FRASERS COMMERCIAL TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR ENDED 31 MARCH 2016

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

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

The property portfolio of FCOT as at 31 March 2016 consists of six properties as follows:-

Singapore

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

Australia

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

SUMMARY OF CONSOLIDATED RESULTS OF FCOT AND ITS SUBSIDIARIES
- 1 January 2016 to 31 March 2016 ("2Q2016") vs 1 January 2015 to 31 March 2015 ("2Q2015")
- 1 October 2015 to 31 March 2016 ("1H2016") vs 1 October 2014 to 31 March 2015 ("1H2015")

	Group					
	1/1/2016 to 31/3/2016	1/1/2015 to 31/3/2015	Change	1/10/2015 to 31/3/2016	1/10/2014 to 31/3/2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue	38,994	34,814	12%	78,617	70,273	12%
Net property income	28,836	24,716	17%	58,214	50,160	16%
Total return for the period	18,041	14,499	24%	35,741	29,872	20%
Distribution Income for Unitholders	19,348	16,189	20%	39,050	32,901	19%
Distribution per Unit (cents)						
Unitholders						
For the period	2.45 (1)	2.38	3%	4.96	4.84	2%
Annualised	9.83	9.65	2%	9.89	9.70	2%

Footnotes:
(1) The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 788,863,242. Please see Section 1(d)(ii) for the details of changes in the number of Units.

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

	Group					
	1/1/2016 to 31/3/2016	1/1/2015 to 31/3/2015	Change	1/10/2015 to 31/3/2016	1/10/2014 to 31/3/2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue [1]	38,994	34,814	12%	78,617	70,273	12%
Property operating expenses [2]	(10,158)	(10,098)	1%	(20,403)	(20,113)	1%
Net property income [3]	**28,836**	**24,716**	17%	**58,214**	**50,160**	16%
Interest income	167	59	NM	338	162	NM
Manager's management fees	(3,388)	(2,991)	13%	(6,803)	(6,066)	12%
Trust expenses	(425)	(405)	5%	(864)	(809)	7%
Finance costs [4]	(6,100)	(5,369)	14%	(12,228)	(10,422)	17%
Net income before foreign exchange differences, fair value changes and taxation	**19,090**	**16,010**	19%	**38,657**	**33,025**	17%
Foreign exchange gain/(loss)	1,153	(404)	NM	1,399	(1,459)	NM
Net change in fair value of investment properties [5]	(1,133)	(525)	NM	(1,274)	(612)	NM
Net change in fair value of derivative financial instruments	110	422	(74%)	(659)	741	NM
Realised (loss)/gain on derivative financial instruments[6]	(125)	13	NM	(114)	310	NM
Total return before tax	**19,095**	**15,516**	23%	**38,009**	**32,005**	19%
Taxation	(1,054)	(1,017)	4%	(2,268)	(2,133)	6%
Total return for the period	**18,041**	**14,499**	24%	**35,741**	**29,872**	20%

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

	Group					
	1/1/2016 to 31/3/2016	1/1/2015 to 31/3/2015	Change	1/10/2015 to 31/3/2016	1/10/2014 to 31/3/2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Total return for the period	**18,041**	**14,499**	24%	**35,741**	**29,872**	20%
Non-tax deductible / (non-taxable) items and other adjustments:						
Management fees payable in Units	1,355	897	51%	2,141	897	NM
Trustees' fees	153	135	13%	298	279	7%
Amortisation of borrowing costs	405	397	2%	811	797	2%
Net change in fair value of investment properties	1,133	525	NM	1,274	612	NM
Net change in fair value of derivative financial instruments	(110)	(422)	(74%)	659	(741)	NM
Deferred taxation	321	304	6%	643	643	-
Unrealised exchange (gain)/loss	(1,304)	188	NM	(1,553)	1,373	NM
Effects of recognising accounting income on a straight line basis over the lease term	(920)	(415)	NM	(1,195)	(534)	NM
Other non tax deductible items and temporary differences	274	81	NM	231	(297)	NM
Net effect of non-tax deductible / (non-taxable) items and other adjustments	**1,307**	**1,690**	(23%)	**3,309**	**3,029**	9%
Income available for distribution to Unitholders [7]	**19,348**	**16,189**	20%	**39,050**	**32,901**	19%
Unitholders' distribution comprise:						
- from operations	18,766	16,019	17%	38,468	32,481	18%
- from capital returns [8]	582	170	NM	582	420	39%
	19,348	**16,189**	20%	**39,050**	**32,901**	19%

NM - Not meaningful

Footnotes:

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

	Group					
	1/1/2016 to 31/3/2016	1/1/2015 to 31/3/2015	Change	1/10/2015 to 31/3/2016	1/10/2014 to 31/3/2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
China Square Central	7,273	7,844	(7%)	14,956	15,726	(5%)
55 Market Street	1,462	1,487	(2%)	2,922	2,996	(2%)
Alexandra Technopark	13,152	12,438	6%	26,454	24,936	6%
Central Park	6,610	7,492	(12%)	13,462	15,308	(12%)
Caroline Chisholm Centre	5,242	5,553	(6%)	10,507	11,307	(7%)
357 Collins Street [(a)]	5,255	-	NM	10,316	-	NM
	38,994	**34,814**	12%	**78,617**	**70,273**	12%

NM – Not meaningful

(a) The acquisition of 357 Collins Street was completed on 18 August 2015 and included in gross revenue was reimbursement of rent-free periods of S$0.3 million.

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

	Group					
	1/1/2016 to 31/3/2016	1/1/2015 to 31/3/2015	Change	1/10/2015 to 31/3/2016	1/10/2014 to 31/3/2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Property maintenance expenses	3,268	3,156	4%	6,592	5,948	11%
Property management fees	657	653	1%	1,330	1,310	2%
Property tax	2,139	1,900	13%	4,254	3,810	12%
Utilities	1,703	2,318	(27%)	3,467	4,931	(30%)
Professional fees	973	867	12%	1,901	1,659	15%
Insurance	114	123	(7%)	232	246	(6%)
Council rates	517	337	53%	1,003	687	46%
Amortisation of leasing commission	205	180	14%	439	342	28%
Other operating expenses	582	564	3%	1,185	1,180	-
	10,158	**10,098**	1%	**20,403**	**20,113**	1%

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

Footnotes:

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

	Group					
	1/1/2016 to 31/3/2016	1/1/2015 to 31/3/2015	Change	1/10/2015 to 31/3/2016	1/10/2014 to 31/3/2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
China Square Central	4,796	5,291	(9%)	9,818	10,433	(6%)
55 Market Street	1,045	1,054	(1%)	2,078	2,121	(2%)
Alexandra Technopark	9,908	8,967	10%	19,963	17,822	12%
Central Park	4,634	5,136	(10%)	9,565	10,737	(11%)
Caroline Chisholm Centre	4,383	4,268	3%	8,782	9,047	(3%)
357 Collins Street	4,070	-	NM	8,008	-	NM
	28,836	**24,716**	17%	**58,214**	**50,160**	16%

NM – Not meaningful

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

	Group					
	1/1/2016 to 31/3/2016	1/1/2015 to 31/3/2015	Change	1/10/2015 to 31/3/2016	1/10/2014 to 31/3/2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Interest expense	5,695	4,972	15%	11,417	9,625	19%
Amortisation of borrowing costs	405	397	2%	811	797	2%
	6,100	**5,369**	14%	**12,228**	**10,422**	17%

(5) The net change in fair value of investment properties in 2Q2016 and 2Q2015 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					
	1/1/2016 to 31/3/2016	1/1/2015 to 31/3/2015	Change	1/10/2015 to 31/3/2016	1/10/2014 to 31/3/2015	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Loss arising from termination of interest rate swap	-	-	NM	-	(73)	NM
(Loss)/gain arising from realisation of foreign currency forward contracts	(125)	13	NM	(114)	383	NM
	(125)	**13**	NM	**(114)**	**310**	NM

NM - Not meaningful

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

(8) Unitholders' distribution from capital returns for 2Q2016 relates to a portion of the 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. Unitholders' distribution from capital returns for 2Q2015 and 1H2015 relates to the distribution available to Unitholders arising from the capital reduction of a subsidiary to distribute earnings trapped due to non-cash 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	
	31/3/2016	30/9/2015	31/3/2016	30/9/2015
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Investment properties [1]	1,977,576	1,954,820	1,209,104	1,209,000
Subsidiaries	-	-	324,391	324,391
Loan to a subsidiary	-	-	89,645	87,104
Fixed assets	95	61	95	61
Deferred tax asset	344	330	-	-
	1,978,015	**1,955,211**	**1,623,235**	**1,620,556**
Current assets				
Trade and other receivables [2]	11,040	8,818	75,922	72,466
Derivative financial instruments [3]	789	8,179	789	8,179
Cash and bank balances	59,899	62,233	55,601	57,685
	71,728	**79,230**	**132,312**	**138,330**
Total assets	**2,049,743**	**2,034,441**	**1,755,547**	**1,758,886**
Current liabilities				
Trade and other payables [4]	(20,523)	(29,739)	(14,667)	(25,524)
Current portion of security deposits	(4,353)	(3,967)	(4,353)	(3,967)
Derivative financial instruments [3]	(3,734)	(2,476)	(1,248)	-
Provision for taxation [5]	(2,425)	(3,224)	-	-
	(31,035)	**(39,406)**	**(20,268)**	**(29,491)**
Net current assets	**40,693**	**39,824**	**112,044**	**108,839**
Non-current liabilities				
Borrowings (net of transaction costs)	(738,775)	(731,867)	(523,609)	(523,002)
Non-current portion of security deposits	(8,547)	(9,007)	(8,547)	(9,007)
Deferred tax liabilities [6]	(49,329)	(47,290)	-	-
	(796,651)	**(788,164)**	**(532,156)**	**(532,009)**
Total liabilities	**(827,686)**	**(827,570)**	**(552,424)**	**(561,500)**
Net assets attributable to Unitholders	**1,222,057**	**1,206,871**	**1,203,123**	**1,197,386**
Represented by:				
Unitholders' funds [7]	**1,222,057**	**1,206,871**	**1,203,123**	**1,197,386**

Footnotes:

(1) The investment properties were valued at their fair values based on independent valuations as at 30 September 2015 and subsequently adjusted for capital expenditure. As at 31 March 2016, 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 31 March 2016 as compared to 30 September 2015 and capital expenditure incurred during the period.

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

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

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

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

(6) Deferred tax is provided for in respect of the potential capital gains arising from the changes in fair value of the Australian properties. The increase in deferred tax was mainly due to strengthening of Australian dollar as at 31 March 2016 as compared to 30 September 2015.

(7) The increase in Unitholders' funds was mainly due to:
- effects of the strengthening of Australian dollar as at 31 March 2016 as compared to 30 September 2015 on the net assets attributable to the Australia operations;
- issuance of Units pursuant to distribution reinvestment plan and part payment of management fees; and
- fair value loss on derivative financial instruments recognised directly in Unitholders' funds under hedge accounting.

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

Amount repayable in one year or less, or on demand

Group			
As at 31/3/2016		As at 30/9/2015	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
-	-	-	-

Amount repayable after one year

Group			
As at 31/3/2016		As at 30/9/2015	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
-	742,963	-	736,831

Details of any collateral

All term loan facilities as at 31 March 2016 are unsecured.

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

	Group			
	1/1/2016 to 31/3/2016	1/1/2015 to 31/3/2015	1/10/2015 to 31/3/2016	1/10/2014 to 31/3/2015
	S$'000	S$'000	S$'000	S$'000
Operating activities:				
Total return before income tax	19,095	15,516	38,009	32,005
Adjustments for:-				
Finance costs	6,100	5,369	12,228	10,422
Effect of recognising accounting income on a straight-line basis over the lease term	(920)	(415)	(1,195)	(534)
Depreciation	6	6	12	12
Amortisation of leasing commission	206	180	440	342
Interest income	(167)	(59)	(338)	(162)
Management fees payable in Units	1,355	897	2,141	897
Net change in fair value of derivative financial instruments	(110)	(422)	659	(741)
Net change in fair value of investment properties	1,133	525	1,274	612
Realised gain on derivative financial instruments	125	(13)	114	(310)
Allowance for impairment of receivables	-	4	-	4
Operating income before working capital changes	**26,823**	**21,588**	**53,344**	**42,547**
Changes in working capital:-				
Trade and other receivables	(3,352)	1,022	(1,851)	529
Trade and other payables	(2,384)	(1,542)	(4,571)	(4,211)
Cash generated from operations	**21,087**	**21,068**	**46,922**	**38,865**
Tax paid	(2,489)	(250)	(2,489)	(339)
Net cash generated from operating activities	**18,598**	**20,818**	**44,433**	**38,526**
Investing activities:				
Capital expenditure on investment properties	(600)	(680)	(985)	(1,469)
Payment for leasing costs capitalised	(419)	(290)	(520)	(420)
Purchase of fixed assets	(59)	(8)	(59)	(13)
Interest received	190	60	310	165
Net cash used in investing activities	**(888)**	**(918)**	**(1,254)**	**(1,737)**
Financing activities:				
Realisation of derivative financial instruments	(125)	13	(114)	310
Finance costs paid	(5,725)	(4,953)	(11,395)	(9,580)
Issue costs paid	(75)	(78)	(153)	(155)
Distributions paid [1]	(16,416)	(14,057)	(33,984)	(25,728)
Net cash used in financing activities	**(22,341)**	**(19,075)**	**(45,646)**	**(35,153)**
Net (decrease)/increase in cash and cash equivalents	**(4,631)**	**825**	**(2,467)**	**1,636**
Cash and cash equivalents at beginning of period	64,443	47,918	62,233	47,372
Effect of exchange rate changes	87	(45)	133	(310)
Cash and cash equivalents at end of period [2]	**59,899**	**48,698**	**59,899**	**48,698**

Footnotes

(1) Pursuant to the Distribution Reinvestment Plan implemented, these amounts represent the cash component of the distributions paid and exclude the distributions paid by way of issuance of Units amounting to S$3.3 million during 2Q2016 (2Q2015: S$2.7million) and S$4.5 million for 1H2016 (S$6.0 million for 1H2015).

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

	Group	
	31/3/2016	31/3/2015
	S$'000	S$'000
Bank and cash balances	30,328	38,053
Fixed deposits	29,571	10,645
Cash and cash equivalents	59,899	48,698

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

	Group		Trust	
	1/1/2016 to 31/3/2016	1/1/2015 to 31/3/2015	1/1/2016 to 31/3/2016	1/1/2015 to 31/3/2015
Movement from 1 January to 31 March	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance at beginning of period	**1,221,031**	**1,076,893**	**1,207,184**	**1,034,709**
Operations				
Change in net assets attributable to Unitholders resulting from operations	**18,041**	**14,499**	**20,553**	**11,768**
Unitholders' transactions				
Issue of Units	4,072	2,656	4,072	2,656
Issue expenses	(75)	(77)	(75)	(77)
Distributions to Unitholders	(19,702)	(16,712)	(19,702)	(16,712)
Change in Unitholders' funds resulting from Unitholders' transactions	**(15,705)**	**(14,133)**	**(15,705)**	**(14,133)**
Foreign currency translation reserve				
Movement for the period	**8,771**	**(5,904)**	**-**	**-**
Hedging reserve				
Net fair value changes on derivative financial instruments	**(10,081)**	**1,246**	**(8,909)**	**2,626**
Balance at end of period	**1,222,057**	**1,072,601**	**1,203,123**	**1,034,970**

	Group		Trust	
	1/10/2015 to 31/3/2016	1/10/2014 to 31/3/2015	1/10/2015 to 31/3/2016	1/10/2014 to 31/3/2015
Movement from 1 October to 31 March	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance at beginning of period	**1,206,871**	**1,091,315**	**1,197,386**	**1,038,399**
Operations				
Change in net assets attributable to Unitholders	**35,741**	**29,872**	**39,880**	**17,282**
Unitholders' transactions				
Issue of Units	6,280	5,970	6,280	5,970
Issue expenses	(153)	(154)	(153)	(154)
Conversion of CPPUs to Units	-	80	-	80
Distributions to Unitholders	(32,291)	(31,697)	(32,291)	(31,697)
Change in Unitholders' funds resulting from Unitholders' transactions	**(26,164)**	**(25,801)**	**(26,164)**	**(25,801)**
Foreign currency translation reserve				
Movement for the period	**13,597**	**(25,119)**	**-**	**-**
Hedging reserve				
Net fair value changes on derivative financial instruments	**(7,988)**	**2,334**	**(7,979)**	**5,090**
Balance at end of period	**1,222,057**	**1,072,601**	**1,203,123**	**1,034,970**

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

	1/1/2016 to 31/3/2016	1/1/2015 to 31/3/2015	1/10/2015 to 31/3/2016	1/10/2014 to 31/3/2015
	Units	Units	Units	Units
Issued Units				
Balance at beginning of period	784,338,683	679,136,788	782,703,651	676,684,648
Conversion of CPPUs to Units (1)	-	-	-	68,170
Issue of Units - management fees	617,585	-	1,329,488	-
Issue of Units - Distribution Reinvestment Plan	2,869,009	1,800,214	3,792,138	4,184,184
Balance at end of period	787,825,277	680,937,002	787,825,277	680,937,002
Issued and issuable Units				
Issued Units at end of period	787,825,277	680,937,002	787,825,277	680,937,002
Management fees payable in Units (2)	1,037,965	611,749	1,037,965	611,749
Issued and issuable Units at end of period	788,863,242	681,548,751	788,863,242	681,548,751

Footnotes:

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

(2) 1,037,965 Units will be issued to the Manager as payment for management fees for the financial quarter ended 31 March 2016. This accounts for approximately 40% of the Manager's management fees for the quarter. The price of Units issued is determined based on the volume weighted average price of the Units for the ten business days preceding 31 March 2016. The remaining management fees will be paid in cash.

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

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

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

Not applicable.

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

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

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

Not applicable.

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

	1/1/2016 to 31/3/2016	1/1/2015 to 31/3/2015	1/10/2015 to 31/3/2016	1/10/2014 to 31/3/2015
	S$'000	S$'000	S$'000	S$'000
Total return after taxation and before distribution	18,041	14,499	35,741	29,872
EPU				
Weighted average number of Units in issue	785,806,501	679,796,866	786,237,482	678,703,474
Basic earnings per Unit (cents)[(1)]	2.30	2.13	4.55	4.40
DPU				
Number of issued and issuable Units entitled to distribution	788,863,242	681,548,751	788,863,242	681,548,751
Distribution per Unit based on the total number of issued and issuable Units entitled to distribution (cents)	2.45	2.38	4.96	4.84

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 2Q2015 and 2Q2016.

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

	Group		Trust	
	31/3/2016	30/9/2015	31/3/2016	30/9/2015
Unitholders' funds at end of period (S$'000)	1,222,057	1,206,871	1,203,123	1,197,386
Number of Units issued at the end of the period ('000)	787,825	782,704	787,825	782,704
Unitholders' funds per Unit (S$)	1.55	1.54	1.53	1.53
Adjusted Unitholders' funds per Unit (excluding distributable income) (S$)	1.53	1.53	1.50	1.51

8. Review of performance

(a) Variance between 2Q2016 and 2Q2015

Net property income for 2Q2016 was S$28.8 million, 17% higher than that of 2Q2015. The increase was mainly due to:-

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

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

The increase in finance costs by S$0.7 million in 2Q2016 as compared to that of 2Q2015 was mainly due to the additional loan facilities drawn in August 2015 to part finance the acquisition of 357 Collins Street and higher borrowing costs for the Singapore Dollar denominated borrowings. The increase was partially offset by lower borrowing cost for the Australian Dollar denominated borrowings, interest savings from the partial loan prepayment in August 2015 and effects of weakening Australian Dollar on the Australian dollar denominated interest expense.

The net change in fair value of investment properties in 2Q2016 and 2Q2015 was related to the adjustment of the changes in the carrying value of investment properties due to recognition of rental income on a straight-line basis in accordance with the Singapore Financial Reporting Standards and the increase in leasing fees capitalised, net of amortisation.

The net gain arising from fair value changes of derivative financial instruments in 2Q2016 and 2Q2015 was related to fair value change on forward foreign currency contracts.

Taxation in 2Q2016 comprised deferred tax of S$0.3 million provided on potential capital gains arising from the changes in fair value of Australian properties and taxation expenses for income in Australia.

(b) Variance between 1H2016 and 1H2015

Net property income for 1H2016 was S$58.2 million, 16% higher than that of 1H2015. The increase was mainly due to:-

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

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

The increase in finance costs by S$1.8 million in 1H2016 as compared to that of 1H2015 was mainly due to the additional loan facilities drawn in August 2015 to part finance the acquisition of 357 Collins Street and higher borrowing costs for the Singapore Dollar denominated borrowings. The increase was partially offset by lower borrowing cost for the Australian Dollar denominated borrowings, interest savings from the partial loan prepayment in August 2015 and effects of weakening Australian Dollar on the Australian dollar denominated interest expense.

The net change in fair value of investment properties in 1H2016 and 1H2015 was related to the adjustment of the changes in the carrying value of investment properties due to recognition of rental income on a straight-line basis in accordance with the Singapore Financial Reporting Standards and the increase in leasing fees capitalised, net of amortisation.

8. Review of performance (cont'd)

(b) Variance between 1H2016 and 1H2015 (cont'd)

The net change arising from fair value changes of derivative financial instruments in 1H2016 and 1H2015 was related to fair value change on forward foreign currency contracts.

Taxation in 1H2016 comprised deferred tax of S$0.6 million provided on potential capital gains arising from the changes in fair value of Australian properties and taxation expenses for income in Australia.

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

(a) Net Property Income of 357 Collins Street

	1/1/2016 to 31/3/2016			1/10/2015 to 31/3/2016		
	Actual	Forecast [1]	Inc/(dec)	Actual	Forecast [1]	Inc/(dec)
	A$'000	A$'000	%	A$'000	A$'000	%
Gross revenue	5,215	4,663	12%	10,217	9,214	11%
Property operating expenses	(1,176)	(1,106)	6%	(2,286)	(2,238)	2%
Net property income	**4,039**	**3,557**	14%	**7,931**	**6,976**	14%

Footnotes:

(1) This refers to the profit forecast of 357 Collins Street for 9 months period from 1 October 2015 to 30 June 2016 included in Appendix E of the Circular dated 3 June 2015, adjusted for the period from 1 January 2016 to 31 March 2016 and 1 October 2015 to 31 March 2016 respectively.

Variance analysis

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

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

Singapore

In the statements released on 24 February 2016 and 14 April 2016, the Ministry of Trade and Industry ("MTI") announced that the Singapore economy grew by 2.0% in 2015. Based on advance estimates, on a year-on-year ("yoy") basis in the first quarter of 2016, the Singapore economy grew by 1.8%, unchanged from the previous quarter. Growth was flat on a quarter-on-quarter ("qoq") seasonally-adjusted annualised basis, in contrast to the 6.2% expansion in the previous quarter. Global growth for the whole of 2016 is now expected to be only marginally better than in 2015. Growth for the year is expected to be supported by strengthening growth in the advanced economies, even as conditions in the emerging markets remain challenging. Downside risks to global growth have increased. Domestically, while sectors such as finance and insurance and wholesale trade are expected to support growth, the outlook for the manufacturing sector remains weak. Sector-specific factors may also weigh on the growth of some sectors. Barring the materialisation of downside risks, the Singapore economy is expected to grow at a modest pace of 1.0% to 3.0% in 2016.

CBRE[1] reported that average office rentals in Singapore for Grade A CBD Core eased downwards by 4.8% qoq to $9.90 per square feet ("psf") per month, island-wide average Grade B rent corrected 2.6% qoq to $7.50 psf per month while average Grade B CBD Core rent declined 3.0% qoq to $7.95 psf per month. Island-wide net absorption for Q1 2016 was negative 133,474 square feet ("sf"), the third consecutive quarter of negative absorption. While there are signs that the contraction phase in the financial sector may be nearing an end, recent turmoil in the energy sector is impacting oil and gas tenants and a phase of right sizing may be anticipated. On a positive note, information technology and e-commerce companies remain active along with occupiers in the insurance and pharmaceutical sectors. Vacancy levels remained relatively low at 5.8% with no new supply in the past three months. Vacancy levels are expected to rise sharply with the completions of major new CBD developments from Q3 2016 onwards. The down cycle is expected to persist throughout 2016, but with very limited confirmed supply from 2018 onwards, it is likely that the market will find a support level next year. Conditions leading to a return of rental growth may arrive earlier than expected.

CBRE[1] reported that average business park (city fringe) rentals maintained at $5.40 psf per month. Business parks vacancy increased narrowly from 8.8% in Q4 2015 to 9.2% in Q1 2016. Vacancy rates have been largely stable and have tracked within a one percentage point band over the past four quarters. Occupancy in the city fringe sub-market tightened further as tenants continued to prefer higher quality stock in the one-north region. Most of the tenant movements were from the information and communications technology (ICT), technology and banking and finance sectors. However, these activities were largely either relocations or minor expansions following renewals. The outlook for the business parks sector remains relatively benign, however, the longer-term prospects of business parks remain healthy. Business parks as a cost efficient quality office alternative for qualifying tenants will continue to be a major drawing point, particularly those that are better located and of higher specifications.

Australia

In the Statements on Monetary Policy Decision released in February 2016 and April 2016 by the Reserve Bank of Australia, cash rate remained unchanged at 2.0%. The global economy is continuing to grow at a slightly lower pace than earlier expected. Australia's terms of trade remain much lower than they had been in recent years. The Australian economy is continuing to rebalance following the end of the mining investment boom. Activity continued to shift from mining to non-mining sectors of the economy. Consistent with developments in the labour market, overall gross domestic product ("GDP") growth picked up over 2015, despite the contraction in mining investment. GDP growth is forecast to be between 2.5% to 3.5% over the year to December 2016, and to increase to 3.0% to 4.0% over the year to June 2018.

[1] CBRE, Singapore Market View, Q1 2016

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

Knight Frank[2] reported that for the past six months to January 2016, the Perth CBD office market recorded a rebound in net absorption of 42,387 square metres, after six consecutive half-yearly periods of negative net absorption. The Perth CBD office vacancy increased from 16.5% in July 2015 to 19.2% as at January 2016. Prime grade vacancy increased from 13.5% in July 2015 to 16.8% as at January 2016. Vacancy rate is expected to rise to circa 21% to 22% in mid/late 2016. The current office market is allowing tenants the opportunity to seek better quality space and in turn greater incentives. More non-CBD tenants may look to secure CBD office accommodation, taking advantage of competitive or attractive deals. Average Prime grade net face rent is at A$579 per square metre per annum. Incentives are around 45% to 50% and are expected to remain high. The demand for Prime grade space has allowed a slight lift in achieved rents at the beginning of 2016 as tenants are taking advantage of incentive levels and relocating to better quality office space. There was 113,463 square metre of new supply added to the Perth CBD office stock since July 2015, of which 21,800 square metre of space is uncommitted. There is little supply coming onto the market in 2016 and the next two years. The positive tenant demand aligned with little to no supply in the pipeline indicates a level of stability for the market in the near future. Net absorption is expected to remain soft in 2016.

Colliers International[3] reported that the average net face rents for A Grade office buildings in Melbourne climbed the greatest level in the years over 2015. A Grade net face rents increased by an average of 6.1%, ahead of the 10 year average of 5.1%. Not only have net face rents grown, incentives have also declined, albeit slowly. In 2016, the decline in incentives are expected to be more pronounced, from an average of 32% to 28% by end-2016. Vacancy has decreased from 400,783 square metres in January 2015 to 344,480 square metres in January 2016, the lowest amount of space available since July 2013. Tenant demand remains elevated from both existing CBD and metro tenants. New office supply in Melbourne is expected to continue over the medium term. About 450,000 square metres of office space are mooted for the Melbourne CBD. This comes at a time when Melbourne's employment growth is forecast to require an additional 100,000 square metre of space per annum over the next 10 years to accommodate the growing white collar workforce. Vacancy rates have decreased significantly from 9.1% in January 2015 to 7.7% in January 2016. The long-term outlook for Melbourne's office market is positive and vacancy is expected to drop to 6.3% by end-2017. The average Melbourne office CBD A Grade net face rent is expected to increase from A$467 to A$486 per square metre per annum in the next 12 months.

[2] Knight Frank, Perth CBD Office Market Overview March 2016
[3] Colliers International, Research and Forecast Report, CBD Office First Half 2016, Australia and New Zealand

11. Distributions

(a) Current financial period

Name of distribution
Distribution to Unitholders ("Unitholders' Distribution") for the period from 1 January 2016 to 31 March 2016

The Manager has determined that the Distribution Reinvestment Plan will apply to the distribution for the period from 1 January 2016 to 31 March 2016.

(b)(i) Distribution rate

	Unitholders' Distribution
	cents
Taxable income component	1.7784
Tax-exempt income component	0.6004
Capital component	0.0738
Total	**2.4526**

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 January 2015 to 31 March 2015

	Unitholders' Distribution
	cents
Taxable income component	1.9300
Tax-exempt income component	0.4205
Capital component	0.0249
Total	**2.3754**

(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.

(d) Date payable 30 May 2016

(e) Books closure date: 29 April 2016

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

There is no general mandate obtained from Unitholders for IPTs.

13. Directors' confirmation

Confirmation by Directors pursuant to clause 705(5) of the Listing Manual of SGX-ST

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 that FCAMC (as Manager of FCOT) has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720(1)

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	Low Chee Wah
Director	Director

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.

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

Piya Treruangrachada
Company Secretary
21 April 2016