**FRASERS COMMERCIAL TRUST**
**FINANCIAL STATEMENTS ANNOUNCEMENT**
**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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 Commercial Asset Management Ltd. (formerly known as 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 portfolio of FCOT as at 30 September 2018 consists of direct and indirect interests in 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/438C Alexandra Road ("Alexandra Technopark")

**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")

**United Kingdom**

1. 50.0% indirect interest in Farnborough Business Park located in Farnborough, Thames Valley ("Farnborough Business Park")

**SUMMARY OF CONSOLIDATED RESULTS OF FCOT AND ITS SUBSIDIARIES**
**- 1 July 2018 to 30 September 2018 ("4Q2018") vs 1 July 2017 to 30 September 2017 ("4Q2017")**
**- 1 October 2017 to 30 September 2018 ("FY2018") vs 1 October 2016 to 30 September 2017 ("FY2017")**

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | 1/7/2018 to 30/9/2018 | 1/7/2017 to 30/9/2017 | Change | 1/10/2017 to 30/9/2018 | 1/10/2016 to 30/9/2017 | Change |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| Gross revenue | 32,477 | 38,306 | (15%) | 133,306 | 156,551 | (15%) |
| Net property income | 21,611 | 26,735 | (19%) | 89,272 | 113,843 | (22%) |
| Total return for the period/ year | 106,696 | 57,123 | 87% | 141,718 | 111,444 | 27% |
| Distribution Income for Unitholders | 21,421 | 19,397 | 10% | 82,726 | 78,600 | 5% |
| **Distribution per Unit (cents)** | | | | | | |
| **Unitholders** | | | | | | |
| For the period/ year | 2.40 [1] | 2.41 [2] | - | 9.60 | 9.82 | (2%) |

**Footnotes:**
(1) The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 892,583,888. Please see Section 1(d)(ii) for the details of changes in the number of Units.
(2) The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 805,815,367.

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

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | 1/7/2018 to 30/9/2018 | 1/7/2017 to 30/9/2017 | Change | 1/10/2017 to 30/9/2018 | 1/10/2016 to 30/9/2017 | Change |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| Gross revenue [1] | 32,477 | 38,306 | (15%) | 133,306 | 156,551 | (15%) |
| Property operating expenses [2] | (10,866) | (11,571) | (6%) | (44,034) | (42,708) | 3% |
| **Net property income** [3] | **21,611** | **26,735** | (19%) | **89,272** | **113,843** | (22%) |
| Share of results of joint venture [4] | 2,547 | - | NM | 5,497 | - | NM |
| Interest income | 98 | 163 | (40%) | 316 | 501 | (37%) |
| Manager's management fees | (3,517) | (3,454) | 2% | (13,785) | (13,706) | 1% |
| Trust expenses | (564) | (437) | 29% | (2,064) | (1,740) | 19% |
| Finance costs [5] | (6,108) | (6,051) | 1% | (24,683) | (24,434) | 1% |
| **Net income before foreign exchange differences, fair value changes and taxation** | **14,067** | **16,956** | (17%) | **54,553** | **74,464** | (27%) |
| Foreign exchange (loss)/gain | (656) | 637 | NM | (2,759) | 1,324 | NM |
| Gain on disposal of investment property [6] | 75,724 | - | NM | 75,724 | - | NM |
| Net change in fair value of investment properties [7] | 21,610 | 59,538 | (64%) | 20,900 | 60,066 | (65%) |
| Net change in fair value of derivative financial instruments | (32) | 58 | NM | (62) | 197 | NM |
| Realised (loss)/gain on derivative financial instruments [8] | (13) | (46) | (72%) | 57 | (935) | NM |
| **Total return before tax** | **110,700** | **77,143** | 43% | **148,413** | **135,116** | 10% |
| Taxation [9] | (4,004) | (20,020) | (80%) | (6,695) | (23,672) | (72%) |
| **Total return for the period/ year** | **106,696** | **57,123** | 87% | **141,718** | **111,444** | 27% |

NM - Not meaningful

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

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | 1/7/2018 to 30/9/2018 | 1/7/2017 to 30/9/2017 | Change | 1/10/2017 to 30/9/2018 | 1/10/2016 to 30/9/2017 | Change |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| **Total return for the period/ year** | **106,696** | **57,123** | 87% | **141,718** | **111,444** | 27% |
| Non-tax deductible / (non-taxable) items and other adjustments: | | | | | | |
| Management fees payable in Units | 3,517 | 622 | NM | 13,785 | 1,028 | NM |
| Trustees' fees | 177 | 158 | 12% | 681 | 627 | 9% |
| Amortisation of borrowing costs | 187 | 253 | (26%) | 1,077 | 1,271 | (15%) |
| Unamortised borrowing costs expensed off | 306 | - | NM | 388 | 478 | (19%) |
| Gain on disposal of investment property | (75,724) | - | NM | (75,724) | - | NM |
| Net change in fair value of investment properties | (21,610) | (59,538) | (64%) | (20,900) | (60,066) | (65%) |
| Net change in fair value of derivative financial instruments | 32 | (58) | NM | 62 | (197) | NM |
| Deferred taxation | 3,692 | 20,551 | (82%) | 5,414 | 20,654 | (74%) |
| Unrealised exchange loss/(gain) | 665 | (690) | NM | 2,676 | (1,442) | NM |
| Effects of recognising accounting income on a straight line basis over the lease term | (356) | 135 | NM | (566) | 1,010 | NM |
| Gain on disposal of hotel development rights [11] | 2,404 | 922 | NM | 12,775 | 3,561 | NM |
| Other non tax deductible items and temporary differences | 1,435 | (81) | NM | 1,340 | 232 | NM |
| **Net effect of (non-taxable)/ non-tax deductible items and other adjustments** | **(85,275)** | **(37,726)** | NM | **(58,992)** | **(32,844)** | 80% |
| **Income available for distribution to Unitholders [10]** | **21,421** | **19,397** | 10% | **82,726** | **78,600** | 5% |
| Unitholders' distribution comprises: | | | | | | |
| - from operations | 16,307 | 17,037 | (4%) | 61,553 | 69,392 | (11%) |
| - from capital returns [11] | 5,114 | 2,360 | NM | 21,173 | 9,208 | NM |
| | **21,421** | **19,397** | 10% | **82,726** | **78,600** | 5% |

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 | | | | | |
|---|---|---|---|---|---|---|
| | 1/7/2018 to 30/9/2018 S$'000 | 1/7/2017 to 30/9/2017 S$'000 | Change % | 1/10/2017 to 30/9/2018 S$'000 | 1/10/2016 to 30/9/2017 S$'000 | Change % |
| China Square Central | 5,679 | 6,263 | (9%) | 23,299 | 26,234 | (11%) |
| 55 Market Street (i) | 865 | 1,470 | (41%) | 4,793 | 5,876 | (18%) |
| Alexandra Technopark | 9,149 | 12,878 | (29%) | 38,713 | 51,851 | (25%) |
| Central Park | 6,148 | 6,475 | (5%) | 23,416 | 27,895 | (16%) |
| Caroline Chisholm Centre | 5,209 | 5,605 | (7%) | 21,271 | 22,217 | (4%) |
| 357 Collins Street | 5,427 | 5,615 | (3%) | 21,814 | 22,478 | (3%) |
| | **32,477** | **38,306** | (15%) | **133,306** | **156,551** | (15%) |

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

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | 1/7/2018 to 30/9/2018 S$'000 | 1/7/2017 to 30/9/2017 S$'000 | Change % | 1/10/2017 to 30/9/2018 S$'000 | 1/10/2016 to 30/9/2017 S$'000 | Change % |
| Property maintenance expenses | 3,625 | 4,618 | (22%) | 15,896 | 15,282 | 4% |
| Property management fees | 615 | 783 | (21%) | 2,637 | 3,182 | (17%) |
| Property tax | 2,108 | 2,040 | 3% | 8,164 | 8,097 | 1% |
| Utilities | 1,115 | 1,659 | (33%) | 6,565 | 6,429 | 2% |
| Professional fees | 856 | 890 | (4%) | 3,305 | 3,428 | (4%) |
| Insurance | 114 | 131 | (13%) | 456 | 493 | (8%) |
| Council rates | 561 | 484 | 16% | 2,203 | 2,147 | 3% |
| Amortisation of leasing commission | 234 | 233 | - | 881 | 957 | (8%) |
| Amortisation of leasing incentives | 1,094 | 309 | NM | 2,311 | 1,103 | NM |
| Other operating expenses | 544 | 424 | 28% | 1,616 | 1,590 | 2% |
| | **10,866** | **11,571** | (6%) | **44,034** | **42,708** | 3% |

NM - Not meaningful

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

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | 1/7/2018 to 30/9/2018 S$'000 | 1/7/2017 to 30/9/2017 S$'000 | Change % | 1/10/2017 to 30/9/2018 S$'000 | 1/10/2016 to 30/9/2017 S$'000 | Change % |
| China Square Central | 3,335 | 3,874 | (14%) | 14,426 | 17,111 | (16%) |
| 55 Market Street (i) | 518 | 1,050 | (51%) | 3,173 | 4,247 | (25%) |
| Alexandra Technopark | 6,398 | 9,607 | (33%) | 26,019 | 38,879 | (33%) |
| Central Park | 3,447 | 4,326 | (20%) | 13,950 | 19,228 | (27%) |
| Caroline Chisholm Centre | 3,940 | 3,604 | 9% | 15,477 | 17,383 | (11%) |
| 357 Collins Street | 3,973 | 4,274 | (7%) | 16,227 | 16,995 | (5%) |
| | **21,611** | **26,735** | (19%) | **89,272** | **113,843** | (22%) |

(i) 55 Market Street was divested on 31 August 2018.

**Footnotes:**

(4) The share of results of joint venture relates to FCOT's 50% interest in the profits from Farnborough Business Park Limited (formerly known as HEREF Farnborough Limited) for the period from 29 January 2018 (date of completion) to 30 September 2018. Summary of the share of results of joint venture, based on FCOT's 50% interest in the joint venture are as follows:

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | 1/7/2018 to 30/9/2018 | 1/7/2017 to 30/9/2017 | Change | 1/10/2017 to 30/9/2018 | 1/10/2016 to 30/9/2017 | Change |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| Net property income [(i)] | 1,506 | - | NM | 4,957 | - | NM |
| Other income, net [(ii)] | 1,041 | - | NM | 540 | - | NM |
| Share of results of joint venture, net of tax | **2,547** | **-** | NM | **5,497** | **-** | NM |

NM - Not meaningful

Note:
(i) Net property income included rental income, service charge income and car park income from Farnborough Business Park. It also included rent guarantee and void costs reimbursement by the vendor in relation to certain leases pursuant to the terms of the transaction as disclosed in FCOT's SGX-ST announcement dated 14 December 2017. The effects of recognising accounting income on a straight line basis over the terms of respective leases were S$271,000 (FCOT's 50% interest) for 4Q2018 and S$541,000 for FY2018.
(ii) Other income, net, for the current period included fair value gains on revaluation of Farnborough Business Park.

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

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | 1/7/2018 to 30/9/2018 | 1/7/2017 to 30/9/2017 | Change | 1/10/2017 to 30/9/2018 | 1/10/2016 to 30/9/2017 | Change |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| Interest expense | 5,615 | 5,798 | (3%) | 23,218 | 22,685 | 2% |
| Unamortised borrowing costs expensed off | 306 | - | NM | 388 | 478 | (19%) |
| Amortisation of borrowing costs | 187 | 253 | (26%) | 1,077 | 1,271 | (15%) |
| | **6,108** | **6,051** | 1% | **24,683** | **24,434** | 1% |

NM - Not meaningful

The unamortised borrowing costs of approximately S$0.3 million expensed off during the current period (4Q2017: nil) was related to the early refinancing of a loan facility.

(6) The gain on disposal of investment property in 4Q2018 and FY2018 was related to the gain on the disposal of 55 Market Street, net of transaction expenses and fees.

(7) The net change in fair value of investment properties was mainly related to the overall upward revaluation of the portfolio.

**Footnotes:**

(8) Included in the realised (loss)/gain on derivative financial instruments are the following:

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | **1/7/2018 to 30/9/2018** | **1/7/2017 to 30/9/2017** | **Change** | **1/10/2017 to 30/9/2018** | **1/10/2016 to 30/9/2017** | **Change** |
| | **S$'000** | **S$'000** | **%** | **S$'000** | **S$'000** | **%** |
| Loss arising from termination of interest rate swap | (18) | - | NM | (18) | (214) | (92%) |
| Gain/(loss) arising from realisation of foreign currency forward contracts | 5 | (46) | NM | 75 | (721) | NM |
| | **(13)** | **(46)** | (72%) | **57** | **(935)** | NM |

NM - Not meaningful

(9) The decline in taxation is mainly due to lower deferred tax provision and increased tax deductions available for the Australian properties, arising from higher capital allowances and deductible expenses. Deferred tax is provided for in respect of the potential capital gains arising from the changes in fair value of the Australian properties, net of available tax losses. Deferred tax provision was lower mainly due to lower increase of the fair value of the Australian properties in FY2018.

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

(11) Unitholders' distribution from capital returns comprised:-

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | **1/7/2018 to 30/9/2018** | **1/7/2017 to 30/9/2017** | **Change** | **1/10/2017 to 30/9/2018** | **1/10/2016 to 30/9/2017** | **Change** |
| | **S$'000** | **S$'000** | **%** | **S$'000** | **S$'000** | **%** |
| Gain on disposal of hotel development rights (a) | 2,404 | 922 | NM | 12,775 | 3,561 | NM |
| Return of capital from a subsidiary (b) | 2,022 | 1,438 | 41% | 6,302 | 5,647 | 12% |
| Return of capital from a joint venture (c) | 688 | - | NM | 2,096 | - | NM |
| | **5,114** | **2,360** | NM | **21,173** | **9,208** | 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 was classified as capital distribution from tax perspective.

(b) This relates to the distribution available to Unitholders arising from the return of capital of an Australian subsidiary.

(c) This relates to distribution available to Unitholders arising from the return of capital attributable to reimbursement of lease incentives, monthly contracted rents and service charges in relation to a car showroom under construction and top-up of rents and void costs for specified unlet units pursuant to the terms for the purchase of Farnborough Business Park, as disclosed in FCOT's SGX-ST Announcement dated 14 December 2017.

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

| | Group | | Trust | |
|---|---|---|---|---|
| | 30/09/2018 | 30/9/2017 | 30/09/2018 | 30/9/2017 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Non-current assets** | | | | |
| Investment properties [(1)] | 1,977,288 | 2,070,857 | 1,140,400 | 1,212,000 |
| Investment in joint venture [(2)] | 156,999 | - | - | - |
| Subsidiaries | - | - | 472,422 | 313,236 |
| Loan to a subsidiary | - | - | 86,173 | 92,542 |
| Fixed assets | 40 | 65 | 40 | 65 |
| Deferred tax asset | 330 | 355 | - | - |
| Derivative financial instruments [(3)] | 1,734 | - | 1,734 | - |
| | **2,136,391** | **2,071,277** | **1,700,769** | **1,617,843** |
| **Current assets** | | | | |
| Trade and other receivables [(4)] | 5,100 | 13,056 | 99,465 | 74,097 |
| Cash and bank balances | 31,589 | 74,609 | 25,738 | 69,654 |
| | **36,689** | **87,665** | **125,203** | **143,751** |
| **Total assets** | **2,173,080** | **2,158,942** | **1,825,972** | **1,761,594** |
| **Current liabilities** | | | | |
| Borrowings (net of transaction costs) [(5)] | (17,000) | (183,194) | (17,000) | (39,934) |
| Trade and other payables [(6)] | (37,781) | (29,386) | (29,094) | (16,498) |
| Current portion of security deposits | (6,562) | (5,670) | (6,562) | (5,670) |
| Derivative financial instruments [(3)] | (237) | (2,845) | - | (1,503) |
| Provision for taxation [(7)] | (3,110) | (3,456) | - | - |
| | **(64,690)** | **(224,551)** | **(52,656)** | **(63,605)** |
| **Net current (liabilities)/assets [(8)]** | **(28,001)** | **(136,886)** | **72,547** | **80,146** |
| **Non-current liabilities** | | | | |
| Borrowings (net of transaction costs) [(5)] | (596,490) | (564,756) | (389,209) | (485,251) |
| Derivative financial instruments [(3)] | (454) | (50) | (112) | (50) |
| Non-current portion of security deposits | (7,621) | (7,423) | (7,621) | (7,423) |
| Deferred tax liabilities [(9)] | (72,994) | (72,813) | - | - |
| | **(677,559)** | **(645,042)** | **(396,942)** | **(492,724)** |
| **Total liabilities** | **(742,249)** | **(869,593)** | **(449,598)** | **(556,329)** |
| **Net assets attributable to Unitholders** | **1,430,831** | **1,289,349** | **1,376,374** | **1,205,265** |
| **Represented by:** | | | | |
| Unitholders' funds [(10)] | **1,430,831** | **1,289,349** | **1,376,374** | **1,205,265** |

**Footnotes:**

(1) The investment properties were valued at their fair values based on independent valuations as at 30 September 2018. Please refer to Page 10 for details of the valuation.

The decrease in investment properties was mainly due to the disposal of 55 Market Street on 31 August 2018 coupled with the weakening of Australian dollar as at 30 September 2018 as compared to 30 September 2017. The decrease was offset by the overall upward revaluation of the portfolio.

(2) Investment in joint venture relates to the Group's 50% interest in Farnborough Business Park.

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

(4) The decrease in trade and other receivables was mainly due to decrease in prepayments for Central Park.

(5) The decrease in borrowings was mainly due to the repayment of loans with the sale proceeds of the disposal of 55 Market Street as well as the effects of weakening of Australian dollar (as at 30 September 2018 as compared to 30 September 2017) on the Australian Dollar denominated borrowings. The decrease was offset by the issuance of medium term notes to fund the acquisition of 50% interest in Farnborough Business Park as well as revolving credit facilities drawn for the funding of the asset enhancement initiatives ("AEI") works ongoing in Alexandra Technopark and China Square Central.

(6) The increase in trade and other payables was mainly due to outstanding invoices for the ongoing AEI works.

(7) The decrease in provision for taxation was mainly due to the effects of weakening of Australian dollar as at 30 September 2018 as compared to 30 September 2017.

(8) The net current liabilities position as at 30 September 2018 was due the revolving credit facilities drawn to finance the ongoing AEI works as well as the outstanding invoices relating to the AEI works. The net current liabilities position as at 30 September 2017 was due to loan facilities of S$40 million and A$135 million due on 13 August 2018 and 19 September 2018, which have been respectively repaid and refinanced in FY2018.

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

(10) The increase in Unitholders' funds was mainly due to:

- issuance of Units pursuant a private placement of 67,567,000 Units completed on 1 February 2018 to part-finance the Farnborough Business Park acquisition;
- acquisition and divestment fee to the Manager paid in Units;
- gain on disposal of 55 Market Street;
- the increase in portfolio value due to upward revaluation of Alexandra Technopark, China Square Central, 357 Collins Street and Caroline Chisholm Centre; and
- issuance of Units pursuant to distribution reinvestment plan.

The increase was offset by the effects of the weaker Australian dollar as at 30 September 2018 as compared to 30 September 2017 on the net assets attributable to the Australia operations.

**1(b)(ii) Aggregate amount of borrowings and debt securities**
**Amount repayable in one year or less, or on demand**

| Group | | | |
|---|---|---|---|
| As at 30/6/2018 | | As at 30/9/2017 | |
| Secured S$'000 | Unsecured S$'000 | Secured S$'000 | Unsecured S$'000 |
| - | 17,000 | - | 183,586 |

**Amount repayable after one year**

| Group | | | |
|---|---|---|---|
| As at 30/6/2018 | | As at 30/9/2017 | |
| Secured S$'000 | Unsecured S$'000 | Secured S$'000 | Unsecured S$'000 |
| - | 597,984 | - | 566,370 |

**Details of any collateral**

All term loan facilities as at 30 September 2018 are unsecured.

**Valuation of investment properties**

| **Property** | **Valuation date** | **Valuation** S$'million | **Independent valuer** |
|---|---|---|---|
| **China Square Central** 18, 20 & 22 Cross Street Singapore 048423/048422/048421 | 30 September 2018 | 582.4 | Knight Frank Pte Ltd |
| **Alexandra Technopark** 438A/B/C Alexandra Road Singapore 119967/68/76 | 30 September 2018 | 558.0 | Jones Lang LaSalle Property Consultants Pte Ltd |
| **Central Park** 152 – 158 St Georges Terrace Perth, Western Australia 6000 Australia | 30 September 2018 | 288.2(1) (A$291.0 m) (3) | Knight Frank Australia Pty Ltd |
| **Caroline Chisholm Centre** Block 4 Section 13 Tuggeranong Australian Capital Territory 2900 Australia | 30 September 2018 | 249.6(1) (A$252.0 m) | Jones Lang LaSalle Advisory Services Pty Ltd |
| **357 Collins Street** 357 Collins Street, Melbourne, Victoria 3000 Australia | 30 September 2018 | 299.1(1) (A$302.0 m) | Knight Frank Valuation & Advisory Victoria |
| **Farnborough Business Park** Farnborough, Thames Valley, United Kingdom | 30 September 2018 | 156.2(2) (£87.7 m) (3) | CBRE Limited |

Note:
(1) Translated at an exchange rate of A$1.00 = S$0.9904.
(2) Translated at an exchange rate of £1.00=S$1.7809.
(3) In respect of FCOT's 50% interest.

**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 | | | |
|---|---|---|---|---|
| | 1/7/2018 to 30/9/2018 | 1/7/2017 to 30/9/2017 | 1/10/2017 to 30/9/2018 | 1/10/2016 to 30/9/2017 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Operating activities:** | | | | |
| Total return before tax | 110,700 | 77,143 | 148,413 | 135,116 |
| Adjustments for:- | | | | |
| Finance costs | 6,108 | 6,051 | 24,683 | 24,434 |
| Effect of recognising accounting income on a straight-line basis over the lease term | (356) | 135 | (566) | 1,010 |
| Depreciation | 11 | 6 | 29 | 26 |
| Amortisation of leasing commission | 234 | 233 | 881 | 957 |
| Amortisation of leasing incentives | 1,094 | 309 | 2,311 | 1,103 |
| Interest income | (98) | (163) | (316) | (501) |
| Management fees payable in Units [1] | 3,517 | 622 | 13,785 | 1,028 |
| Gain on disposal of investment property | (75,724) | - | (75,724) | - |
| Net change in fair value of derivative financial | 32 | (58) | 62 | (197) |
| Net change in fair value of investment properties | (21,610) | (59,538) | (20,900) | (60,066) |
| Share of results of joint venture | (2,547) | - | (5,497) | - |
| Realised loss/(gain) on derivative financial instruments | 13 | 46 | (57) | 935 |
| **Operating income before working capital changes** | **21,374** | **24,786** | **87,104** | **103,845** |
| Changes in working capital:- | | | | |
| Trade and other receivables | (1,409) | (5,592) | 5,243 | (5,611) |
| Trade and other payables | (369) | 7,725 | (6,924) | 1,891 |
| **Cash generated from operations** | **19,596** | **26,919** | **85,423** | **100,125** |
| Tax paid | - | - | (1,411) | (3,302) |
| **Net cash generated from operating activities** | **19,596** | **26,919** | **84,012** | **96,823** |
| **Investing activities:** | | | | |
| Proceeds from disposal of 55 Market Street | 216,800 | - | 216,800 | - |
| Capital expenditure on investment properties | (29,926) | (1,705) | (74,419) | (4,334) |
| Payment for leasing costs capitalised | (415) | (280) | (1,871) | (1,550) |
| Purchase of fixed assets | (4) | (3) | (4) | (10) |
| Investment in joint venture | (1,421) | - | (155,746) | - |
| Net income and capital returns received from joint venture | 3,603 | - | 3,603 | - |
| Interest received | 120 | 134 | 306 | 456 |
| **Net cash generated from/(used in) investing activities** | **188,757** | **(1,854)** | **(11,331)** | **(5,438)** |
| **Financing activities:** | | | | |
| Proceeds from private placement of Units | - | - | 99,999 | - |
| Proceeds from borrowings | 17,000 | - | 382,183 | 230,000 |
| Repayment of borrowings | (211,600) | - | (501,783) | (230,000) |
| Realisation of derivative financial instruments | (13) | (46) | 57 | (935) |
| Finance costs paid | (8,047) | (7,481) | (23,213) | (21,905) |
| Issue costs paid | - | (93) | (1,583) | (341) |
| Distributions paid [2] | (17,838) | (15,248) | (70,029) | (64,528) |
| Transaction costs on borrowings | (52) | - | (994) | (647) |
| **Net cash used in financing activities** | **(220,550)** | **(22,868)** | **(115,363)** | **(88,356)** |
| **Net (decrease)/increase in cash and cash equivalents** | **(12,197)** | **2,197** | **(42,682)** | **3,029** |
| Cash and cash equivalents at beginning of period/ year | 43,876 | 72,355 | 74,609 | 71,487 |
| Effect of exchange rate changes | (90) | 57 | (338) | 93 |
| **Cash and cash equivalents at end of period/ year [3]** | **31,589** | **74,609** | **31,589** | **74,609** |

**Footnotes**

(1) These amounts represent Units issued and issuable in satisfaction of management fees payable in Units amounting to S$3.5 million for 4Q2018 (4Q2017: S$0.6 million) and S$13.8 million for FY2018 (FY2017: S$1.0 million).

(2) 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$3.4 million during 4Q2018 (4Q2017: S$4.0 million) and S$10.7 million for FY2018 (FY2017: S$14.2 million).

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

| | Group | |
|---|---|---|
| | **30/9/2018** | **30/9/2017** |
| | **S$'000** | **S$'000** |
| Bank and cash balances | 18,641 | 45,021 |
| Fixed deposits | 12,948 | 29,588 |
| Cash and cash equivalents | 31,589 | 74,609 |

**1(c)(i) Status of the use of proceeds raised from any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use**

The gross proceeds of S$100.0 million received from the private placement on 1 February 2018 were applied as follows:

| **Use of proceeds** | **S$' million** |
|---|---|
| Partial repayment of a bridge loan facility that was used to fund the acquisition of 50% interest in Farnborough Business Park | 98.5 |
| Issue costs in relation to the private placement | 1.5 |
| | **100.0** |

The use of proceeds from the private placement is in accordance with the stated use.

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

| | Group | | Trust | |
|---|---|---|---|---|
| | 1/7/2018 to 30/9/2018 | 1/7/2017 to 30/9/2017 | 1/7/2018 to 30/9/2018 | 1/7/2017 to 30/9/2017 |
| **Movement from 1 July to 30 September** | S$'000 | S$'000 | S$'000 | S$'000 |
| **Balance at beginning of period** | 1,349,803 | 1,240,016 | 1,285,729 | 1,203,027 |
| **Operations** | | | | |
| Change in net assets attributable to Unitholders resulting from operations | 106,696 | 57,123 | 104,797 | 16,459 |
| **Unitholders' transactions** | | | | |
| Issue of Units | 7,292 | 4,399 | 7,292 | 4,399 |
| Issue expenses | - | (93) | - | (93) |
| Distributions to Unitholders | (21,248) | (19,242) | (21,248) | (19,242) |
| **Change in Unitholders' funds resulting from Unitholders' transactions** | (13,956) | (14,936) | (13,956) | (14,936) |
| **Foreign currency translation reserve** | | | | |
| Movement for the period | (11,341) | 6,177 | - | - |
| **Hedging reserve** | | | | |
| Net fair value changes on derivative financial instruments | (371) | 969 | (196) | 715 |
| **Balance at end of period/ year** | 1,430,831 | 1,289,349 | 1,376,374 | 1,205,265 |

| | Group | | Trust | |
|---|---|---|---|---|
| | 1/10/2017 to 30/9/2018 | 1/10/2016 to 30/9/2017 | 1/10/2017 to 30/9/2018 | 1/10/2016 to 30/9/2017 |
| **Movement from 1 October to 30 September** | S$'000 | S$'000 | S$'000 | S$'000 |
| **Balance at beginning of period/ year** | 1,289,349 | 1,228,416 | 1,205,265 | 1,200,043 |
| **Operations** | | | | |
| Change in net assets attributable to Unitholders resulting from operations | 141,718 | 111,444 | 129,882 | 67,641 |
| **Unitholders' transactions** | | | | |
| Issue of Units | 122,009 | 14,565 | 122,009 | 14,565 |
| Issue expenses | (1,583) | (341) | (1,583) | (341) |
| Distributions to Unitholders | (80,702) | (78,688) | (80,702) | (78,688) |
| **Change in Unitholders' funds resulting from Unitholders' transactions** | 39,724 | (64,464) | 39,724 | (64,464) |
| **Foreign currency translation reserve** | | | | |
| Movement for the period | (42,227) | 9,610 | - | - |
| **Hedging reserve** | | | | |
| Net fair value changes on derivative financial instruments | 2,267 | 4,343 | 1,503 | 2,045 |
| **Balance at end of period/ year** | 1,430,831 | 1,289,349 | 1,376,374 | 1,205,265 |

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

| | 1/7/2018 to 30/9/2018 | 1/7/2017 to 30/9/2017 | 1/10/2017 to 30/9/2018 | 1/10/2016 to 30/9/2017 |
|---|---|---|---|---|
| | Units | Units | Units | Units |
| **Issued Units** | | | | |
| Balance at beginning of period | 883,322,406 | 802,161,140 | 805,363,832 | 794,298,124 |
| Issue of Units - management fees | 2,045,185 | 287,384 | 6,173,717 | 287,384 |
| Issue of Units - Private Placement | - | - | 67,567,000 | - |
| Issue of Units - acquisition fees | - | - | 1,038,661 | - |
| Issue of Units - divestment fees | 771,200 | - | 771,200 | - |
| Issue of Units - Distribution Reinvestment | 2,461,827 | 2,915,308 | 7,686,208 | 10,778,324 |
| Balance at end of period | 888,600,618 | 805,363,832 | 888,600,618 | 805,363,832 |
| **Issued and issuable Units** | | | | |
| Issued Units at end of period | 888,600,618 | 805,363,832 | 888,600,618 | 805,363,832 |
| - Management fees payable in Units [1] | 3,983,270 | 451,535 | 3,983,270 | 451,535 |
| Issued and issuable Units at end of period | 892,583,888 | 805,815,367 | 892,583,888 | 805,815,367 |

**Footnote:**

(1) 3,983,270 Units (4Q2017: 451,535 Units) will be issued to the Manager as payment for management fees for the financial quarter ended 30 September 2018. This accounts for approximately 100% (4Q2017: 24%) of the Manager's base management fees for the quarter and 100% (4Q2017: nil) of the Manager's performance management fees for FY2018. The price of Units issued was determined based on the volume weighted average price of the Units for the last ten business days of the relevant financial period in which the management fees accrue for.

**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 or 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 2017.

**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**

| | 1/7/2018 to 30/9/2018 | 1/7/2017 to 30/9/2017 | 1/10/2017 to 30/9/2018 | 1/10/2016 to 30/9/2017 |
|---|---|---|---|---|
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Total return after taxation and before distribution | 106,696 | 57,123 | 141,718 | 111,444 |
| **EPU** | | | | |
| Weighted average number of Units in issue | 885,807,142 | 803,416,139 | 857,499,200 | 798,844,479 |
| Basic earnings per Unit (cents)(1) | 12.05 | 7.11 | 16.53 | 13.95 |
| **DPU** | | | | |
| Number of issued and issuable Units entitled to distribution | 892,583,888 | 805,815,367 | 892,583,888 | 805,815,367 |
| Distribution per Unit based on the total number of issued and issuable Units entitled to distribution (cents) | 2.40 | 2.41 | 9.60 | 9.82 |

**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 were no dilutive potential Units in 4Q2018 and 4Q2017.

(2) The computation of DPU for the period was based on the number of Units entitled to distribution, being:
  a. the number of Units in issue as at 30 September 2018 of 888,600,618; and
  b. 3,983,270 Units to be issued to the Manager, in consideration of 100% of the base component of the management fee payable for 4Q2018 and 100% of the performance component of the management fee payable for FY2018.

**7. Unitholders' funds per Unit based on issued units at the end of the period**

| | Group | | Trust | |
|---|---|---|---|---|
| | 30/09/2018 | 30/9/2017 | 30/09/2018 | 30/9/2017 |
| Unitholders' funds at end of year (S$'000) | 1,430,831 | 1,289,349 | 1,376,374 | 1,205,265 |
| Number of Units issued at the end of the year ('000) | 888,601 | 805,364 | 888,601 | 805,364 |
| Unitholders' funds per Unit (S$) | 1.61 | 1.60 | 1.55 | 1.50 |
| Adjusted Unitholders' funds per Unit (excluding distributable income) (S$) | 1.59 | 1.58 | 1.52 | 1.47 |

## 8. Review of performance

**(a) Variance between 4Q2018 and 4Q2017**

Net property income for 4Q2018 was S$21.6 million, 19% lower than that of 4Q2017. The decrease was mainly due to:-

- lower occupancy rates for China Square Central, Alexandra Technopark, Central Park and 55 Market Street;
- effects of the average weaker Australian dollar during 4Q2018 as compared to 4Q2017 on the income from Australian properties; and
- the disposal of 55 Market Street being completed on 31 August 2018.

The decrease in net property income was partially offset by the lower repair and maintenance expenses at Caroline Chisholm Centre in 4Q2018.

Portfolio net property income excluded the results of Farnborough Business Park which was equity accounted for as share of results of joint venture.

The increase in finance costs by S$0.1 million in 4Q2018 as compared to that of 4Q2017 was mainly due to capitalised borrowing costs being expensed off during the quarter as a result of early refinancing of a loan facility, additional borrowings to finance the acquisition of 50% interest in Farnborough Business Park and the ongoing AEI at Alexandra Technopark and China Square Central. The increase is partially offset by the lower interest expense due to the repayment of loan facilities during the period with the proceeds from the disposal of 55 Market Street.

Please refer to Note (6) and Note (7) on page 6 for the explanation of gain on disposal of investment property and the fair value gain on investment properties.

The net gain and loss arising from fair value changes of derivative financial instruments in 4Q2018 and 4Q2017 respectively were related to fair value change on interest rate swaps.

The decrease in taxation was mainly due to lower provision of deferred taxation in the current period as compared to 4Q2017 due to the lower increase in the fair value of the Australian properties as at 30 September 2018 as compared to 30 September 2017.

**(b) Variance between FY2018 and FY2017**

Net property income for FY2018 was S$89.3 million, 22% lower than that of FY2017. The decrease was mainly due to:-

- lower occupancy rates for China Square Central, Alexandra Technopark, Central Park, 55 Market Street and 357 Collins Street;
- higher repair and maintenance expenses at Caroline Chisholm Centre;
- effects of the average weaker Australian dollar during FY2018 as compared to FY2017 on the income from Australian properties; and
- absence of a one-off payment in relation to a termination of lease in Central Park which was received in FY2017.

Portfolio net property income excluded the results of Farnborough Business Park which was equity accounted for as share of results of joint venture. The share of results of joint venture for FY2018 was attributable for the period from 29 January 2018 (date of completion) to 30 September 2018.

The increase in finance costs by S$0.2 million in FY2018 as compared to that of FY2017 was mainly due to additional borrowings to finance the acquisition of 50% interest in Farnborough Business Park. This was offset by the lower interest expense due to the repayment of loan facilities during the period arising from the sales proceeds from the disposal of 55 Market Street, lower unamortised borrowing costs expensed off during FY2018 as compared to FY2017 due to refinancing of loan facilities and lower amortisation of borrowing costs in FY2018.

Please refer to Note (6) and Note (7) on page 6 for the explanation of gain on disposal of investment property and the fair value gain on investment properties.

The net gain and loss arising from fair value changes of derivative financial instruments in FY2018 and FY2017 respectively were related to fair value change on interest rate swaps.

The decrease in taxation was mainly due to lower provision of deferred taxation in FY2018 as compared to FY2017 due to the lower increase in the fair value of the Australian properties as at 30 September 2018 as compared to 30 September 2017.

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

Not applicable.

**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**

The Ministry of Trade and Industry ("MTI") announced on 12 October 2018 that based on advanced estimates, the Singapore economy grew by 2.6% on a year-on-year basis in 3Q 2018, moderating from the 4.1% growth in 2Q 2018. On a quarter-on-quarter ("qoq") seasonally-adjusted annualised basis, the economy expanded by 4.7%, faster than the 1.2% growth in 2Q 2018. MTI had also announced on 13 August 2018 that it was of the view that the pace of expansion in the Singapore economy is expected to moderate in the second half of 2018, following the strong performance in the first half of the year. Growth will continue to be supported primarily by outward-oriented sectors such as manufacturing, finance and insurance, transportation and storage, and wholesale trade, among others. Sectors such as information and communications and other services are also projected to remain resilient. Overall, MTI expects the Singapore economy to grow by 2.5% to 3.5% in 2018.

For the office market, CBRE[1] reported that overall leasing activity was stronger in 3Q 2018, leading to stronger growth in net absorption to 605,077 square feet for the quarter. This led to a reduction in island-wide office vacancy rate by 0.5 percentage points from 5.9% in 2Q 2018 to 5.4% in 3Q 2018. As at end 3Q 2018, average rents increased 3.5% qoq to S$10.45 per square feet ("psf") per month for Grade A CBD Core, 2.6% qoq to S$8.00 psf per month for Grade B CBD Core and 2.8% qoq to S$7.45 psf per month for island-wide Grade B. According to CBRE, there was a steady increase in demand for Grade B offices as the available Grade A space tightened considerably. CBRE is of the opinion that the resilient and diverse tenant demand coupled with a limited future supply will lead to further rental growth in the medium term.

For the business park market[2], CBRE[1] reported that there continued to be demand for city fringe business park space in 3Q 2018, while leasing activity for the rest of the island was weaker. Leasing activity during the quarter was mainly attributed to e-commerce and technology firms with some tenants seeking expansion space, which benefitted mainly better located and newer business park developments. As at the end of 3Q 2018, average rent increased 1.8% qoq to S$5.80 psf per month for city fringe business parks and 1.3% qoq to S$3.80 psf per month for the rest of the island. CBRE is of the opinion that strong office market recovery had widened the gap between the business park and office rents, which has led to higher rent expectations for business parks.

As at 30 September 2018, the occupancy rate at Alexandra Technopark ("ATP") including pre-committed leases was 70.2%. This includes a lease for 93,302 sf by Hewlett-Packard Singapore Pte Ltd, constituting 9.0% of the net lettable area of the property, which will be expiring on 31 December 2018[3]. The Manager will continue to carry out proactive leasing and asset management strategies to normalise occupancy at ATP as soon as possible.

FCOT had on 10 July 2018 entered into a property sale agreement to divest 55 Market Street for S$216.8 million to an unrelated third party, and the transaction was completed on 31 August 2018. Arising from the divestment, FCOT recognised an estimated net gain of approximately S$75.7 million[4] over the property's book value of S$139.9 million. Please refer to the announcements dated 10 July 2018 and 31 August 2018 for details.

FCOT had announced on 20 October 2017 that the retail podium at 18 Cross Street, China Square Central, would undergo a S$38 million AEI. The retail podium has been closed since January 2018 to facilitate the AEI works, which are currently expected to complete in the second half of 2019[5]. The net lettable area of the retail podium is currently expected to increase to around 78,000 sf[5] from around 64,000 sf prior to the commencement of the AEI.

**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)**

**Australia**

In the Reserve Bank of Australia's ("RBA") Statement on Monetary Policy Decision released on 2 October 2018, the cash rate remained unchanged at 1.50%. Business conditions were positive and non-mining business investment is expected to increase. According to RBA, the outlook for the labour market remained positive as unemployment rate reached the lowest level in almost six years and a gradual decline in unemployment rate is expected over the next few years. The low level of interest rates continued to support the Australian economy. In RBA's Statement on Monetary Policy Decision released in August 2018, gross domestic product ("GDP") was expected to grow by 3.25% each in 2018 and 2019.

For the Perth CBD office market, Knight Frank Research[6] reported that business confidence continued to improve and the Western Australia State Final Demand[7] as at March 2018 turned positive for the first time since 2013. The Perth CBD recorded the third consecutive half-year period of positive net absorption for the six months to June 2018. Prime Grade office vacancy was 13.2% as at July 2018 compared to 14.2% as at January 2018. Prime Grade average net face rent was A$540 to A$640 per square metre ("sqm") per annum as at July 2018, with average lease incentives between 45% and 50%. Knight Frank was of the view that tenant demand for Prime Grade office space will drive further growth in effective rents for the remainder of 2018.

For the Melbourne CBD office market, Knight Frank Research[8] reported that total vacancy reduced from 5.9% to 3.6% in the twelve months to July 2018, the lowest level recorded in ten years. The market continued to be strong, supported by sustained economic, population and employment growth in the state of Victoria. Melbourne CBD Prime Grade office average net face rent was approximately A$586 per sqm per annum as at July 2018, with lease incentives around 26%. Knight Frank projects that Melbourne CBD Prime Grade net face rents will grow by about 9% from mid-2018 until end-2019, while vacancy rate is expected to remain low in 2019.

**United Kingdom**

In the Bank of England's Monetary Policy Committee ("MPC") meeting held on 1 August 2018, the bank rate was increased by 0.25 percentage points to 0.75%. Monetary policy is set to meet the inflation target of around 2% and to sustain growth and employment, taking into consideration the United Kingdom's ("UK") planned withdrawal from the European Union in March 2019. Unemployment rate of 4.2% in the three months to May 2018 was low and is projected to fall to 4.0% in 3Q 2018. The MPC was of the view that the UK's GDP is expected to grow by around 1.75% in 2018.

For the Thames Valley office market, CBRE Research[9] reported that rents generally remained stable in 1H 2018. For the Farnborough area, the indicative headline prime office rent was £28.0 psf per annum as at June 2018, with lease incentives generally at around 17.5% (based on a typical 10-year lease term). According to CBRE, as at June 2018, the vacancy rate for offices in Thames Valley was 7.8%, a 0.6 percentage point reduction compared to March 2018. The lack of new developments in Thames Valley will likely result in competition for the best existing spaces, which could help to maintain rent levels.

[1] CBRE, Singapore Market View, Q3 2018.
[2] Alexandra Technopark is a high-specification B1 industrial development located at the city-fringe, with certain physical attributes similar to business parks. In the absence of comprehensive market research information directly relevant to the asset class of Alexandra Technopark, market research information for business parks is provided for indicative reference.
[3] Refer to announcement dated 3 November 2017 for details.
[4] Net of transaction expenses and fees.
[5] Subject to provisional scheme which is subject to change.
[6] Knight Frank Research, Perth CBD Office, September 2018.
[7] Measures the total value of goods and services sold, excluding exports.
[8] Knight Frank Research, Melbourne CBD Office, September 2018.
[9] CBRE Market View, Thames Valley & M25 Office, H1 2018.

**11. Distributions**

**(a) Current financial period**

Name of distribution
Distribution to Unitholders ("Unitholders' Distribution") for the period from 1 July 2018 to 30 September 2018.

The Manager has determined that the Distribution Reinvestment Plan will apply to the distribution for the period from 1 July 2018 to 30 September 2018.

**(b)(i) Distribution rate**

| | Unitholders' Distribution |
|---|---|
| | cents |
| Taxable income component | 1.2585 |
| Tax-exempt income component | 0.5685 |
| Capital component | 0.5730 |
| **Total** | **2.4000** |

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 July 2017 to 30 September 2017.

| | Unitholders' Distribution |
|---|---|
| | cents |
| Taxable income component | 1.5262 |
| Tax-exempt income component | 0.5879 |
| Capital component | 0.2929 |
| **Total** | **2.4070** |

**(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 November 2018

**(e) Books closure date:** 30 October 2018

## 12. Segment revenue and results

| | FY2018 | | | | FY2017 | | |
|---|---|---|---|---|---|---|---|
| | Singapore | Australia | United Kingdom | Total | Singapore | Australia | Total |
| | S$'000 | S$'000 | | S$'000 | S$'000 | S$'000 | S$'000 |
| Gross revenue | 66,805 | 66,501 | - | 133,306 | 83,961 | 72,590 | 156,551 |
| Property operating expenses | (23,187) | (20,847) | - | (44,034) | (23,724) | (18,984) | (42,708) |
| **Net property income** | **43,618** | **45,654** | **-** | **89,272** | **60,237** | **53,606** | **113,843** |
| Share of results of joint venture | - | - | 5,497 | 5,497 | - | - | - |
| Gain on disposal of investment property | 75,724 | - | - | 75,724 | - | - | - |
| Net change in fair value of investment properties | 18,731 | 2,169 | - | 20,900 | (1,457) | 61,523 | 60,066 |
| Interest income | | | | 316 | | | 501 |
| Manager's management fees | | | | (13,785) | | | (13,706) |
| Trust expenses | | | | (2,064) | | | (1,740) |
| Finance costs | | | | (24,683) | | | (24,434) |
| Foreign exchange (loss)/ gain | | | | (2,759) | | | 1,324 |
| Net change in fair value of other investment and derivative financial instruments | | | | (62) | | | 197 |
| Realised gain/(loss) on derivative financial instruments | | | | 57 | | | (935) |
| Taxation | | | | (6,695) | | | (23,672) |
| **Total return for the year** | | | | **141,718** | | | **111,444** |

| | As at 30/9/2018 | | | | As at 30/9/2017 | | |
|---|---|---|---|---|---|---|---|
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| Segment assets | 1,146,518 | 845,809 | 156,999 | 2,149,326 | 1,224,902 | 875,422 | 2,100,324 |
| Unallocated assets | | | | 23,754 | | | 58,618 |
| **Total assets** | | | | **2,173,080** | | | **2,158,942** |

## 13. Breakdown of sales

| | FY2018 | FY2017 |
|---|---|---|
| | S$'000 | S$'000 |
| Gross revenue (1st half) | 68,335 | 79,919 |
| Gross revenue (2nd half) | 64,971 | 76,632 |
| **Total gross revenue** | **133,306** | **156,551** |
| Total return after tax (1st half) | 24,535 | 37,960 |
| Total return after tax (2nd half) | 117,183 | 73,484 |
| **Total return** | **141,718** | **111,444** |

## 14. Breakdown of distribution

| | FY2018 | FY2017 |
|---|---|---|
| | **S$'000** | **S$'000** |
| **Unitholders' distribution** | | |
| **- From operations** | | |
| 1 July 2016 to 30 September 2016 | - | 17,375 |
| 1 October 2016 to 31 December 2016 | - | 17,750 |
| 1 January 2017 to 31 March 2017 | - | 18,185 |
| 1 April 2017 to 30 June 2017 | - | 16,420 |
| 1 July 2017 to 30 September 2017 | 17,037 | - |
| 1 October 2017 to 31 December 2017 | 16,062 | - |
| 1 January 2018 to 31 January 2018 | 5,354 | - |
| 1 February 2018 to 31 March 2018 | 10,306 | - |
| 1 April 2018 to 30 June 2018 | 13,524 | - |
| | **62,283** | **69,730** |
| **- From capital returns** | | |
| 1 July 2016 to 30 September 2016 | - | 2,110 |
| 1 October 2016 to 31 December 2016 | - | 2,189 |
| 1 January 2017 to 31 March 2017 | - | 1,837 |
| 1 April 2017 to 30 June 2017 | - | 2,822 |
| 1 July 2017 to 30 September 2017 | 2,360 | - |
| 1 October 2017 to 31 December 2017 | 3,394 | - |
| 1 January 2018 to 31 January 2018 | 1,132 | - |
| 1 February 2018 to 31 March 2018 | 3,809 | - |
| 1 April 2018 to 30 June 2018 | 7,724 | - |
| | **80,702** | **78,688** |

## 15. 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.

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

Frasers Commercial Asset Management Ltd. ("FCOAM") (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.

## 17. Confirmation pursuant to Rule 704(13) of the SGX-ST Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, FCOAM, the manager of FCOT, confirms that there is no person occupying a managerial position in FCOAM or in any of the principal subsidiaries of FCOAM or FCOT who is a relative of a Director, Chief Executive Officer or Substantial Shareholder/Unitholder of FCOAM or FCOT.

For and on behalf of the Board of Directors of Frasers Commercial Asset Management Ltd.

Bobby Chin Yoke Choong
Director

Christopher Tang Kok Kai
Director

By Order of the Board
Frasers Commercial Asset Management Ltd.
(Company registration no. 200503404G)
As manager of Frasers Commercial Trust

Catherine Yeo
Company Secretary
19 October 2018

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.