FRASERS COMMERCIAL TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE QUARTER ENDED 31 DECEMBER 2015

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 December 2015 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 October 2015 to 31 December 2015 ("1Q2016") vs 1 October 2014 to 31 December 2014 ("1Q2015")

	Group		
	1/10/2015 to 31/12/2015	1/10/2014 to 31/12/2014	Change
	S$'000	S$'000	%
Gross revenue	39,623	35,459	12%
Net property income	29,378	25,444	15%
Total return for the period	17,700	15,373	15%
Distribution Income for Unitholders	19,702	16,712	18%
Distribution per Unit (cents)			
Unitholders			
For the period	2.51 (1)	2.46	2%
Annualised	9.96	9.76	2%

Footnotes:
(1) The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 784,956,268. 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		
	1/10/2015 to 31/12/2015	1/10/2014 to 31/12/2014	Change
	S$'000	S$'000	%
Gross revenue [1]	39,623	35,459	12%
Property operating expenses [2]	(10,245)	(10,015)	2%
Net property income [3]	**29,378**	**25,444**	15%
Interest income	171	103	66%
Manager's management fees	(3,415)	(3,075)	11%
Trust expenses	(439)	(404)	9%
Finance costs [4]	(6,128)	(5,053)	21%
Net income before foreign exchange differences, fair value changes and taxation	**19,567**	**17,015**	15%
Foreign exchange gain/(loss)	246	(1,055)	NM
Net change in fair value of investment properties [5]	(141)	(87)	62%
Net change in fair value of derivative financial instruments	(769)	319	NM
Realised gain on derivative financial instruments[6]	11	297	(96%)
Total return before tax	**18,914**	**16,489**	15%
Taxation	(1,214)	(1,116)	9%
Total return for the period	**17,700**	**15,373**	15%

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

	Group		
	1/10/2015 to 31/12/2015	1/10/2014 to 31/12/2014	Change
	S$'000	S$'000	%
Total return for the period	**17,700**	**15,373**	15%
Non-tax deductible / (non-taxable) items and other adjustments:			
Management fees payable in Units	786	-	NM
Trustees' fees	145	144	1%
Amortisation of borrowing costs	406	400	2%
Net change in fair value of investment properties	141	87	62%
Net change in fair value of derivative financial instruments	769	(319)	NM
Deferred taxation	322	339	(5%)
Unrealised exchange (gain)/loss	(249)	1,185	NM
Effects of recognising accounting income on a straight line basis over the lease term	(275)	(119)	NM
Other non tax deductible items and temporary differences	(43)	(378)	(89%)
Net effect of non-tax deductible / (non-taxable) items and other adjustments	**2,002**	**1,339**	50%
Income available for distribution to Unitholders [7]	**19,702**	**16,712**	18%
Unitholders' distribution comprise:			
- from operations	19,702	16,462	20%
- from capital returns [8]	-	250	NM
	19,702	**16,712**	18%

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		
	1/10/2015 to 31/12/2015	1/10/2014 to 31/12/2014	Change
	S$'000	S$'000	%
China Square Central	7,683	7,882	(3%)
55 Market Street	1,460	1,509	(3%)
Alexandra Technopark	13,302	12,498	6%
Central Park	6,852	7,816	(12%)
Caroline Chisholm Centre	5,265	5,754	(8%)
357 Collins Street [(a)]	5,061	-	NM
	39,623	**35,459**	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		
	1/10/2015 to 31/12/2015	1/10/2014 to 31/12/2014	Change
	S$'000	S$'000	%
Property maintenance expenses	3,324	2,792	19%
Property management fees	673	657	2%
Property tax	2,115	1,910	11%
Utilities	1,764	2,613	(32%)
Professional fees	928	792	17%
Insurance	118	123	(4%)
Council rates	486	350	39%
Amortisation of leasing commission	234	162	44%
Other operating expenses	603	616	(2%)
	10,245	**10,015**	2%

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		
	1/10/2015 to 31/12/2015	1/10/2014 to 31/12/2014	Change
	S$'000	S$'000	%
China Square Central	5,022	5,142	(2%)
55 Market Street	1,033	1,067	(3%)
Alexandra Technopark	10,055	8,855	14%
Central Park	4,931	5,601	(12%)
Caroline Chisholm Centre	4,399	4,779	(8%)
357 Collins Street	3,938	-	NM
	29,378	**25,444**	15%

NM – Not meaningful

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

	Group		
	1/10/2015 to 31/12/2015	1/10/2014 to 31/12/2014	Change
	S$'000	S$'000	%
Interest expense	5,722	4,653	23%
Amortisation of borrowing costs	406	400	2%
	6,128	**5,053**	21%

(5) The net change in fair value of investment properties in 1Q2016 and 1Q2015 was related to the adjustment of the changes in carrying value of the investment properties during the respective periods. The changes in the carrying value of the investment properties mainly arose from the recognition of rental income on a straight-line basis in accordance with the Singapore Financial Reporting Standards and the increase in leasing fees capitalised, net of amortisation.

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

	Group		
	1/10/2015 to 31/12/2015	1/10/2014 to 31/12/2014	Change
	S$'000	S$'000	%
Loss arising from termination of interest rate swap	-	(73)	NM
Gain arising from realisation of foreign currency forward contracts	11	370	(97%)
	11	**297**	(96%)

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 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	
	31/12/2015	30/9/2015	31/12/2015	30/9/2015
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Investment properties [1]	1,962,729	1,954,820	1,209,004	1,209,000
Subsidiaries	-	-	324,391	324,391
Loan to a subsidiary	-	-	87,983	87,104
Fixed assets	55	61	55	61
Deferred tax asset	337	330	-	-
	1,963,121	**1,955,211**	**1,621,433**	**1,620,556**
Current assets				
Trade and other receivables	7,699	8,818	71,746	72,466
Derivative financial instruments [2]	8,900	8,179	8,596	8,179
Cash and bank balances	64,443	62,233	58,165	57,685
	81,042	**79,230**	**138,507**	**138,330**
Total assets	**2,044,163**	**2,034,441**	**1,759,940**	**1,758,886**
Current liabilities				
Trade and other payables [3]	(21,762)	(29,739)	(16,316)	(25,524)
Current portion of security deposits	(4,120)	(3,967)	(4,120)	(3,967)
Derivative financial instruments [2]	(1,875)	(2,476)	(257)	-
Provision for taxation [4]	(4,146)	(3,224)	-	-
	(31,903)	**(39,406)**	**(20,693)**	**(29,491)**
Net current assets	**49,139**	**39,824**	**117,814**	**108,839**
Non-current liabilities				
Borrowings (net of transaction costs)	(734,380)	(731,867)	(523,306)	(523,002)
Non-current portion of security deposits	(8,757)	(9,007)	(8,757)	(9,007)
Deferred tax liabilities [5]	(48,092)	(47,290)	-	-
	(791,229)	**(788,164)**	**(532,063)**	**(532,009)**
Total liabilities	**(823,132)**	**(827,570)**	**(552,756)**	**(561,500)**
Net assets attributable to Unitholders	**1,221,031**	**1,206,871**	**1,207,184**	**1,197,386**
Represented by:				
Unitholders' funds [6]	**1,221,031**	**1,206,871**	**1,207,184**	**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 December 2015, 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 December 2015 as compared to 30 September 2015 and capital expenditure incurred during the quarter.

(2) 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.

(3) 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.

(4) The increase in provision for tax was mainly attributable to tax provision for the current quarter.

(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 31 December 2015 as compared to 30 September 2015.

(6) The increase in Unitholders' funds was mainly due to:
- effects of the strengthening of Australian dollar as at 31 December 2015 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
- gain 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 31/12/2015		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 31/12/2015		As at 30/9/2015	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
-	738,952	-	736,831

Details of any collateral

All term loan facilities as at 31 December 2015 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	
	1/10/2015 to 31/12/2015	1/10/2014 to 31/12/2014
	S$'000	S$'000
Operating activities:		
Total return before income tax	18,914	16,489
Adjustments for:-		
Finance costs	6,128	5,053
Effect of recognising accounting income on a straight-line basis over the lease term	(275)	(119)
Depreciation	6	6
Amortisation of leasing commission	234	162
Interest income	(171)	(103)
Management fees payable in Units	786	-
Net change in fair value of derivative financial instruments	769	(319)
Net change in fair value of investment properties	141	87
Realised gain on derivative financial instruments	(11)	(297)
Operating income before working capital changes	**26,521**	**20,959**
Changes in working capital:-		
Trade and other receivables	1,501	(493)
Trade and other payables	(2,187)	(2,669)
Cash generated from operations	**25,835**	**17,797**
Tax paid	-	(89)
Net cash generated from operating activities	**25,835**	**17,708**
Investing activities:		
Capital expenditure on investment properties	(385)	(789)
Payment for leasing costs capitalised	(101)	(130)
Purchase of fixed assets	-	(5)
Interest received	120	105
Net cash used in investing activities	**(366)**	**(819)**
Financing activities:		
Realisation of derivative financial instruments	11	297
Finance costs paid	(5,670)	(4,627)
Issue costs paid	(78)	(77)
Distributions paid [(1)]	(17,568)	(11,671)
Net cash generated used in financing activities	**(23,305)**	**(16,078)**
Net increase in cash and cash equivalents	**2,164**	**811**
Cash and cash equivalents at beginning of period	62,233	47,372
Effect of exchange rate changes	46	(265)
Cash and cash equivalents at end of period [(2)]	**64,443**	**47,918**

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$1.3 million during 1Q2016 (1Q2015: S$3.4 million).

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

	Group	
	31/12/2015	31/12/2014
	S$'000	S$'000
Bank and cash balances	33,243	41,381
Fixed deposits	31,200	6,537
Cash and cash equivalents	64,443	47,918

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

	Group		Trust	
	1/10/2015 to 31/12/2015	1/10/2014 to 31/12/2014	1/10/2015 to 31/12/2015	1/10/2014 to 31/12/2014
	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 resulting from operations	**17,700**	**15,373**	**19,327**	**5,514**
Unitholders' transactions				
Issue of Units	2,208	3,314	2,208	3,314
Issue expenses	(78)	(77)	(78)	(77)
Conversion of CPPUs to Units	-	80	-	80
Distributions to Unitholders	(12,589)	(14,985)	(12,589)	(14,985)
Change in Unitholders' funds resulting from Unitholders' transactions	**(10,459)**	**(11,668)**	**(10,459)**	**(11,668)**
Foreign currency translation reserve				
Movement for the period	**4,826**	**(19,215)**	**-**	**-**
Hedging reserve				
Net fair value changes on derivative financial instruments	**2,093**	**1,088**	**930**	**2,464**
Balance at end of period	**1,221,031**	**1,076,893**	**1,207,184**	**1,034,709**

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

	1/10/2015 to 31/12/2015	1/10/2014 to 31/12/2014
	Units	Units
Issued Units		
Balance at beginning of period	782,703,651	676,684,648
Conversion of CPPUs to Units [(1)]	-	68,170
Issue of Units - management fees	711,903	-
Issue of Units - Distribution Reinvestment Plan	923,129	2,383,970
Balance at end of period	784,338,683	679,136,788
Issued and issuable Units		
Issued Units at end of period	784,338,683	679,136,788
Management fees payable in Units [(2)]	617,585	-
Issued and issuable Units at end of period	784,956,268	679,136,788

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) 617,585 Units will be issued to the Manager as payment for management fees for the financial quarter ended 31 December 2015. This accounts for approximately 23% 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 December 2015. 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

	1/10/2015 to 31/12/2015	1/10/2014 to 31/12/2014
	S$'000	S$'000
Total return after taxation and before distribution	17,700	15,373
EPU		
Weighted average number of Units in issue	783,565,554	677,633,850
Basic earnings per Unit (cents)[(1)]	2.26	2.27
DPU		
Number of issued and issuable Units entitled to distribution	784,956,268	679,136,788
Distribution per Unit based on the total number of issued and issuable Units entitled to distribution (cents)	2.51	2.46

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 1Q2015 and 1Q2016.

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

	Group		Trust	
	31/12/2015	30/9/2015	31/12/2015	30/9/2015
Unitholders' funds at end of period (S$'000)	1,221,031	1,206,871	1,207,184	1,197,386
Number of Units issued at the end of the period ('000)	784,339	782,704	784,339	782,704
Unitholders' funds per Unit (S$)	1.56	1.54	1.54	1.53
Adjusted Unitholders' funds per Unit (excluding distributable income) (S$)	1.53	1.53	1.51	1.51

8. Review of performance

Net property income for 1Q2016 was S$29.4 million, 15% higher than that of 1Q2015. The increase was mainly due to:-

- the completion of the acquisition of 357 Collins Street on 18 August 2015; and
- 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.

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$1.1 million in 1Q2016 as compared to that of 1Q2015 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 1Q2016 and 1Q2015 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.

The net gain arising from fair value changes of derivative financial instruments in 1Q2016 and 1Q2015 was related to fair value change on forward foreign currency contracts.

Taxation in 1Q2016 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.

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

	1/10/2015 to 31/12/2015		
	Actual	**Forecast [(1)]**	**Inc/(dec)**
	A$'000	**A$'000**	**%**
Gross revenue	5,002	4,551	10%
Property operating expenses	(1,110)	(1,132)	(2%)
Net property income	**3,892**	**3,419**	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 October 2015 to 31 December 2015.

Variance analysis

The higher net property income as compared to forecast was mainly due to higher occupancy rate achieved and lower actual expenses incurred.

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

Singapore

In the statements released on 25 November 2015 and 4 January 2016, the Ministry of Trade and Industry ("MTI") announced that based on advance estimates, the Singapore economy grew by 2.0% on a year-on-year ("yoy") basis in the fourth quarter of 2015, slightly faster than the 1.8% growth in the previous quarter. On a quarter-on-quarter ("qoq") seasonally-adjusted annualised basis, the economy expanded at a faster pace of 5.7%, compared to the 1.7% growth in the preceding quarter. For the whole of 2015, the economy grew by 2.1%. This is in line with MTI's earlier announced gross domestic product ("GDP") growth forecast of close to 2.0%. The growth outlook for the Singapore economy in 2016 is modest. While sectors such as finance and insurance and wholesale trade are expected to support growth, the manufacturing sector is likely to remain weak. Sector-specific factors may also weigh on the growth of some sectors. Downside risks to the global growth outlook remain. 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 4.6% qoq to $10.40 per square feet ("psf") per month, island-wide average Grade B rent corrected 1.3% qoq to $7.70 psf per month while average Grade B CBD Core rent declined 1.8% qoq to $8.20 psf per month. Island-wide net absorption for Q4 2015 was negative 331,446 square feet ("sf"). For the first time since Q1 2009, the office market recorded a consecutive quarter of negative absorption. The downturn in the energy and commodities industries has hit demand and the continuing challenges in the financial sector has reduced the volume of space occupied by banks. Sectors that are holding up well include Asian and Japanese financial institutions, insurance and pharmaceutical companies. The relatively low vacancy of 5.2% is a positive and vacancy levels are expected to remain fairly low until the onset of new development completions scheduled from Q3 2016 onwards. Major transactions are expected to emerge early next year, giving rise to leasing volume albeit off a lower rent base.

CBRE[1] reported that average business park (city fringe) rentals maintained at $5.40 psf per month. In Q4 2015, overall vacancy remained relatively stable at 9.3%, up 0.3 percentage points from the previous quarter. Leasing activity over the past few quarters has been low-key, involving smaller transactions. Technology, e-commerce and bio-medical industries continue to form the main bulk of the demand. For the year, the business parks sector registered a healthy performance, with net absorption of 1.18 million sf. The business parks sector remains fundamentally sound. The sector could benefit from the fact that no supply has been announced post-2016. Rents are projected to remain flat, curtailed by the performance of the office market.

Australia

In the Statements on Monetary Policy Decision released in November and December 2015 by the Reserve Bank of Australia, cash rate remained unchanged at 2.0%. The moderate expansion in the economy continues in the face of a large decline in capital spending in the mining sector. While GDP growth has been somewhat below longer-term averages for some time, business surveys suggest a gradual improvement in conditions in non-mining sectors over the past year. This has been accompanied by stronger growth in employment and a steady rate of unemployment. The economy is likely to have a degree of spare capacity for some time and low interest rates are acting to support borrowing and spending. GDP growth is forecast to be between 2.0% and 3.0% over the year to June 2016 and to pick up to 2.75% to 3.75% by June 2017.

[1] CBRE, Singapore Market View, Q4 2015

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 net absorption in the 12 months to July 2015 was negative 50,457 square metre in the Perth CBD office market. The Perth CBD office market has continued to experience negative net absorption with July 2015 being the sixth consecutive quarterly negative net absorption since January 2012. The Perth CBD office vacancy was 16.6% as at July 2015, an increase of 4.8 percentage points from 11.8% as at July 2014. Vacancy rate is expected to rise to around 22% by mid-2016. The current Perth CBD office market is allowing tenants the opportunity to seek better quality space and obtain greater incentives and in turn reset their passing rentals. The average Perth CBD prime net face rent was A$612 per square metre per annum as at July 2015. Demand is soft, but many tenants are taking advantage of incentives to relocate to higher quality office space. Incentives are now around 45% and are expected to remain high as vacancy levels rise further into 2016.

Knight Frank[3] reported that in the six months to July 2015, net absorption in the Melbourne CBD office market was 60,906 square metre, a five-year high. Despite business confidence levels remaining soft, increasingly organisations intent on attracting and retaining the best talent are relocating into prime quality office accommodation. In addition to tenants upgrading their office accommodation, the high level of net absorption recorded in the Melbourne CBD office market has been driven by non-CBD tenants migrating into the market. As a result of this positive net absorption, total vacancy fell to 8.1% as at July 2015 from 9.1% six months earlier, the second lowest vacancy amongst all of Australia's CBD office markets. A Grade vacancy was 7.6% as at July 2015. Total vacancy in the CBD office market is forecast to continue its decline over the next three years with vacancy projected to fall to 6.0% as at July 2016. Average prime incentives continue to range between 28% and 32%, and have remained steady within this range over the past year. The average Melbourne CBD prime net face rents were between A$450 to A$620 per square metre per annum.

[2] Knight Frank, Perth CBD Office Market Brief October 2015
[3] Knight Frank, Melbourne CBD Office Market Overview October 2015

11. Distributions

(a) Current financial period

Name of distribution
Distribution to Unitholders ("Unitholders' Distribution") for the period from 1 October 2015 to 31 December 2015

The Manager has determined that the Distribution Reinvestment Plan will apply to the distribution for the period from 1 October 2015 to 31 December 2015.

(b)(i) Distribution rate

	Unitholders' Distribution
	cents
Taxable income component	1.8400
Tax-exempt income component	0.6700
Total	**2.5100**

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 October 2014 to 31 December 2014

	Unitholders' Distribution
	cents
Taxable income component	1.8460
Tax-exempt income component	0.5780
Capital component	0.0368
Total	**2.4608**

(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 29 February 2016

(e) Books closure date: 28 January 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
20 January 2016