Trust announced on 2 December 2019 and currently expected to complete in end-March/April 2020

SUMMARY OF FCOT'S 1QFY20 RESULTS

	1/10/19 – 31/12/19 (1Q FY20)	1/7/19 – 30/9/19 (4Q FY19)	Q-o-Q Change (%)	1/10/19 – 31/12/19 (1Q FY19)	Y-o-Y Change (%)
Gross Revenue[2] (S$'000)	37,779	32,897	14.8	31,546	19.8
Net Property[2] Income (S$'000)	26,714	21,727	23.0	21,122	26.5
Distribution to Unitholders (S$'000)	21,998	21,905	3.9	21,550	2.1
Distribution per Unit	2.40₵(1)	2.40₵(2)	-	2.40₵(3)	-

(1) The number of Units used to compute DPU was 916.6 million.

(2) The number of Units used to compute DPU was 912.7 million.

(3) The number of Units used to compute DPU was 897.9 million

SINGAPORE, 15 JANUARY 2020

Frasers Commercial Asset Management Ltd. (the "**Manager**"), the manager of Frasers Commercial Trust ("**FCOT**", SGX: Frasers Com Tr), wishes to announce a distribution to Unitholders of S$22.0 million for the financial quarter ended 31 December 2019[3] ("**1QFY20**"). This translates to a Distribution per Unit ("**DPU**") of 2.40 cents, unchanged from the previous quarter and 1QFY19.

The distribution to Unitholders of S$22.0 million for 1QFY20 was higher than distributions of S$21.9 million for 4QFY19 and S$21.6 million for 1QFY19.

The distribution for 1QFY20 will be paid out on 28 February 2020, with the distribution books closure date scheduled for 31 January 2020[3]. The Manager will **not** be applying the distribution reinvestment plan ("**DRP**") for the 1QFY20 distribution[4]. For the avoidance of doubt, the distribution for 1QFY20 will be wholly in cash.

PORTFOLIO PERFORMANCE

1QFY20 portfolio gross revenue of S$37.8 million was 14.8% higher compared to 4QFY19 while net property income ("**NPI**") of S$26.7 million increased by 23.0% on the same basis, mainly due to higher rental income

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[1] Including attributable net property income from 50.0% interest in Farnborough Business Park.

[2] Excluding contribution from 50.0% interest in Farnborough Business Park which is held as a joint venture and equity-accounted.

[3] Refer to 1QFY20 Financial Statements for more details.

[4] In view of the proposed merger with Frasers Logistics & Industrial Trust that was announced on 2 December 2019, the DRP has been suspended from and including the distribution for 1QFY20.

for China Square Central[5], Alexandra Technopark and 357 Collins Street and lower utilities expenses for Alexandra Technopark.

On a year-on-year basis, 1QFY20 portfolio gross revenue and NPI increased by 19.8% and 26.5% respectively, mainly due to higher rental income for China Square Central, Alexandra Technopark, Central Park and 357 Collins Street and lower utilities expenses for Alexandra Technopark, partially offset by the effects of the weaker average Australia Dollar.

The NPI figures above are before contribution from the 50.0% indirect interest in Farnborough Business Park ("**FBP**") in the United Kingdom ("**UK**"), which is held as a joint venture and equity-accounted. The attributable NPI for FBP for 1QFY20 was S$2.3 million. Including the attributable NPI of FBP, aggregate portfolio NPI for 1QFY20 would be S$29.0 million, translating to growths of 22.6% and 17.4% over the corresponding figures for 4QFY19 and 1QFY19, respectively.

Mr. Jack Lam, CEO of the Manager said, "The quarter saw aggregate portfolio gross revenue and NPI improving significantly compared with the preceding quarter and also on a year-on-year basis, a clear indication that tangible results are beginning to come forth from the various asset enhancement, leasing and other efforts that have gone into the portfolio over the past 2 to 3 years. We will continue to work towards further strengthening the performance of the portfolio to deliver sustainable income growth."

The portfolio committed occupancy rate continued to improve, reaching 95.2% as at 31 December 2019 from 95.0% as at the end of the previous quarter. The occupancy rates for the Singapore portfolio, the Australia portfolio and FBP as at 31 December 2019 were 95.5%[6], 94.0%[6] and 99.1%, respectively.

In respect of the UK where FBP is located, the Manager notes that the House of Commons had on 9 January 2020 approved the Withdrawal Agreement Bill which paves the way for the UK to leave the European Union ("**EU**") on 31 January 2020, subject to the Bill also passing through the House of Lords. There are uncertainties in terms of future trade, labour, security and other arrangements between the UK and EU, which are to be negotiated during the post-Brexit transition period currently scheduled to end by end-2020. Notwithstanding the above developments, the Manager remains confident about the long-term prospects of the UK market. The Manager also expects the performance of FBP to remain stable given the property's solid fundamentals, which include a high-quality tenant base, healthy occupancy rate of 99.1% and long WALE of 6.6 years[7] (with 82.2% of leases by income expiring beyond FY23), as at 31 December 2019.

CAPITAL MANAGEMENT

FCOT's gearing as at 31 December 2019 was 29.0%, which is one of the lowest among S-REITS currently. The healthy level of gearing, which is well below the regulatory limit of 45%, provides a high degree of financial flexibility to pursue growth initiatives and capitalise on market opportunities, as well as buffer against unforeseen market risks.

As at 31 December 2019, the weighted average term to maturity of FCOT's borrowings was 1.8 years, with no more than S$210.0 million due in any one financial year. In addition, all borrowings are on unsecured basis, which affords further financial flexibility.

ASSET ENHANCEMENT INITIATIVES FOR LONG-TERM GROWTH

Enhancing and rejuvenating existing assets is an important part in the Manager's overall strategy to reshape and strengthen the investment portfolio for long-term growth.

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[5] 18, 20 and 22 Cross Street was renamed as "Cross Street Exchange" from 1 January 2020.

[6] Refers to committed occupancy.

[7] Weighted average lease expiry by gross rental income. The weighted average lease to break, reflecting contractual rights for tenants to pre-terminate leases, if any, was 5.1 years.

The completion of the upgrading and repositioning of Alexandra Technopark into a contemporary business campus in January 2019 has continued to bring about tangible positive outcomes and has enhanced the market positioning and long-term income potential of the property. Since January 2019, around 546,000 square feet ("**sq ft**") of lease commitments have been secured at the property, including more than 480,000 sq ft of new leases. Signing rents have risen to S$4.40-4.60 per sq ft per month recently, some 10-15% higher than the average passing rent of the property as at the end of 2018. The committed occupancy rate too continued to increase to 97.2% as at 31 December 2019 from 96.8% as at the end of the previous quarter. The property now features a more diversified tenant profile with the addition of well-established local and international firms from a wide array of sectors.

At China Square Central, asset enhancement works to rejuvenate and reposition the retail podium at 18 Cross Street (the "**Retail AEI**") obtained Temporary Occupation Permit in 4QFY19. As part of the revamp, the architectural and technical specifications of the retail podium have been upgraded while integration and connectivity with other parts of the development have been enhanced. In addition, the net lettable area of the retail podium has expanded by approximately 25% to around 80,000 sq ft, from around 64,000 sq ft prior to the commencement of the asset enhancement works. The green rating for China Square Central has also been upgraded to BCA Green Mark Award (Goldplus)[8] since the completion of the Retail AEI.

The newly revamped retail podium recommenced business operation in phases from November 2019 and features a refreshed tenant mix focusing on food and beverage, health and wellness and lifestyle and services offerings. Currently more than 80% of the space in the retail podium has been committed, with the balance under active marketing.

At Central Park, enhancement works to the lobby and forecourt areas (the "**CP AEI**") are in progress and are currently expected to complete in 3Q 2020. Estimated to cost S$23 million (FCOT's 50% share: S$11.5 million), the CP AEI aims to improve the experience for tenants and visitors and consolidate Central Park's position as one of Perth's premium grade business locations. The CP AEI will result in a more contemporary, activated and community-friendly environment through the introduction of new amenities, flexible spaces and better connection with the adjacent park, among other things.

PROPOSED MERGER WITH FRASERS LOGISTICS & INDUSTRIAL TRUST ("FLT")

On 2 December 2019, the Manager and the manager of FLT jointly announced the proposed merger of FCOT and FLT (the "**Proposed Merger**"). The Proposed Merger will be by way of a trust scheme of arrangement, with FLT acquiring all FCOT units held by FCOT unitholders in exchange for a combination of cash and new units in FLT. In conjunction with the Proposed Merger, FLT also announced the proposed acquisition of 50.0% interest in FBP from a wholly-owned subsidiary of Frasers Property Limited (the "**Proposed Asset Acquisition**"). The Proposed Merger and Proposed Asset Acquisition will be DPU accretive on a pro forma basis for FCOT unitholders.

The enlarged REIT will hold a diversified portfolio of logistics, industrial, office, business park and commercial assets worth approximately S$5.7 billion across Asia Pacific, Europe and the UK. The enlarged REIT will also have a broadened investment mandate to invest in a wide spectrum of asset classes across logistics, industrial, office, business park and commercial properties.

Mr. Jack Lam said, "This merger will be transformational for both REITs, allowing us to tap on each other's strengths to create an even more resilient and diversified platform. With the combined portfolio, we will be able to unlock synergies and explore new opportunities in the logistics, industrial and commercial sectors. The transaction will be beneficial for FCOT Unitholders. In particular, they will benefit from a larger market capitalisation, FTSE EPRA/NAREIT Global Developed Index representation, a potentially wider investor base and higher trading liquidity."

[8] The new rating was awarded on 2 January 2020. The previous rating was BCA Green Mark (Gold).

Subject to, among other things, approvals by FCOT and FLT unitholders and the Singapore Court, the Proposed Merger (including the delisting of FCOT) is currently expected to complete in end-March 2020/April 2020. Further information on the Proposed Merger can be found in the joint announcement, press release and investor presentation released on 2 December 2019.

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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 December 2019, its portfolio includes six quality commercial buildings located in Singapore, Australia and the United Kingdom, representing a combined appraised value of approximately S$2.3 billion.

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

About Frasers Property Limited

Frasers Property Limited ("Frasers Property" and together with its subsidiaries, the "Group"), is a multi-national company that develops, owns 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 Group has total assets of approximately S$37.6 billion as at 30 September 2019.

Frasers Property's assets range from residential, retail, commercial & business parks, to logistics & industrial in Southeast Asia, Australia, Europe and China. Its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities across Asia, Australia, Europe, the Middle East and Africa. The Group is unified by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging its 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, commercial & business parks, and logistics & 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. In addition, Frasers Property Thailand is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on logistics and industrial properties in Thailand and is listed on the Stock Exchange of Thailand.

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.

FRASERS COMMERCIAL TRUST

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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