FRASERS COMMERCIAL TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE THIRD QUARTER ENDED 30 JUNE 2017

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 2017 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 2017 to 30 June 2017 ("3Q2017") vs 1 April 2016 to 30 June 2016 ("3Q2016")
- 1 October 2016 to 30 June 2017 ("YTD 3Q2017") vs 1 October 2015 to 30 June 2016 ("YTD 3Q2016")

	Group					
	1/4/2017 to 30/6/2017	1/4/2016 to 30/6/2016	Change	1/10/2016 to 30/6/2017	1/10/2015 to 30/6/2016	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue	38,326	38,550	(1%)	118,245	117,167	1%
Net property income	27,876	28,111	(1%)	87,108	86,325	1%
Total return for the period	16,361	16,312	-	54,321	52,053	4%
Distribution Income for Unitholders	19,242	19,072	1%	59,203	58,122	2%
Distribution per Unit (cents)						
Unitholders						
For the period	2.40 (1)	2.41 (2)	-	7.41	7.37	1%
Annualised	9.62	9.69	(1%)	9.91	9.84	1%

Footnotes:
(1) The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 802,448,524. 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 791,346,616.

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

	Group					
	1/4/2017 to 30/6/2017	1/4/2016 to 30/6/2016	Change	1/10/2016 to 30/6/2017	1/10/2015 to 30/6/2016	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue [1]	38,326	38,550	(1%)	118,245	117,167	1%
Property operating expenses [2]	(10,450)	(10,439)	-	(31,137)	(30,842)	1%
Net property income [3]	**27,876**	**28,111**	(1%)	**87,108**	**86,325**	1%
Interest income	121	171	(29%)	338	509	(34%)
Manager's management fees	(3,367)	(3,338)	1%	(10,252)	(10,141)	1%
Trust expenses	(399)	(387)	3%	(1,303)	(1,251)	4%
Finance costs [4]	(6,031)	(5,899)	2%	(18,383)	(18,127)	1%
Net income before foreign exchange differences, fair value changes and taxation	**18,200**	**18,658**	(2%)	**57,508**	**57,315**	-
Foreign exchange (loss)/ gain	(811)	(1,520)	(47%)	687	(121)	NM
Net change in fair value of investment properties [5]	178	(588)	NM	528	(1,862)	NM
Net change in fair value of derivative financial instruments	322	641	(50%)	139	(18)	NM
Realised (loss)/ gain on derivative financial instruments[6]	(179)	130	NM	(889)	16	NM
Total return before tax	**17,710**	**17,321**	2%	**57,973**	**55,330**	5%
Taxation	(1,349)	(1,009)	34%	(3,652)	(3,277)	11%
Total return for the period	**16,361**	**16,312**	-	**54,321**	**52,053**	4%

NM - Not meaningful

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

	Group					
	1/4/2017 to 30/6/2017	1/4/2016 to 30/6/2016	Change	1/10/2016 to 30/6/2017	1/10/2015 to 30/6/2016	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Total return for the period	**16,361**	**16,312**	-	**54,321**	**52,053**	4%
Non-tax deductible / (non-taxable) items and other adjustments:						
Management fees payable in Units	406	334	22%	406	2,475	(84%)
Trustees' fees	154	153	1%	469	451	4%
Amortisation of borrowing costs	360	405	(11%)	1,496	1,216	23%
Net change in fair value of investment properties	(178)	588	NM	(528)	1,862	NM
Net change in fair value of derivative financial instruments	(322)	(641)	(50%)	(139)	18	NM
Deferred taxation	(53)	320	NM	103	963	(89%)
Unrealised exchange loss/(gain)	1,090	1,426	(24%)	(752)	(127)	NM
Effects of recognising accounting income on a straight line basis over the lease term	205	(450)	NM	875	(1,645)	NM
Other non tax deductible items and temporary differences	1,219	625	95%	2,952	856	NM
Net effect of non-tax deductible / (non-taxable) items and other adjustments	**2,881**	**2,760**	4%	**4,882**	**6,069**	(20%)
Income available for distribution to Unitholders [7]	**19,242**	**19,072**	1%	**59,203**	**58,122**	2%
Unitholders' distribution comprises:						
- from operations	16,420	16,072	2%	52,355	54,540	(4%)
- from capital returns [8]	2,822	3,000	(6%)	6,848	3,582	91%
	19,242	**19,072**	1%	**59,203**	**58,122**	2%

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					
	1/4/2017 to 30/6/2017	1/4/2016 to 30/6/2016	Change	1/10/2016 to 30/6/2017	1/10/2015 to 30/6/2016	Change
	S$'000	S$'000	%	S$'000	S$'000	%
China Square Central	6,460	6,953	(7%)	19,971	21,909	(9%)
55 Market Street	1,461	1,491	(2%)	4,406	4,413	-
Alexandra Technopark	12,706	13,291	(4%)	38,973	39,745	(2%)
Central Park	6,671	6,389	4%	21,420	19,851	8%
Caroline Chisholm Centre	5,440	5,232	4%	16,612	15,739	6%
357 Collins Street	5,588	5,194	8%	16,863	15,510	9%
	38,326	**38,550**	(1%)	**118,245**	**117,167**	1%

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

	Group					
	1/4/2017 to 30/6/2017	1/4/2016 to 30/6/2016	Change	1/10/2016 to 30/6/2017	1/10/2015 to 30/6/2016	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Property maintenance expenses	3,569	3,468	3%	10,664	10,060	6%
Property management fees	780	652	20%	2,399	1,982	21%
Property tax	2,008	2,120	(5%)	6,057	6,374	(5%)
Utilities	1,632	1,715	(5%)	4,770	5,182	(8%)
Professional fees	814	1,104	(26%)	2,538	3,005	(16%)
Insurance	122	126	(3%)	362	358	1%
Council rates	548	495	11%	1,663	1,498	11%
Amortisation of leasing commission	232	229	1%	724	668	8%
Other operating expenses	745	530	41%	1,960	1,715	14%
	10,450	**10,439**	-	**31,137**	**30,842**	1%

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

	Group					
	1/4/2017 to 30/6/2017	1/4/2016 to 30/6/2016	Change	1/10/2016 to 30/6/2017	1/10/2015 to 30/6/2016	Change
	S$'000	S$'000	%	S$'000	S$'000	%
China Square Central	4,186	4,394	(5%)	13,237	14,212	(7%)
55 Market Street	1,077	1,086	(1%)	3,197	3,164	1%
Alexandra Technopark	9,429	10,064	(6%)	29,272	30,027	(3%)
Central Park	4,459	4,312	3%	14,902	13,877	7%
Caroline Chisholm Centre	4,541	4,253	7%	13,779	13,035	6%
357 Collins Street	4,184	4,002	5%	12,721	12,010	6%
	27,876	**28,111**	(1%)	**87,108**	**86,325**	1%

Footnotes:

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

	Group						
	1/4/2017 to 30/6/2017	1/4/2016 to 30/6/2016	Change		1/10/2016 to 30/6/2017	1/10/2015 to 30/6/2016	Change
	S$'000	S$'000	%		S$'000	S$'000	%
Interest expense	5,671	5,494	3%		16,887	16,911	-
Capitalised borrowing costs expensed off	74	-	NM		478	-	NM
Amortisation of borrowing costs	286	405	(29%)		1,018	1,216	(16%)
	6,031	**5,899**	2%		**18,383**	**18,127**	1%

NM - Not meaningful

The capitalised borrowing costs of approximately S$0.5 million expensed off during YTD 3Q2017 was related to the partial early refinancing of loan facilities.

(5) The net change in fair value of investment properties in 3Q2017 and 3Q2016 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 (loss)/gain on derivative financial instruments are the following:

	Group						
	1/4/2017 to 30/6/2017	1/4/2016 to 30/6/2016	Change		1/10/2016 to 30/6/2017	1/10/2015 to 30/6/2016	Change
	S$'000	S$'000	%		S$'000	S$'000	%
Loss arising from termination of interest rate swap	-	-	NM		(214)	-	NM
(Loss)/ gain arising from realisation of foreign currency forward contracts	(179)	130	NM		(675)	16	NM
	(179)	**130**	NM		**(889)**	**16**	NM

NM - Not meaningful

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

Footnotes:

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

	Group					
	1/4/2017 to 30/6/2017	1/4/2016 to 30/6/2016	Change	1/10/2016 to 30/6/2017	1/10/2015 to 30/6/2016	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gain on disposal of hotel development rights [(a)]	922	863	7%	2,639	1,445	83%
Return of capital from subsidiary [(b)]	1,900	2,137	(11%)	4,209	2,137	97%
	2,822	**3,000**	(6%)	**6,848**	**3,582**	91%

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	
	30/6/2017	30/9/2016	30/6/2017	30/9/2016
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Investment properties [1]	1,998,204	1,989,287	1,211,360	1,209,500
Subsidiaries	-	-	318,892	318,892
Loan to a subsidiary	-	-	91,376	90,646
Fixed assets	69	81	69	81
Deferred tax asset	350	348	-	-
	1,998,623	**1,989,716**	**1,621,697**	**1,619,119**
Current assets				
Trade and other receivables	7,743	8,155	76,534	73,978
Cash and cash equivalents	72,355	71,487	62,147	65,193
	80,098	**79,642**	**138,681**	**139,171**
Total assets	**2,078,721**	**2,069,358**	**1,760,378**	**1,758,290**
Current liabilities				
Borrowings (net of transaction costs)	-	(179,462)	-	(179,462)
Trade and other payables [2]	(21,196)	(23,302)	(16,833)	(16,865)
Current portion of security deposits	(5,606)	(5,340)	(5,606)	(5,340)
Derivative financial instruments [3]	(3,866)	(7,434)	(2,270)	(3,794)
Provision for taxation	(3,949)	(3,763)	-	-
	(34,617)	**(219,301)**	**(24,709)**	**(205,461)**
Net current assets/ (liabilities)[4]	**45,481**	**(139,659)**	**113,972**	**(66,290)**
Non-current liabilities				
Borrowings (net of transaction costs)	(744,893)	(562,829)	(525,039)	(345,050)
Non-current portion of security deposits	(7,547)	(7,736)	(7,547)	(7,736)
Derivative financial instruments [3]	(56)	-	(56)	-
Deferred tax liabilities [5]	(51,592)	(51,076)	-	-
	(804,088)	**(621,641)**	**(532,642)**	**(352,786)**
Total liabilities	**(838,705)**	**(840,942)**	**(557,351)**	**(558,247)**
Net assets attributable to Unitholders	**1,240,016**	**1,228,416**	**1,203,027**	**1,200,043**
Represented by:				
Unitholders' funds [6]	**1,240,016**	**1,228,416**	**1,203,027**	**1,200,043**

Footnotes:

(1) The investment properties were valued at their fair values based on independent valuations as at 30 September 2016 and subsequently adjusted for capital expenditure. As at 30 June 2017, the carrying amounts of the investment properties approximated their fair values.

The increase in investment properties was mainly due to strengthening of Australian Dollar as at 30 June 2017 as compared to 30 September 2016 and capital expenditure incurred during the period.

(2) The decrease in trade and other payables was mainly due to lower advance rental received.

(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 net current liability position as at 30 September 2016 was due to a loan facility of S$180 million due on 18 September 2017. With the early refinancing of the loan facility, there was no borrowings due for refinancing in the next 12 months and the net current assets as at 30 June 2017 was S$45.5 million.

(5) Deferred tax is provided for in respect of the potential capital gains arising from the changes in fair value of the Australian properties. The increase in deferred tax was mainly due to strengthening of Australian dollar as at 30 June 2017 as compared to 30 September 2016.

(6) The increase in Unitholders' funds was mainly due to:
- effects of the strengthening of Australian dollar as at 30 June 2017 as compared to 30 September 2016 on the net assets attributable to the Australia operations; and
- issuance of Units pursuant to distribution reinvestment plan.

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

Amount repayable in one year or less, or on demand

Group			
As at 30/6/2017		As at 30/9/2016	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
-	-	-	180,000

Amount repayable after one year

Group			
As at 30/6/2017		As at 30/9/2016	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
-	747,142	-	565,378

Details of any collateral

All term loan facilities as at 30 June 2017 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			
	1/4/2017 to 30/6/2017	1/4/2016 to 30/6/2016	1/10/2016 to 30/6/2017	1/10/2015 to 30/6/2016
	S$'000	S$'000	S$'000	S$'000
Operating activities:				
Total return before tax	17,710	17,321	57,973	55,330
Adjustments for:-				
Finance costs	6,031	5,899	18,383	18,127
Effect of recognising accounting income on a straight-line basis over the lease term	205	(450)	875	(1,645)
Depreciation	6	7	20	19
Amortisation of leasing commission	233	228	724	668
Interest income	(121)	(171)	(338)	(509)
Management fees payable in Units [1]	406	334	406	2,475
Net change in fair value of derivative financial instruments	(322)	(641)	(139)	18
Net change in fair value of investment properties	(178)	588	(528)	1,862
Realised loss/(gain) on derivative financial instruments	179	(130)	889	(16)
Operating income before working capital changes	**24,149**	**22,985**	**78,265**	**76,329**
Changes in working capital:-				
Trade and other receivables	14,809	4,753	775	2,902
Trade and other payables	(73)	(1,042)	(5,834)	(5,613)
Cash generated from operations	**38,885**	**26,696**	**73,206**	**73,618**
Tax paid	(3,300)	(97)	(3,302)	(2,586)
Net cash generated from operating activities	**35,585**	**26,599**	**69,904**	**71,032**
Investing activities:				
Capital expenditure on investment properties	(1,175)	(556)	(2,629)	(1,541)
Payment for leasing costs capitalised	(250)	(365)	(1,270)	(885)
Purchase of fixed assets	(7)	-	(7)	(59)
Interest received	113	179	322	489
Net cash used in investing activities	**(1,319)**	**(742)**	**(3,584)**	**(1,996)**
Financing activities:				
Proceeds from borrowings	80,000	-	230,000	-
Repayment of borrowings	(80,000)	-	(230,000)	-
Termination of derivative financial instruments	-	-	(214)	-
Realisation of derivative financial instruments	(178)	130	(675)	16
Finance costs paid	(3,777)	(5,715)	(14,424)	(17,110)
Issue costs paid	(84)	(81)	(248)	(234)
Distributions paid [2]	(15,931)	(16,497)	(49,280)	(50,481)
Transaction costs on borrowings	(343)	-	(647)	-
Net cash used in financing activities	**(20,313)**	**(22,163)**	**(65,488)**	**(67,809)**
Net increase in cash and cash equivalents	**13,953**	**3,694**	**832**	**1,227**
Cash and cash equivalents at beginning of period	58,480	59,899	71,487	62,233
Effect of exchange rate changes	(78)	(130)	36	3
Cash and cash equivalents at end of period [3]	**72,355**	**63,463**	**72,355**	**63,463**

Footnotes

(1) These amounts represent Units issued and issuable in satisfaction of management fees payable in Units amounting to S$0.4 million for 3Q2017 (3Q2016: S$0.3 million) and S$0.4 million for YTD 3Q 2017 (YTD 3Q 2016: S$2.5 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$4.1 million during 3Q2017 (3Q2016: S$2.8 million) and S$10.2 million for YTD 3Q2017 (YTD 3Q2016: S$7.4 million).

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

	Group	
	30/6/2017	30/6/2016
	S$'000	S$'000
Bank and cash balances	49,255	42,244
Fixed deposits	23,100	21,219
Cash and cash equivalents	72,355	63,463

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

	Group		Trust	
	1/4/2017 to 30/6/2017	1/4/2016 to 30/6/2016	1/4/2017 to 30/6/2017	1/4/2016 to 30/6/2016
Movement from 1 April to 30 June	S$'000	S$'000	S$'000	S$'000
Balance at beginning of period	**1,248,903**	**1,222,057**	**1,207,324**	**1,203,123**
Operations				
Change in net assets attributable to Unitholders resulting from operations	**16,361**	**16,312**	**12,695**	**8,812**
Unitholders' transactions				
Issue of Units	4,091	4,205	4,091	4,205
Issue expenses	(84)	(81)	(84)	(81)
Distributions to Unitholders	(20,022)	(19,348)	(20,022)	(19,348)
Change in Unitholders' funds resulting from Unitholders' transactions	**(16,015)**	**(15,224)**	**(16,015)**	**(15,224)**
Foreign currency translation reserve				
Movement for the period	**(8,592)**	**(13,059)**	**-**	**-**
Hedging reserve				
Net fair value changes on derivative financial instruments	**(641)**	**(3,280)**	**(977)**	**(2,155)**
Balance at end of period	**1,240,016**	**1,206,806**	**1,203,027**	**1,194,556**

	Group		Trust	
	1/10/2016 to 30/6/2017	1/10/2015 to 30/6/2016	1/10/2016 to 30/6/2017	1/10/2015 to 30/6/2016
Movement from 1 October to 30 June	S$'000	S$'000	S$'000	S$'000
Balance at beginning of period	**1,228,416**	**1,206,871**	**1,200,043**	**1,197,386**
Operations				
Change in net assets attributable to Unitholders resulting from operations	**54,321**	**52,053**	**51,182**	**48,692**
Unitholders' transactions				
Issue of Units	10,166	10,485	10,166	10,485
Issue expenses	(248)	(234)	(248)	(234)
Distributions to Unitholders	(59,446)	(51,639)	(59,446)	(51,639)
Change in Unitholders' funds resulting from Unitholders' transactions	**(49,528)**	**(41,388)**	**(49,528)**	**(41,388)**
Foreign currency translation reserve				
Movement for the period	**3,433**	**538**	**-**	**-**
Hedging reserve				
Net fair value changes on derivative financial instruments	**3,374**	**(11,268)**	**1,330**	**(10,134)**
Balance at end of period	**1,240,016**	**1,206,806**	**1,203,027**	**1,194,556**

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

	1/4/2017 to 30/6/2017	1/4/2016 to 30/6/2016	1/10/2016 to 30/6/2017	1/10/2015 to 30/6/2016
	Units	Units	Units	Units
Issued Units				
Balance at beginning of period	799,065,416	787,825,277	794,298,124	782,703,651
Issue of Units - management fees	-	1,037,965	-	2,367,453
Issue of Units - Distribution Reinvestment Plan	3,095,724	2,215,744	7,863,016	6,007,882
Balance at end of period	802,161,140	791,078,986	802,161,140	791,078,986
Issued and issuable Units				
Issued Units at end of period	802,161,140	791,078,986	802,161,140	791,078,986
Management fees payable in Units (1)	287,384	267,630	287,384	267,630
Issued and issuable Units at end of period	802,448,524	791,346,616	802,448,524	791,346,616

Footnote:

(1) 287,384 Units will be issued to the Manager as payment for management fees for the financial quarter ended 30 June 2017. This accounts for approximately 12% (3Q2016: 10%) of the Manager's management fees for the quarter. The remaining management fees will be paid in cash. The price of Units issued is determined based on the volume weighted average price of the Units for 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 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 2016.

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

	1/4/2017 to 30/6/2017	1/4/2016 to 30/6/2016	1/10/2016 to 30/6/2017	1/10/2015 to 30/6/2016
	S$'000	S$'000	S$'000	S$'000
Total return after taxation and before distribution	16,361	16,312	54,321	52,053
EPU				
Weighted average number of Units in issue	800,154,022	789,368,656	797,314,986	786,242,475
Basic earnings per Unit (cents)[(1)]	2.04	2.07	6.81	6.62
DPU				
Number of issued and issuable Units entitled to distribution	802,448,524	791,346,616	802,448,524	791,346,616
Distribution per Unit based on the total number of issued and issuable Units entitled to distribution (cents)	2.40	2.41	7.41	7.37

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 3Q2016 and 3Q2017.

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

	Group		Trust	
	30/6/2017	30/9/2016	30/6/2017	30/9/2016
Unitholders' funds at end of period (S$'000)	1,240,016	1,228,416	1,203,027	1,200,043
Number of Units issued at the end of the period ('000)	802,161	794,298	802,161	794,298
Unitholders' funds per Unit (S$)	1.55	1.55	1.50	1.51
Adjusted Unitholders' funds per Unit (excluding distributable income) (S$)	1.52	1.52	1.48	1.49

8. Review of performance

(a) Variance between 3Q2017 and 3Q2016

Net property income for 3Q2017 was S$27.9 million, 1% lower than that of 3Q2016. The decrease was mainly due to lower occupancy rates for Alexandra Technopark, China Square Central and Central Park.

The decrease in net property income was partially reduced by the effects of the average stronger Australian dollar during 3Q2017, as compared to 3Q2016, on the income from Australian properties.

The increase in finance costs by S$0.1 million in 3Q2017 as compared to that of 3Q2016 was mainly due to capitalised borrowing costs being expensed off during 3Q2017 as a result of partial early refinancing of a loan facility.

The net change in fair value of investment properties in 3Q2017 and 3Q2016 was due to adjustment of the changes in the carrying values of investment properties taking into account 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 gain and loss arising from fair value changes of derivative financial instruments in 3Q2017 and 3Q2016 was related to fair value change on forward foreign currency contracts.

The increase in taxation was mainly due to under-provision of current tax in respect of prior years of S$0.2 million.

(b) Variance between YTD 3Q2017 and YTD 3Q2016

Net property income for YTD 3Q2017 was S$87.1 million, 1% higher than that of YTD 3Q2016. The increase was mainly due to:-

- higher income contribution from 357 Collins Street due to higher average occupancy and rental rates in YTD 3Q2017;
- effects of the average stronger Australian dollar during YTD 3Q2017 as compared to YTD 3Q2016 on the income from Australian properties; and
- a one-off payment received in relation to a termination of lease in Central Park.

The increase was partially reduced by the lower occupancy rates for China Square Central, Alexandra Technopark and Central Park.

The increase in finance costs by S$0.3 million in YTD 3Q2017 as compared to that of YTD 3Q2016 was mainly due to capitalised borrowing costs being expensed off during 3Q2017 as a result of partial early refinancing of loan facilities.

The net change in fair value of investment properties in YTD 3Q2017 and YTD 3Q2016 was due to adjustment of the changes in the carrying values of investment properties taking into account 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 gain and loss arising from fair value changes of derivative financial instruments in YTD 3Q2017 and YTD 3Q2016 was related to fair value change on forward foreign currency contracts.

The increase in taxation was mainly due to under-provision of current tax in respect of prior years of S$0.2 million.

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 25 May 2017 and 14 July 2017 that based on advance estimates, the Singapore economy grew by 2.5% on a year-on-year basis in the second quarter of 2017, the same pace of growth as in the preceding quarter. On a quarter-on-quarter ("qoq") seasonally-adjusted annualised basis, the economy expanded by 0.4%, in contrast to the 1.9% contraction in the preceding quarter. MTI is of the view that the outlook for the global economy has improved slightly since early 2017, although uncertainties and downside risks remain. Domestically, trade-related sectors, such as the manufacturing and transportation and storage sectors, are likely to provide support to the Singapore economy in 2017. In addition, the information and communications and education, health and social services sectors are expected to remain resilient; the food services and retail sectors are expected to be weighed down by cautious consumer sentiments amidst sluggish labour market conditions; and the construction sector is expected to be adversely affected by tepid conditions in private sector construction activities. Overall, MTI expects the Singapore economy to grow at a modest pace of 1.0% to 3.0% in 2017.

For the office market, CBRE[1] reported that after eight consecutive quarters of decline, rents generally stabilised in the quarter ended 30 June 2017, which may signal a trough of the market. As at the end of Q2 2017, average rents were stable qoq for Grade A CBD Core, island-wide Grade B and Grade B CBD Core at $8.95, $6.85 and $7.25 per square feet ("psf") per month, respectively. Island-wide net absorption for Q2 2017 was healthy at 923,810 square feet ("sf"), though overall market vacancy edged up slightly by 0.5% points qoq to 6.6% in Q2 2017. CBRE Research also expressed the view that good quality buildings would be better placed to capture a recovery in the market.

For the business park market, CBRE[1] reported that island-wide vacancy rose slightly by 0.3% points to 11.9% due to a 73,320 sf negative net absorption in Q2 2017. Leasing activities and enquiries have been slow in recent quarters with noticeable absence of large tenant movements. Average city fringe business park rents remained stable qoq at $5.50 psf per month. City fringe business parks have remained competitive due to well-connected locations, and are generally the preferred choices for tenants seeking space. CBRE Research expects rents to hold steady for the city fringe segment. With limited new projects in the pipeline, supply-side pressure remains insignificant, and medium term prospects could improve with the economy.

In the financial quarter ending 30 September 2017, major leases expiring for the Group include the lease of Hewlett-Packard Enterprise Singapore Pte Ltd ("HPE") at Alexandra Technopark which contributes approximately 5.6% of the portfolio gross rental income. In the first financial quarter ending 31 December 2017, major leases expiring include the leases of HPE and Hewlett-Packard Singapore Pte Ltd at Alexandra Technopark, which contribute approximately 1.5% and 11.1% of the portfolio gross rental income, respectively. The Manager continues to be proactive in tenant engagement and leasing initiatives in managing lease expiries which are coming due.

Australia

In the Reserve Bank of Australia's Statements on Monetary Policy Decision released in May and July 2017, cash rate remained unchanged at 1.50%. The Australian economy is expected to strengthen gradually, as the transition of the economy to one with lesser weightage on mining-related sectors gains traction. Low interest rates and the depreciation of the exchange rate since early 2013 are also lending support to the transitioning economy. Gross domestic product is expected to grow by 2.5% to 3.5% for the year to December 2017, before increasing to around 2.75% to 3.75% for the year ending 31 December 2018.

For the Perth CBD office market, Knight Frank Research[2] reported that the vacancy rate for Prime Grade offices was 19.1% as at January 2017, below the average CBD office vacancy rate of 22.5%. Prime Grade office rents also appear to be stablising, given limited new supply in the next two years. As at January 2017, average net face rent for Prime Grade CBD offices generally ranged between A$528 to A$629 per sqm per annum, with incentives around 35% to 50%. As Prime Grade office rents appear to be reaching a trough, Prime Grade office buildings in general are benefitting from tenants taking advantage of favorable conditions to switch out from non-CBD or non-Prime Grade locations.

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 (cont'd)

For the Melbourne CBD office market, Colliers International and Savills Research[3] reported that 2016 saw healthy net absorption of 118,000 sqm in the market, and demand levels are expected to remain robust throughout 2017 and 2018 on the back of healthy economic growth for the state of Victoria fueled by population expansion. Colliers International expects the market vacancy rate, which stood at 6.4% in June 2017, to decline to 4.2% by mid-2018 given tight supply and strong demand. In Q1 2017, Melbourne CBD A Grade office net face rents were generally between A$450 and A$600 per sqm per annum, with incentives around 25% to 30%. Over the next 12 months, Colliers International expects net effective rents for Melbourne CBD A Grade offices to increase by 1.9% as face rents increase and incentives reduce.

[1] CBRE, Singapore Market View, Q2 2017
[2] Knight Frank Research, Perth CBD Office Market Overview, April 2017
[3] Colliers International, Research and Forecast Report, CBD Office First Half 2017 and Savills Research, Quarter Time National Office Q1 2017.

11. Distributions

(a) Current financial period

Name of distribution
Distribution to Unitholders ("Unitholders' Distribution") for the period from 1 April 2017 to 30 June 2017

The Manager has determined that the Distribution Reinvestment Plan will apply to the distribution for the period from 1 April 2017 to 30 June 2017.

(b)(i) Distribution rate

	Unitholders' Distribution
	cents
Taxable income component	1.5391
Tax-exempt income component	0.5071
Capital component	0.3517
Total	**2.3979**

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 2016 to 30 June 2016

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

(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 2017

(e) Books closure date: 1 August 2017

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 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.

14. 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.

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

Dr Chua Yong Hai
Director

Christopher Tang Kok Kai
Director

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

Catherine Yeo
Company Secretary
24 July 2017

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.