FRASERS COMMERCIAL TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE THIRD QUARTER ENDED 30 JUNE 2016

FRASERS COMMERCIAL TRUST ("FCOT" or the "Trust") is a real estate investment trust established under a Trust Deed dated 12 September 2005 (as restated, amended and supplemented) entered into between Frasers Centrepoint Asset Management (Commercial) Ltd (as manager of FCOT) (the "Manager") and British and Malayan Trustees Limited (as trustee of FCOT) (the "Trustee").

The principal activities of FCOT and its subsidiaries (the "Group") are those relating to investment in a portfolio of commercial real estate and real estate related assets with the primary objective of delivering regular and stable distributions to Unitholders, and to achieve long-term growth in such distributions and the net asset value per Ordinary Unit of FCOT ("Unit").

The property portfolio of FCOT as at 30 June 2016 consists of six properties as follows:-

Singapore

1. China Square Central located at 18, 20 & 22 Cross Street ("China Square Central")
2. Alexandra Technopark located at 438A/438B Alexandra Road ("ATP")
3. 55 Market Street

Australia

1. 50.0% indirect interest in Central Park located in Perth ("Central Park")
2. Caroline Chisholm Centre located in Canberra ("Caroline Chisholm Centre")
3. 357 Collins Street located in Melbourne ("357 Collins Street").

SUMMARY OF CONSOLIDATED RESULTS OF FCOT AND ITS SUBSIDIARIES
- 1 April 2016 to 30 June 2016 ("3Q2016") vs 1 April 2015 to 30 June 2015 ("3Q2015")
- 1 October 2015 to 30 June 2016 ("YTD 3Q2016") vs 1 October 2014 to 30 June 2015 ("YTD 3Q2015")

	Group					
	1/4/2016 to 30/6/2016	1/4/2015 to 30/6/2015	Change	1/10/2015 to 30/6/2016	1/10/2014 to 30/6/2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue	38,550	34,694	11%	117,167	104,967	12%
Net property income	28,111	24,321	16%	86,325	74,481	16%
Total return for the period	16,312	14,006	16%	52,053	43,878	19%
Distribution Income for Unitholders	19,072	16,082	19%	58,122	48,983	19%
Distribution per Unit (cents)						
Unitholders						
For the period	2.41 (1)	2.35	3%	7.37	7.19	3%
Annualised	9.69	9.43	3%	9.84	9.61	2%

Footnotes:
(1) The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 791,346,616. Please see Section 1(d)(ii) for the details of changes in the number of Units.

1(a) Consolidated Statement of Total Return together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group					
	1/4/2016 to 30/6/2016	1/4/2015 to 30/6/2015	Change	1/10/2015 to 30/6/2016	1/10/2014 to 30/6/2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue [1]	38,550	34,694	11%	117,167	104,967	12%
Property operating expenses [2]	(10,439)	(10,373)	1%	(30,842)	(30,486)	1%
Net property income [3]	**28,111**	**24,321**	16%	**86,325**	**74,481**	16%
Interest income	171	91	88%	509	253	NM
Manager's management fees	(3,338)	(2,989)	12%	(10,141)	(9,055)	12%
Trust expenses	(387)	(414)	(7%)	(1,251)	(1,223)	2%
Finance costs [4]	(5,899)	(5,459)	8%	(18,127)	(15,881)	14%
Net income before foreign exchange differences, fair value changes and taxation	**18,658**	**15,550**	20%	**57,315**	**48,575**	18%
Foreign exchange loss	(1,520)	(373)	NM	(121)	(1,832)	(93%)
Net change in fair value of investment properties [5]	(588)	(397)	48%	(1,862)	(1,009)	85%
Net change in fair value of derivative financial instruments	641	(39)	NM	(18)	702	NM
Realised gain on derivative financial instruments[6]	130	73	78%	16	383	(96%)
Total return before tax	**17,321**	**14,814**	17%	**55,330**	**46,819**	18%
Taxation	(1,009)	(808)	25%	(3,277)	(2,941)	11%
Total return for the period	**16,312**	**14,006**	16%	**52,053**	**43,878**	19%

Reconciliation of Total Return for the Period to Income Available for Distribution

	Group					
	1/4/2016 to 30/6/2016	1/4/2015 to 30/6/2015	Change	1/10/2015 to 30/6/2016	1/10/2014 to 30/6/2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Total return for the period	**16,312**	**14,006**	16%	**52,053**	**43,878**	19%
Non-tax deductible / (non-taxable) items and other adjustments:						
Management fees payable in Units	334	897	(63%)	2,475	1,794	38%
Trustees' fees	153	138	11%	451	417	8%
Amortisation of borrowing costs	405	395	3%	1,216	1,192	2%
Net change in fair value of investment properties	588	397	48%	1,862	1,009	85%
Net change in fair value of derivative financial instruments	(641)	39	NM	18	(702)	NM
Deferred taxation	320	313	2%	963	956	1%
Unrealised exchange loss/(gain)	1,426	342	NM	(127)	1,715	NM
Effects of recognising accounting income on a straight line basis over the lease term	(450)	(191)	NM	(1,645)	(725)	NM
Other non tax deductible items and temporary differences	625	(254)	NM	856	(551)	NM
Net effect of non-tax deductible / (non-taxable) items and other adjustments	**2,760**	**2,076**	33%	**6,069**	**5,105**	19%
Income available for distribution to Unitholders [7]	**19,072**	**16,082**	19%	**58,122**	**48,983**	19%
Unitholders' distribution comprises:						
- from operations	16,072	15,892	1%	54,540	48,373	13%
- from capital returns [8]	3,000	190	NM	3,582	610	NM
	19,072	**16,082**	19%	**58,122**	**48,983**	19%

NM - Not meaningful

Footnotes:

(1) Gross revenue includes base rental income, car park income, service charges (payable by the tenants towards property expenses of the properties such as air-conditioning, utility charges and cleaning charges), public car park revenue and turnover rent. The composition of gross revenue by property is as follows:

	Group						
	1/4/2016 to 30/6/2016	1/4/2015 to 30/6/2015	Change		1/10/2015 to 30/6/2016	1/10/2014 to 30/6/2015	Change
	S$'000	S$'000	%		S$'000	S$'000	%
China Square Central	6,953	7,856	(11%)		21,909	23,582	(7%)
55 Market Street	1,491	1,508	(1%)		4,413	4,504	(2%)
Alexandra Technopark	13,291	12,503	6%		39,745	37,439	6%
Central Park	6,389	7,376	(13%)		19,851	22,684	(12%)
Caroline Chisholm Centre	5,232	5,451	(4%)		15,739	16,758	(6%)
357 Collins Street [(a)]	5,194	-	NM		15,510	-	NM
	38,550	**34,694**	11%		**117,167**	**104,967**	12%

NM – Not meaningful

(a) The acquisition of 357 Collins Street was completed on 18 August 2015 and included in YTD 3Q2016 gross revenue was reimbursement of rent-free periods of S$0.4 million.

(2) The composition of the property operating expenses by major items is as follows:-

	Group						
	1/4/2016 to 30/6/2016	1/4/2015 to 30/6/2015	Change		1/10/2015 to 30/6/2016	1/10/2014 to 30/6/2015	Change
	S$'000	S$'000	%		S$'000	S$'000	%
Property maintenance expenses	3,468	3,294	5%		10,060	9,242	9%
Property management fees	652	656	(1%)		1,982	1,966	1%
Property tax	2,120	1,938	9%		6,374	5,748	11%
Utilities	1,715	2,440	(30%)		5,182	7,371	(30%)
Professional fees	1,104	898	23%		3,005	2,557	18%
Insurance	126	115	10%		358	361	(1%)
Council rates	495	333	49%		1,498	1,020	47%
Amortisation of leasing commission	229	215	7%		668	557	20%
Other operating expenses	530	484	10%		1,715	1,664	3%
	10,439	**10,373**	1%		**30,842**	**30,486**	1%

The overall increase in property expenses was mainly due to the acquisition of 357 Collins Street on 18 August 2015.

Footnotes:

(3) The composition of the net property income by property is as follows:-

	Group					
	1/4/2016 to 30/6/2016	1/4/2015 to 30/6/2015	Change		1/10/2015 to 30/6/2016	1/10/2014 to 30/6/2015	Change
	S$'000	S$'000	%		S$'000	S$'000	%
China Square Central	4,394	5,186	(15%)		14,212	15,619	(9%)
55 Market Street	1,086	1,053	3%		3,164	3,174	(0%)
Alexandra Technopark	10,064	8,974	12%		30,027	26,796	12%
Central Park	4,312	4,821	(11%)		13,877	15,558	(11%)
Caroline Chisholm Centre	4,253	4,287	(1%)		13,035	13,334	(2%)
357 Collins Street	4,002	-	NM		12,010	-	NM
	28,111	**24,321**	16%		**86,325**	**74,481**	16%

NM – Not meaningful

(4) The composition of finance costs is as follows:-

	Group					
	1/4/2016 to 30/6/2016	1/4/2015 to 30/6/2015	Change		1/10/2015 to 30/6/2016	1/10/2014 to 30/6/2015	Change
	S$'000	S$'000	%		S$'000	S$'000	%
Interest expense	5,494	5,064	8%		16,911	14,689	15%
Amortisation of borrowing costs	405	395	3%		1,216	1,192	2%
	5,899	**5,459**	8%		**18,127**	**15,881**	14%

(5) The net change in fair value of investment properties in 3Q2016 and 3Q2015 was related to the adjustment of the changes in carrying value of the investment properties during the respective periods. The changes in the carrying value of the investment properties mainly arose from the recognition of rental income on a straight-line basis in accordance with the Singapore Financial Reporting Standards and the increase in leasing fees capitalised, net of amortisation.

(6) Included in the realised gain on derivative financial instruments are the following:

	Group					
	1/4/2016 to 30/6/2016	1/4/2015 to 30/6/2015	Change		1/10/2015 to 30/6/2016	1/10/2014 to 30/6/2015	Change
	S$'000	S$'000	%		S$'000	S$'000	%
Loss arising from termination of interest rate swap	-	-	NM		-	(73)	NM
Gain arising from realisation of foreign currency forward contracts	130	73	78%		16	456	(96%)
	130	**73**	78%		**16**	**383**	(96%)

NM - Not meaningful

Footnotes:

(7) FCOT's distribution policy is to distribute at least 90% of its taxable income to the Unitholders.

(8) Unitholders' distribution from capital returns comprised of:-

	Group					
	1/4/2016 to 30/6/2016	1/4/2015 to 30/6/2015	Change	1/10/2015 to 30/6/2016	1/10/2014 to 30/6/2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gain on disposal of hotel development rights [(a)]	863	-	NM	1,445	-	NM
Return of capital from subsidiary [(b)]	2,137	190	NM	2,137	610	NM
	3,000	**190**	NM	**3,582**	**610**	NM

NM – Not meaningful

(a) This relates to a portion of the net consideration received from the disposal of the hotel development rights in respect of China Square Central in August 2015, which is classified as capital distribution from tax perspective, to supplement the loss of income from certain affected units during the hotel construction period.

(b) This relates to the distribution available to Unitholders arising from the return of capital of a subsidiary to distribute earnings from Australia trapped due to non-cash accounting items.

1(b)(i) Statements of Financial Position, together with the comparative statements as at the end of the immediately preceding financial year

	Group		Trust	
	30/6/2016	30/9/2015	30/6/2016	30/9/2015
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Investment properties [1]	1,956,873	1,954,820	1,209,115	1,209,000
Subsidiaries	-	-	320,215	324,391
Loan to a subsidiary	-	-	87,165	87,104
Fixed assets	88	61	88	61
Deferred tax asset	334	330	-	-
	1,957,295	**1,955,211**	**1,616,583**	**1,620,556**
Current assets				
Trade and other receivables [2]	6,278	8,818	75,055	72,466
Derivative financial instruments [3]	563	8,179	563	8,179
Cash and bank balances	63,463	62,233	56,091	57,685
	70,304	**79,230**	**131,709**	**138,330**
Total assets	**2,027,599**	**2,034,441**	**1,748,292**	**1,758,886**
Current liabilities				
Trade and other payables [4]	(17,174)	(29,739)	(14,272)	(25,524)
Current portion of security deposits	(4,310)	(3,967)	(4,310)	(3,967)
Derivative financial instruments [3]	(6,147)	(2,476)	(2,537)	-
Provision for taxation [5]	(2,946)	(3,224)	-	-
	(30,577)	**(39,406)**	**(21,119)**	**(29,491)**
Net current assets	**39,727**	**39,824**	**110,590**	**108,839**
Non-current liabilities				
Borrowings (net of transaction costs)	(733,228)	(731,867)	(523,912)	(523,002)
Non-current portion of security deposits	(8,705)	(9,007)	(8,705)	(9,007)
Deferred tax liabilities [6]	(48,283)	(47,290)	-	-
	(790,216)	**(788,164)**	**(532,617)**	**(532,009)**
Total liabilities	**(820,793)**	**(827,570)**	**(553,736)**	**(561,500)**
Net assets attributable to Unitholders	**1,206,806**	**1,206,871**	**1,194,556**	**1,197,386**
Represented by:				
Unitholders' funds [7]	**1,206,806**	**1,206,871**	**1,194,556**	**1,197,386**

Footnotes:

(1) The investment properties were valued at their fair values based on independent valuations as at 30 September 2015 and subsequently adjusted for capital expenditure. As at 30 June 2016, the carrying amounts of the investment properties approximated their fair values.

The increase in investment properties was mainly due to capital expenditure incurred during the period and strengthening of Australian Dollar as at 30 June 2016 as compared to 30 September 2015.

(2) The decrease in trade and other receivables was mainly due to timing difference of tax refundable in Australia in respect of the Australian properties.

(3) Derivative financial instruments relate to fair values of interest rate derivative financial instruments entered into in respect of FCOT's borrowings and foreign currency forward contracts.

(4) The decrease in trade and other payables was mainly due to payment of advanced distribution declared for the period from 1 July 2015 to 2 August 2015 which was accrued as at 30 September 2015.

(5) The decrease in provision for taxation was mainly due to settlement of tax liability in respect of FY2015 which was offset by tax provision for the current period.

(6) Deferred tax is provided for in respect of the potential capital gains arising from the changes in fair value of the Australian properties.

(7) The decrease in Unitholders' funds was mainly due to fair value loss on derivative financial instruments recognised directly in Unitholders' funds under hedge accounting.

1(b)(ii) Aggregate amount of borrowings and debt securities

Amount repayable in one year or less, or on demand

Group			
As at 30/6/2016		As at 30/9/2015	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
-	-	-	-

Amount repayable after one year

Group			
As at 30/6/2016		As at 30/9/2015	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
-	736,978	-	736,831

Details of any collateral

All term loan facilities as at 30 June 2016 are unsecured.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			
	1/4/2016 to 30/6/2016	1/4/2015 to 30/6/2015	1/10/2015 to 30/6/2016	1/10/2014 to 30/6/2015
	S$'000	S$'000	S$'000	S$'000
Operating activities:				
Total return before tax	17,321	14,814	55,330	46,819
Adjustments for:-				
Finance costs	5,899	5,459	18,127	15,881
Effect of recognising accounting income on a straight-line basis over the lease term	(450)	(191)	(1,645)	(725)
Depreciation	7	6	19	18
Amortisation of leasing commission	228	215	668	557
Interest income	(171)	(91)	(509)	(253)
Management fees payable in Units	334	897	2,475	1,794
Net change in fair value of derivative financial instruments	(641)	39	18	(702)
Net change in fair value of investment properties	588	397	1,862	1,009
Realised gain on derivative financial instruments	(130)	(73)	(16)	(383)
Allowance for impairment of receivables	-	-	-	4
Operating income before working capital changes	**22,985**	**21,472**	**76,329**	**64,019**
Changes in working capital:-				
Trade and other receivables	4,753	1,875	2,902	2,404
Trade and other payables	(1,042)	43	(5,613)	(4,168)
Cash generated from operations	**26,696**	**23,390**	**73,618**	**62,255**
Tax paid	(97)	98	(2,586)	(241)
Net cash generated from operating activities	**26,599**	**23,488**	**71,032**	**62,014**
Investing activities:				
Capital expenditure on investment properties	(556)	(99)	(1,541)	(1,568)
Payment for leasing costs capitalised	(365)	(421)	(885)	(841)
Purchase of fixed assets	-	(2)	(59)	(15)
Interest received	179	92	489	257
Net cash used in investing activities	**(742)**	**(430)**	**(1,996)**	**(2,167)**
Financing activities:				
Realisation of derivative financial instruments	130	73	16	383
Finance costs paid	(5,715)	(5,188)	(17,110)	(14,768)
Issue costs paid	(81)	(76)	(234)	(231)
Distributions paid [1]	(16,497)	(13,365)	(50,481)	(39,093)
Net cash used in financing activities	**(22,163)**	**(18,556)**	**(67,809)**	**(53,709)**
Net increase in cash and cash equivalents	**3,694**	**4,502**	**1,227**	**6,138**
Cash and cash equivalents at beginning of period	59,899	48,698	62,233	47,372
Effect of exchange rate changes	(130)	(91)	3	(401)
Cash and cash equivalents at end of period [2]	**63,463**	**53,109**	**63,463**	**53,109**

Footnotes

(1) Pursuant to the Distribution Reinvestment Plan implemented, these amounts represent the cash component of the distributions paid and exclude the distributions paid by way of issuance of Units amounting to S$2.8 million during 3Q2016 (3Q2015: S$2.8million) and S$7.4 million for YTD 3Q2016 (YTD 3Q2015: S$8.8 million).

(2) For purposes of the consolidated Cash Flow Statement, the consolidated cash and cash equivalents comprised the following:

	Group	
	30/6/2016	30/6/2015
	S$'000	S$'000
Bank and cash balances	42,244	42,594
Fixed deposits	21,219	10,515
Cash and cash equivalents	63,463	53,109

1(d)(i) Statements of movements in Unitholders' Funds

	Group		Trust	
	1/4/2016 to 30/6/2016	1/4/2015 to 30/6/2015	1/4/2016 to 30/6/2016	1/4/2015 to 30/6/2015
Movement from 1 April to 30 June	S$'000	S$'000	S$'000	S$'000
Balance at beginning of period	1,222,057	1,072,601	1,203,123	1,034,970
Operations				
Change in net assets attributable to Unitholders resulting from operations	16,312	14,006	8,812	4,174
Unitholders' transactions				
Issue of Units	4,205	3,721	4,205	3,721
Issue expenses	(81)	(76)	(81)	(76)
Distributions to Unitholders	(19,348)	(16,190)	(19,348)	(16,190)
Change in Unitholders' funds resulting from Unitholders' transactions	(15,224)	(12,545)	(15,224)	(12,545)
Foreign currency translation reserve				
Movement for the period	(13,059)	(6,597)	-	-
Hedging reserve				
Net fair value changes on derivative financial instruments	(3,280)	530	(2,155)	(689)
Balance at end of period	1,206,806	1,067,995	1,194,556	1,025,910

	Group		Trust	
	1/10/2015 to 30/6/2016	1/10/2014 to 30/6/2015	1/10/2015 to 30/6/2016	1/10/2014 to 30/6/2015
Movement from 1 October to 30 June	S$'000	S$'000	S$'000	S$'000
Balance at beginning of period	1,206,871	1,091,315	1,197,386	1,038,399
Operations				
Change in net assets attributable to Unitholders	52,053	43,878	48,692	21,456
Unitholders' transactions				
Issue of Units	10,485	9,691	10,485	9,691
Issue expenses	(234)	(230)	(234)	(230)
Conversion of CPPUs to Units	-	80	-	80
Distributions to Unitholders	(51,639)	(47,887)	(51,639)	(47,887)
Change in Unitholders' funds resulting from Unitholders' transactions	(41,388)	(38,346)	(41,388)	(38,346)
Foreign currency translation reserve				
Movement for the period	538	(31,716)	-	-
Hedging reserve				
Net fair value changes on derivative financial instruments	(11,268)	2,864	(10,134)	4,401
Balance at end of period	1,206,806	1,067,995	1,194,556	1,025,910

1(d)(ii) Details of any changes in Units

	1/4/2016 to 30/6/2016	1/4/2015 to 30/6/2015	1/10/2015 to 30/6/2016	1/10/2014 to 30/6/2015
	Units	Units	Units	Units
Issued Units				
Balance at beginning of period	787,825,277	680,937,002	782,703,651	676,684,648
Conversion of CPPUs to Units [(1)]	-	-	-	68,170
Issue of Units - management fees	1,037,965	611,749	2,367,453	611,749
Issue of Units - Distribution Reinvestment Plan	2,215,744	1,891,055	6,007,882	6,075,239
Balance at end of period	791,078,986	683,439,806	791,078,986	683,439,806
Issued and issuable Units				
Issued Units at end of period	791,078,986	683,439,806	791,078,986	683,439,806
Management fees payable in Units [(2)]	267,630	598,178	267,630	598,178
Issued and issuable Units at end of period	791,346,616	684,037,984	791,346,616	684,037,984

Footnotes:

(1) On 1 October 2014, the 80,750 remaining CPPUs were converted into 68,170 Units ("Conversion Units") at a conversion price of S$1.1845. Any fractions of Conversion Units were disregarded.

(2) 267,630 Units will be issued to the Manager as payment for management fees for the financial quarter ended 30 June 2016. This accounts for approximately 10% of the Manager's management fees for the quarter. The price of Units issued is determined based on the volume weighted average price of the Units for the ten business days preceding 30 June 2016. The remaining management fees will be paid in cash.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", or an equivalent standard)

These figures have not been audited nor reviewed by the auditors.

3. Where figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the company's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the financial year ended 30 September 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Consolidated Earnings per Unit ("EPU") and available for distribution per Unit ("DPU") for the financial period

	1/4/2016 to 30/6/2016	1/4/2015 to 30/6/2015	1/10/2015 to 30/6/2016	1/10/2014 to 30/6/2015
	S$'000	S$'000	S$'000	S$'000
Total return after taxation and before distribution	16,312	14,006	52,053	43,878
EPU				
Weighted average number of Units in issue	789,368,656	682,059,733	786,242,475	679,822,227
Basic earnings per Unit (cents)[(1)]	2.07	2.05	6.62	6.45
DPU				
Number of issued and issuable Units entitled to distribution	791,346,616	684,037,984	791,346,616	684,037,984
Distribution per Unit based on the total number of issued and issuable Units entitled to distribution (cents)	2.41	2.35	7.37	7.19

Footnotes:

(1) Basic earnings per Unit ("EPU") is computed using the total return after taxation and before distribution and the weighted average number of Units during the period. There is no dilutive potential Units in 3Q2015 and 3Q2016.

7. Unitholders' funds per Unit based on issued and issuable Units at the end of the period

	Group		Trust	
	30/6/2016	30/9/2015	30/6/2016	30/9/2015
Unitholders' funds at end of period (S$'000)	1,206,806	1,206,871	1,194,556	1,197,386
Number of Units issued at the end of the period ('000)	791,079	782,704	791,079	782,704
Unitholders' funds per Unit (S$)	1.53	1.54	1.51	1.53
Adjusted Unitholders' funds per Unit (excluding distributable income) (S$)	1.50	1.53	1.49	1.51

8. Review of performance

(a) Variance between 3Q2016 and 3Q2015

Net property income for 3Q2016 was S$28.1 million, 16% higher than that of 3Q2015. The increase was mainly due to:-

- the completion of the acquisition of 357 Collins Street on 18 August 2015;
- higher income contribution from Alexandra Technopark mainly as a result of higher rental rates and lower utilities expenses; and
- lower repair and maintenance and painting expenses for Caroline Chisholm Centre.

The increase was partially reduced by the effects of the weakening Australian dollar on the income from Australian properties and lower occupancy rate for China Square Central and Central Park.

The increase in finance costs by S$0.4 million in 3Q2016 as compared to that of 3Q2015 was mainly due to the additional loan facilities drawn in August 2015 to part finance the acquisition of 357 Collins Street. The increase was partially offset by lower borrowing cost for the Australian Dollar denominated borrowings, interest savings from the partial loan prepayment in August 2015 and effects of weakening Australian Dollar on the Australian dollar denominated interest expense.

The net change in fair value of investment properties in 3Q2016 and 3Q2015 was related to the adjustment of the changes in the carrying value of investment properties due to recognition of rental income on a straight-line basis in accordance with the Singapore Financial Reporting Standards and the increase in leasing fees capitalised, net of amortisation.

The net change in fair value changes of derivative financial instruments in 3Q2016 and 3Q2015 was related to fair value change on forward foreign currency contracts.

Taxation in 3Q2016 comprised deferred tax of S$0.3 million provided on potential capital gains arising from the changes in fair value of Australian properties and taxation expenses for income in Australia.

(b) Variance between YTD 3Q2016 and YTD 3Q2015

Net property income for YTD 3Q2016 was S$86.3 million, 16% higher than that of YTD 3Q2015. The increase was mainly due to:-

- the completion of the acquisition of 357 Collins Street on 18 August 2015;
- higher income contribution from Alexandra Technopark mainly as a result of higher rental rates, lower utilities expenses and upfront rental income received from a pre-terminated lease; and
- lower repair and maintenance and painting expenses for Caroline Chisholm Centre.

The increase was partially reduced by the effects of the weakening Australian dollar on the income from Australian properties and lower occupancy rate for China Square Central and Central Park.

The increase in finance costs by S$2.2 million in YTD 3Q2016 as compared to that of YTD 3Q2015 was mainly due to the additional loan facilities drawn in August 2015 to part finance the acquisition of 357 Collins Street and higher borrowing costs for the Singapore Dollar denominated borrowings. The increase was partially offset by lower borrowing cost for the Australian Dollar denominated borrowings, interest savings from the partial loan prepayment in August 2015 and effects of weakening Australian Dollar on the Australian dollar denominated interest expense.

The net change in fair value of investment properties in YTD 3Q2016 and YTD 3Q2015 was related to the adjustment of the changes in the carrying value of investment properties due to recognition of rental income on a straight-line basis in accordance with the Singapore Financial Reporting Standards and the increase in leasing fees capitalised, net of amortisation.

8. Review of performance (cont'd)

(b) Variance between YTD 3Q2016 and YTD 3Q2015 (cont'd)

The net change arising from fair value changes of derivative financial instruments in YTD 3Q2016 and YTD 3Q2015 was related to fair value change on forward foreign currency contracts.

Taxation in YTD 3Q2016 comprised deferred tax of S$1.0 million provided on potential capital gains arising from the changes in fair value of Australian properties and taxation expenses for income in Australia.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

(a) Net Property Income of 357 Collins Street

	1/4/2016 to 30/6/2016			1/10/2015 to 30/6/2016		
	Actual	Forecast [1]	Inc/(dec)	Actual	Forecast [1]	Inc/(dec)
	A$'000	A$'000	%	A$'000	A$'000	%
Gross revenue	5,164	4,688	10%	15,381	13,902	11%
Property operating expenses	(1,184)	(1,145)	3%	(3,470)	(3,383)	3%
Net property income	**3,980**	**3,543**	12%	**11,911**	**10,519**	13%

Footnotes:

(1) This refers to the profit forecast of 357 Collins Street for 9 months period from 1 October 2015 to 30 June 2016 included in Appendix E of the Circular dated 3 June 2015, adjusted for the period from 1 April 2016 to 30 June 2016.

Variance analysis

The higher net property income as compared to forecast was mainly due to higher occupancy rate achieved, which was slightly offset by higher actual expenses incurred.

10. Commentary on the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next 12 months

Singapore

In the statements released on 25 May 2016 and 14 July 2016, the Ministry of Trade and Industry ("MTI") announced that based on advance estimates, the Singapore economy grew by 2.2% on a year-on-year ("yoy") basis in the second quarter of 2016, marginally higher than the 2.1% growth in the previous quarter. On a quarter-on-quarter ("qoq") seasonally-adjusted annualised basis, the economy expanded by 0.8%, faster than the 0.2% growth in the previous quarter. The global economic outlook has weakened since early 2016, with global growth for the year now expected to be broadly similar to that in 2015. In particular, the growth outlook for the advanced economies has deteriorated marginally. Domestically, the softening of global economic conditions, as well as the continued sluggishness in global trade, could weigh on externally-oriented sectors such as the manufacturing and transportation and storage sectors. While sectors such as finance and insurance and wholesale trade could see a moderation in growth compared to 2015, they are still likely to provide some support to overall gross domestic product ("GDP") growth for the year. Barring the full materialisation of downside risks, the 2016 growth forecast for the Singapore economy is maintained at 1.0% to 3.0%.

CBRE[1] also reported that average office rentals in Singapore for Grade A CBD Core eased downwards by 4.0% qoq to $9.50 per square feet ("psf") per month. Island-wide average Grade B rent was down 3.3% qoq to $7.25 psf per month while average Grade B CBD Core rent declined 3.8% qoq to $7.65 psf per month. Island-wide net absorption for Q2 2016 was negative 74,741 square feet ("sf"), the fourth consecutive quarter of contraction. Net new demand remained muted with few expansions and more modest space requirements from limited new entrants. Nonetheless, an increased leasing activity was bolstered by a 'flight to quality' movement and occupiers taking advantage of attractive terms. These opportunistic deals were primarily focused on new projects. Sectors that contributed to occupier movement included the info-communications and technology, financial and professional services industries. Island-wide vacancy remained relatively stable at 5.9% but is expected to rise sharply over the next six to nine months with the completion of new developments. Further rental decline is likely.

CBRE[1] reported that average business park (city fringe) rentals increased 1.9% qoq to $5.50 psf per month. Business parks island-wide vacancy increased to 13.8% from 10.6% in Q1 2016, mainly due to the inclusion of a Mapletree Business City II. Transactions and enquiries were largely supported by smaller and mid-size space requirements stemming from consumer products, technology and biomedical sectors. Looking forward, island-wide occupancy is expected to gradually improve as softer demand is balanced out by the lack of new multi-user completions.

Australia

In the Statements on Monetary Policy Decision released in May and July 2016 by the Reserve Bank of Australia, cash rate was 1.75%. The cash rate was lowered by 25 basis points to 1.75% effective May 2016. The global economy continues to grow at a lower than average pace. Several advanced economies have recorded improved conditions over the past year, but conditions have become more difficult for a number of emerging market economies. Commodity prices are above recent lows, but this follows very substantial declines over the past couple of years. Australia's terms of trade remain much lower than they had been in recent years. In Australia, overall growth is continuing, despite a very large decline in business investment. Other areas of domestic demand, as well as exports, have been expanding at a pace at or above trend. Domestically, activity continued to shift from the mining to non-mining sectors of the economy, supported by low interest rates and the ongoing effects of the exchange rate depreciation since early 2013. Non-mining activity grew at an above-average pace and growth was strongest in industries that provide services to households and businesses. Growth is forecast to be 2.5% to 3.5% over the year to December 2016, and to increase to 3.0% to 4.0% over the year to June 2018.

[1] CBRE, Singapore Market View, Q2 2016

10. Commentary on the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next 12 months (cont'd)

Savills[2] reported that overall market indicators are beginning to show signs of stabilisation in the Perth CBD office market. Net absorption in the twelve months to January 2016 was 21,043 square metres ("sqm"), according to the Property Council of Australia. Seven projects in total were completed during 2015, closing out the current supply cycle until 2018. While there are a few mooted projects waiting in the pipeline, there is unlikely to be any speculation beyond this period until current market indicators begin to stabilise and tenant demand lifts. Only one major office building, Capital Square, remains under construction in the CBD. In the twelve months to March 2016, there was approximately 148,000 sqm of leasing activity in the Perth CBD office market, up 35% on the preceding twelve months and on par with the five year average of approximately 135,000 sqm. As at March 2016, net face rents in Perth range from A$625 to A$750 per sqm per annum for Premium Grade office. Rents have generally stabilised, but there may be a further correction, albeit minor, over the remainder of 2016. Although incentives across Prime grade office in the CBD are close to 45% and above as at March 2016, they appear to be close to peak levels. Vacancy rate is expected to be within the low 20% range in the short-to-medium term. Tenants are negotiating to renew existing tenancies and/or extend terms well before current lease expiry dates, and tenants have also taken the opportunity to relocate or expand into better quality space.

Knight Frank[3] reported that in the six months to January 2016, the Premium and A-grade net absorption totalled 43,792 sqm, accounting for 78% of the Melbourne CBD office space absorbed. The Melbourne CBD office market continued to strengthen over the six months to January 2016 with the vacancy rate for Grade A office falling from 7.6% to 6.5%. Melbourne continues to have the second lowest vacancy rate amongst all of Australia's CBDs. As at January 2016, the Prime grade average net face rents range between A$480 to A$670 per sqm per annum. The Victorian economy is forecast to grow by 1.2% in 2016, and on average by 2.4% per annum over the next five years. Over the next three years, white collar employment within the CBD is forecast to grow by 20,201 employees and driven by growth in the professional services, government and accommodation and food sectors. Demand for office space in the Melbourne CBD from the educational and technology-based tenants continues to gather momentum. Although the Melbourne CBD office vacancy rate is forecast to increase over the second half of 2016, total overall vacancy is not projected to exceed the current level of 7.7%. Supported by positive net absorption, prime net face rent levels are forecast to average a growth of 5.0% per annum over the next three years.

[2] Savills Research, Perth CBD Office, April 2016
[3] Knight Frank, Melbourne CBD Office Market Overview, March 2016

11. Distributions

(a) Current financial period

Name of distribution
Distribution to Unitholders ("Unitholders' Distribution") for the period from 1 April 2016 to 30 June 2016

The Manager has determined that the Distribution Reinvestment Plan will apply to the distribution for the period from 1 April 2016 to 30 June 2016.

(b)(i) Distribution rate

	Unitholders' Distribution
	cents
Taxable income component	1.6875
Tax-exempt income component	0.3435
Capital component	0.3791
Total	**2.4101**

The Payment Date and Books Closure Date for the Unitholders' Distribution are stated in Section 11 (d) and (e) below.

(b)(ii) Corresponding period of preceding financial period

Unitholders' Distribution for the period from 1 April 2015 to 30 June 2015

	Unitholders' Distribution
	cents
Taxable income component	1.9307
Tax-exempt income component	0.3925
Capital component	0.0278
Total	**2.3510**

(c) Tax rate

Taxable income distribution
Qualifying investors and individuals (other than those who hold their Units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deducting of tax at the rate of 10.0%. Other investors will receive their distributions after deduction of tax at the rate of 17.0%.

Tax exempt income distribution
Tax exempt income distribution is exempt from tax in the hands of all Unitholders.

Capital distribution
Capital distribution represents a return of capital for Singapore income tax purpose and not subject to tax. For Unitholders who hold the Units as trading assets, the amount of capital distribution will be applied to reduce the cost base of the Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of Units.

(d) Date payable 29 August 2016

(e) Books closure date: 1 August 2016

12. If the Group has obtained a general mandate from unitholders for Interested Party Transactions ("IPT"), the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There is no general mandate obtained from Unitholders for IPTs.

13. Confirmation pursuant to Rule 720(1) of the SGX-ST Listing Manual

FCAMC (as Manager of FCOT) confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual.

14. Confirmation pursuant to Rule 705(5) of the SGX-ST Listing Manual

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of FCAMC (as Manager of FCOT) which may render these interim financial results to be false or misleading, in any material aspect.

For and on behalf of the Board of Directors of Frasers Centrepoint Asset Management (Commercial) Ltd

Dr Chua Yong Hai
Director

Low Chee Wah
Director

By Order of the Board
Frasers Centrepoint Asset Management (Commercial) Limited
(Company registration no. 200503404G)
As Manager of Frasers Commercial Trust

Piya Treruangrachada
Company Secretary
22 July 2016

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 other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of management on future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.