

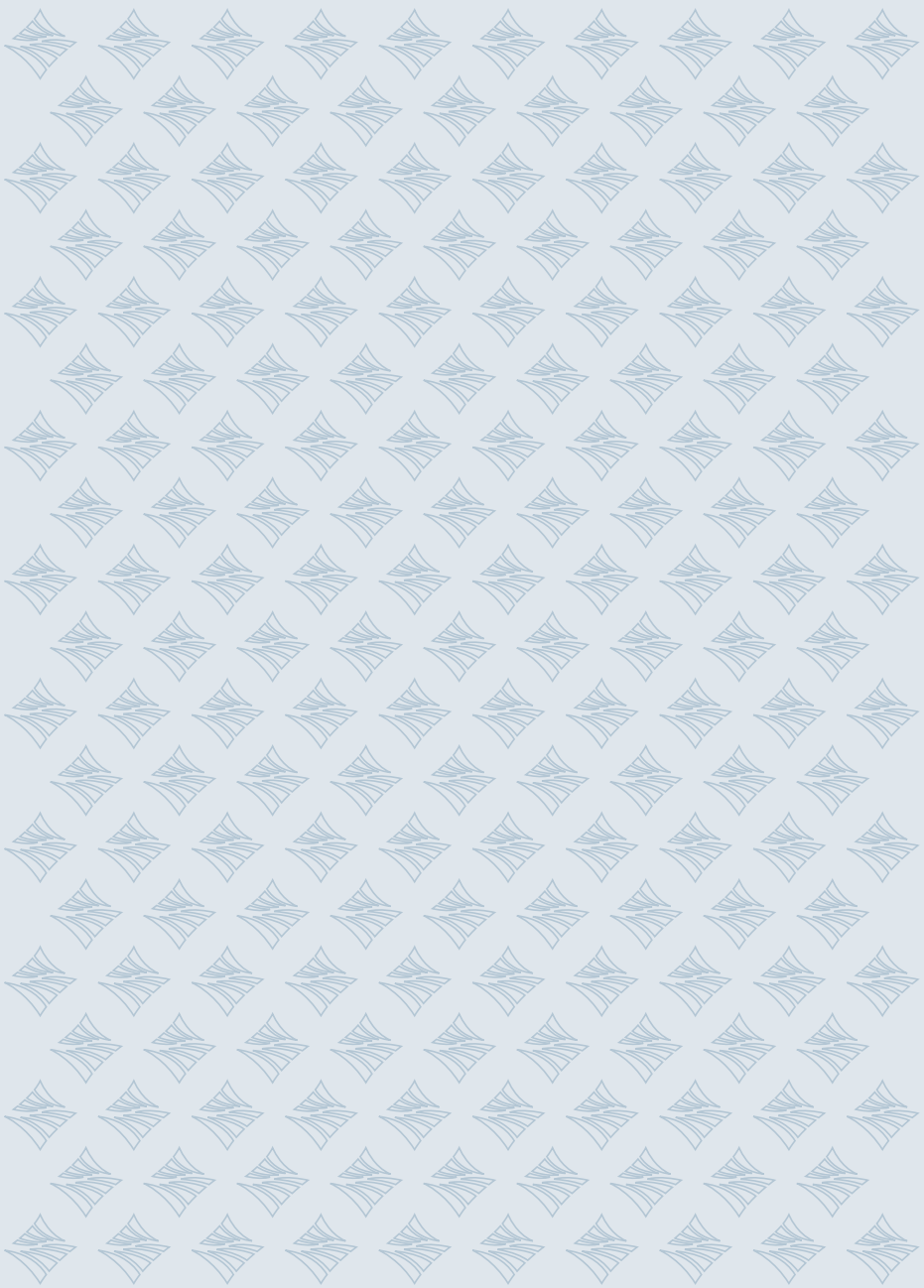


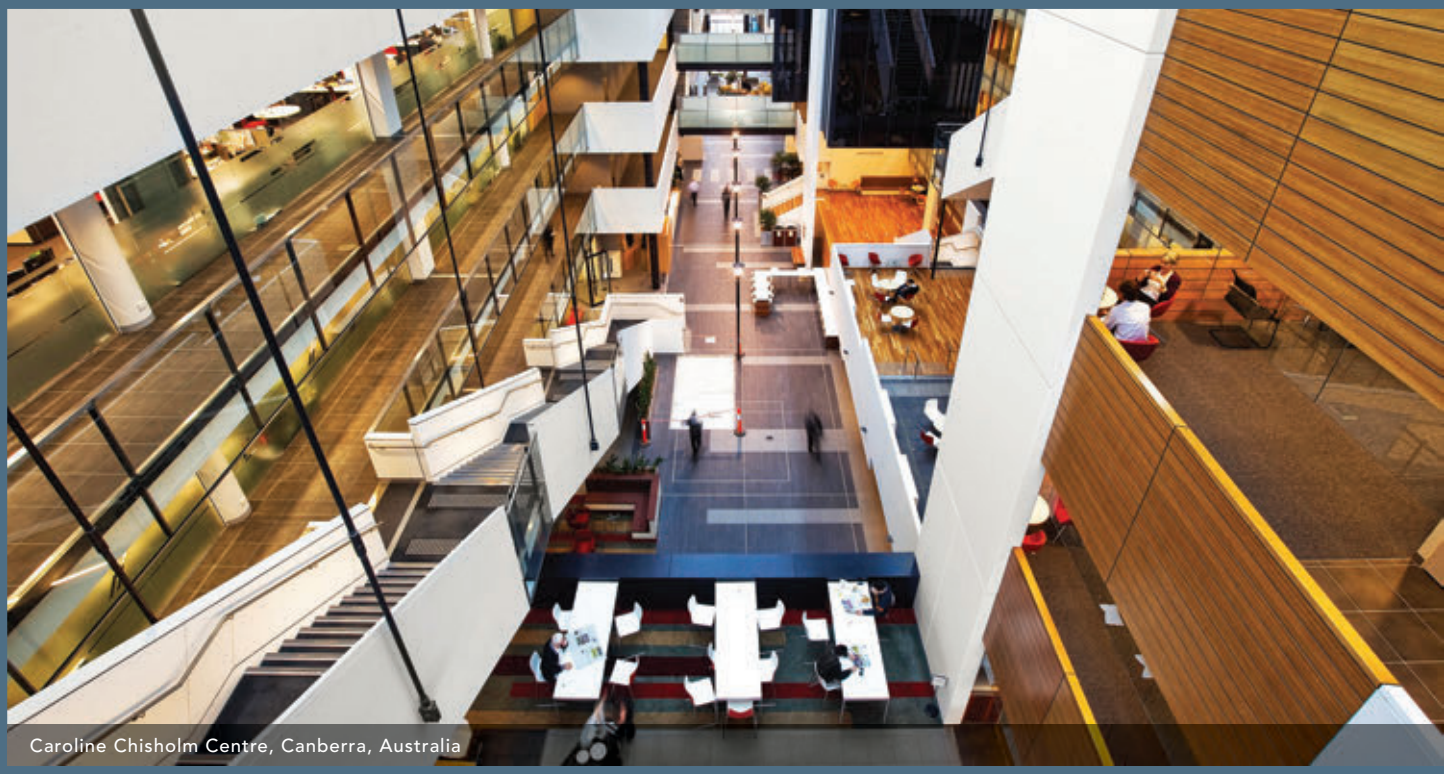


CELEBRATING A DECADE OF ACHIEVEMENTS

ANNUAL REPORT 2016

FRASERS COMMERCIAL TRUST





Caroline Chisholm Centre, Canberra, Australia

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All values in the tables, graphs and charts are expressed in Singapore currency unless otherwise stated. Any discrepancies in the tables, graphs and charts included in this report between the listed amounts and total thereof are due to mathematical rounding. Where applicable, measurements in square metres (sq m) are converted to square feet (sq ft) and vice versa based on the conversion rate of 1 sq m = 10.7639 sq ft.

CELEBRATING A DECADE OF ACHIEVEMENTS

The Frasers Centrepoint group of companies has always shared common ground, in which each entity is built on the foundations of integrity and excellence – key values that continue to guide every aspect of our business operations today. Inspired by our heritage, this year's annual report features a repeat motif of our logo identity, to reference the Group's ability to build on these values to strengthen our industry position and deliver sustainable returns to our shareholders.

The testament of a successful and resilient business is one that is able to keep up with changing times. This year, we are honoured to commemorate Frasers Commercial Trust's tenth anniversary of its listing on the Singapore Exchange, celebrating a decade of the Trust's many achievements.

In the last 10 years, we have made great strides to transform and reshape the Trust with resilience and strong foundations and solidify our position with a balanced portfolio of quality assets to create and deliver long term value to Unitholders. Frasers Commercial Trust's portfolio comprises office and business spaces located in Singapore and Australia, with a combined appraised value of approximately S$2.0 billion.

At the cornerstone of our growth story is our greatest asset – people. With sound management and a strong sponsor in Frasers Centrepoint Limited, we will continue to engage our internal and external stakeholders to enter the next decade with greater drive, and to fulfil our vision as a leading owner of quality commercial real estate properties in the Asia-Pacific region, landlord-of-choice for businesses and preferred investment choice among investors.



ABOUT FRASERS COMMERCIAL TRUST

CELEBRATING A *Decade* OF ACHIEVEMENTS
2006 – 2016

Frasers Commercial Trust (FCOT or the Trust) is a real estate investment trust sponsored by Frasers Centrepoint Limited (FCL). As at 30 September 2016, its portfolio consists of six quality office and business space buildings located in Singapore and Australia with a combined appraised value of approximately S$2.0 billion.

Listed on the main board of the Singapore Exchange Securities Trading Limited (SGX-ST) since 30 March 2006, FCOT is managed by Frasers Centrepoint Asset Management (Commercial) Ltd (the Manager), a subsidiary of FCL.

FCL is a full-fledged international real estate company and one of Singapore's top property companies with total assets of S$24 billion as at 30 September 2016. FCL has three strategic business units – Singapore, Australia and Hospitality, which focus on residential, commercial, retail and industrial properties in Singapore and Australia, and the hospitality business spanning more than 80 cities across Asia, Australia, Europe, and the Middle-East. FCL also has an International Business unit that focuses on the Group's investments in China, Southeast Asia, and the United Kingdom.

Our Vision

To become a leading owner of quality commercial real estate properties in selected countries in the Asia-Pacific region, a landlord-of-choice for businesses and a preferred investment choice among investors.

Our Mission

To build a strong and balanced portfolio of quality commercial properties

To deliver a stable and sustainable distribution to our Unitholders

To create value by enhancing and unlocking values of our existing properties through refurbishment and redevelopment

To be a fair and responsible landlord adopting best practices in governance, social responsibility and sustainability



China Square Central, Singapore

Creating and delivering value with our vision, mission and strategies

OBJECTIVE
To create and deliver stable and sustainable distributions to Unitholders to achieve long-term growth

APPROACH
Our Vision
Our Mission
Our Strategies

1 FCOT was listed on the main board of the SGX-ST on 30 March 2006.
2 For the last seven financial years (after the completion of the recapitalisation exercise in 2009) up to FY2016.
3 Assumes dividends are reinvested. Source: Bloomberg
4 Employees of the Manager. FCOT does not have any employee and is managed by the Manager.

Our Strategies

STRATEGIES	HOW WE ACHIEVE OUR STRATEGIES
PROACTIVE ASSET MANAGEMENT Pursue organic growth by proactively managing properties, developing strong relationships with tenants and increasing yields	
• Upgrading the property through asset enhancements • Proactively managing the leases to achieve healthy occupancy and rental reversions • Maintaining a well-spread lease expiry profile • Improving operational efficiency and adopting sustainable practices	• Continuously review the portfolio to stay competitive • Build relationships and engage tenants proactively to understand their leasing needs and ensure tenant retention to minimise downtime • Use technology to enhance operations and continuous monitoring of building operational performance • Incorporate green features and initiatives where possible to minimise environmental impact and increase properties' appeal to tenants
YIELD ACCRETIVE ACQUISITIONS/ CAPITAL RECYCLING Pursue acquisitions in a disciplined manner that will provide attractive cash flows and yields with opportunities for income and capital growth and undertake capital recycling	
• Acquiring yield-accretive properties • Acquiring value creating properties with opportunities to increase occupancy rates and enhancements through asset enhancement initiatives • Recycling capital to optimise portfolio performance	• Focus on the core markets of Singapore and Australia • Acquire yield-accretive properties which are in line with FCOT's investment mandate • On-going review of portfolio performance and undertake capital recycling to optimise portfolio where appropriate • Leverage on the sponsor's presence in Singapore and Australia and the right of first refusal given to FCOT
PRUDENT CAPITAL AND RISK MANAGEMENT Adopt optimal capital structure, minimise cost of capital and manage risks	
• Maintaining a healthy balance sheet by adopting and maintaining an optimal gearing ratio • Pursuing stable funding costs by hedging borrowings from floating to fixed interest rates • Managing foreign exchange risks through natural and forward hedges • Maintaining a well-spread debt maturity profile	• Hedge anticipated net cash flow from the Australian properties approximately six to nine months forward • Continuously monitor the market to limit adverse movements in foreign exchange rates and interest rates • Build and maintain good relationships with various funding sources • Extend loan durations when interest rates are attractive

1 Construction commenced in early 2016 and undertaken by an entity of FCL.
2 Source: SGX Sustainability Indices as at November 2016.

CREATE AND DELIVER VALUE

Unitholders

– Since initial public offering (IPO)[1]
  - achieved highest distributable income to Unitholders of S$77.6 million in FY2016
  - achieved highest distribution per unit (DPU) of 9.82 cents in FY2016

– Since completion of the recapitalisation exercise in 2009
  - 9.8% compounded annual growth rate in DPU[2]
  - 173.8% total Unitholders' return for the last seven financial years[3]

Tenants – quality properties with strategic location, well-connected, good amenities and sustainable features

Employees[4] – workplace wellness, employee engagement, nurturing talent and career development to develop their potential

Community – value add through our involvement and investment either in terms of time or resources and community engagement

ACHIEVEMENTS/PERFORMANCE IN FY2016

- On-going rejuvenation of China Square Central to boost long-term value with the development of a 16 storey hotel[1]
- Retail arcade at Central Park revamped with a refreshed and contemporary look
- Signed 71 new and renewed leases across 433,453 sq ft of space, representing 16.6% of portfolio net lettable area
- Healthy occupancy rate of 93.0% as at 30 September 2016
- Healthy tenant retention rate of 86.7% in FY2016
- Average building energy and water intensities improved by 11.4% and 6.1% respectively, compared to FY2015
- FCOT is a constituent of the SGX Sustainability and SGX Sustainability Enhanced Indices[2]

- We continue to be disciplined in our approach towards acquisition that meets our criteria or undertake capital recycling. There were no acquisitions or capital recycling undertaken in FY2016

- Healthy gearing of 36.0% as at 30 September 2016 and interest cover of 4.6 times for FY2016
- 85.0% borrowings on fixed interest rates provide certainty in interest costs
- Diversified the sources of funding beyond bank borrowings with the maiden issuance of S$100.0 million five-year senior unsecured notes an attractive fixed interest rate of 2.835% per annum (Series 001 Notes)
- Early refinancing with the partial prepayment of S$100.0 million of a transferable term loan facility maturing in FY2019 fully funded from the proceeds of the Series 001 Notes and extended debt maturity profile
- Moody's Investors Service upgraded the issuer rating of FCOT from Baa3 to Baa2 with a stable outlook



55 Market Street, Singapore



China Square Central, Singapore

STRONG FUNDAMENTALS

Over the past decade, the Trust has grown from strength to strength as it emerged on a stronger financial footing after the completion of the recapitalisation exercise in 2009 and portfolio reshaping strategy in 2012. FCOT is well-placed to enter the next decade with its strong fundamentals.

S$2.0 billion
portfolio

Located in core markets of Singapore and Australia

36.0%
Healthy gearing

57.6%
% of leases with fixed step up rents and rent reviews in FY2017

Green features for operational efficiency
BCA Green Mark Gold and NABERS ratings for all office properties in Singapore and Australia[1]

All data are as at 30 September 2016.

1 Green Mark Gold by the Building and Construction Authority of Singapore (BCA). The National Australian Built Environment Rating System (NABERS) measures the environmental performance of Australian buildings. Green Mark recertification for Alexandra Technopark is currently on-going.

RESILIENCE

The Trust's strong fundamentals, coupled with our disciplined approach and core strategies have created a resilient portfolio that will take the Trust forward to the next decade of stable growth.

3.8 years
Long weighted average lease expiry[1]

85.0%
% of debt on fixed interest rate

+6.6%
Weighted average rental reversions in FY2016[2]

86.7%
Healthy average portfolio retention rate in FY2016



All data are as at 30 September 2016.

1 Inclusive of (1) the early renewal of the lease with Microsoft Operations Pte Ltd at Alexandra Technopark for a further five years; and (2) the Heads of Agreement executed with an entity of Rio Tinto Limited for a new 12-year lease from FY2018 to FY2030 at Central Park. New lease is assumed based on the existing space occupied by Hamersley Iron Pty Limited, a wholly-owned subsidiary of Rio Tinto Limited as the exact space requirement will only be determined later. Excluding early renewal and new lease, the weighted average lease expiry is 3.0 years.

2 The weighted average rental reversions based on signing rents for the area for new and renewed leases which commenced in FY2016. For China Square Central, the weighted average rental reversions are for 18 Cross Street office tower only, and excludes the retail podium at 18 Cross Street, and 20 and 22 Cross Street which are partially affected by the construction works for the 16-storey hotel and additions and alterations. Refer Circular to Unitholders dated 3 June 2015 for details.



Alexandra Technopark, Singapore



Central Park, Perth, Australia



Caroline Chisholm Centre, Canberra, Australia

S$77.6 million

Highest distributable income to Unitholders since IPO[1]

Seventh consecutive year of growth in distributable income to Unitholders[2]

9.82 cents

Highest DPU since IPO[1]

Seventh consecutive year of DPU growth[2]



GROWTH

9.8%
DPU CAGR[3]
Long-term growth backed by strong fundamentals and resilience

173.8%
Total Unitholders' return since the completion of the recapitalisation exercise in 2009[4]

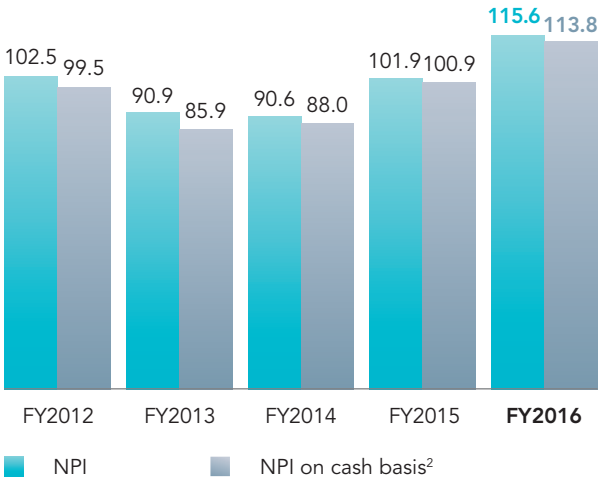

357 Collins Street, Melbourne, Australia

1 FCOT was listed on the main board of the SGX-ST on 30 March 2006.
2 Since the completion of recapitalisation exercise in 2009.
3 Compounded annual growth rate for the last seven financial years up to FY2016 since the completion of the recapitalisation exercise in 2009.
4 Up to 30 September 2016. Assumes dividends are reinvested. Source: Bloomberg

FINANCIAL HIGHLIGHTS

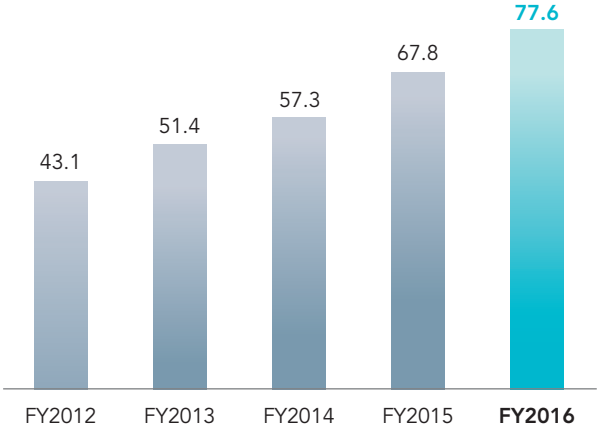
NET PROPERTY INCOME (NPI)[1]
(S$ million)

13.4% and 12.8% increase in NPI and NPI on cash basis respectively boosted by the full year contribution from 357 Collins Street and better performance from Alexandra Technopark



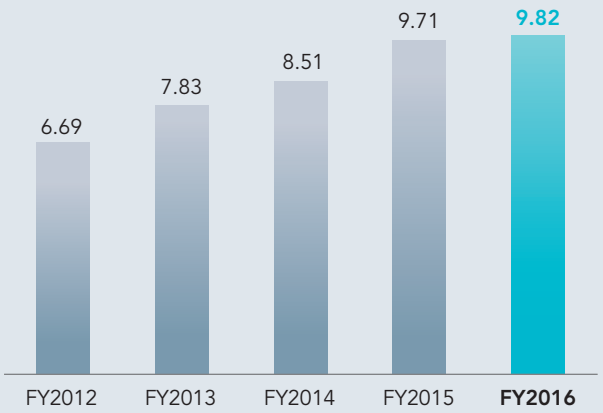
DISTRIBUTABLE INCOME TO UNITHOLDERS[1]
(S$ million)

- Highest distributable income to Unitholders since listing in 2006
- Seventh consecutive year of growth since the completion of the recapitalisation exercise in 2009

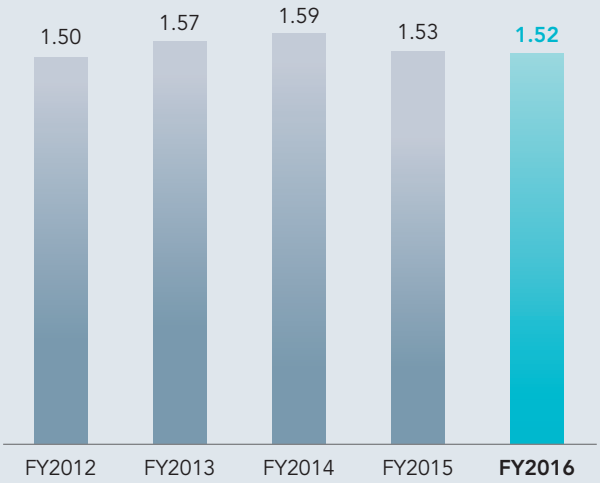


DISTRIBUTION PER UNIT (DPU)[1]
(cents)

- Highest DPU since listing
- Seventh consecutive year of growth since the completion of the recapitalisation exercise in 2009



NET ASSET VALUE (NAV) PER UNIT[1,3]
(S$)

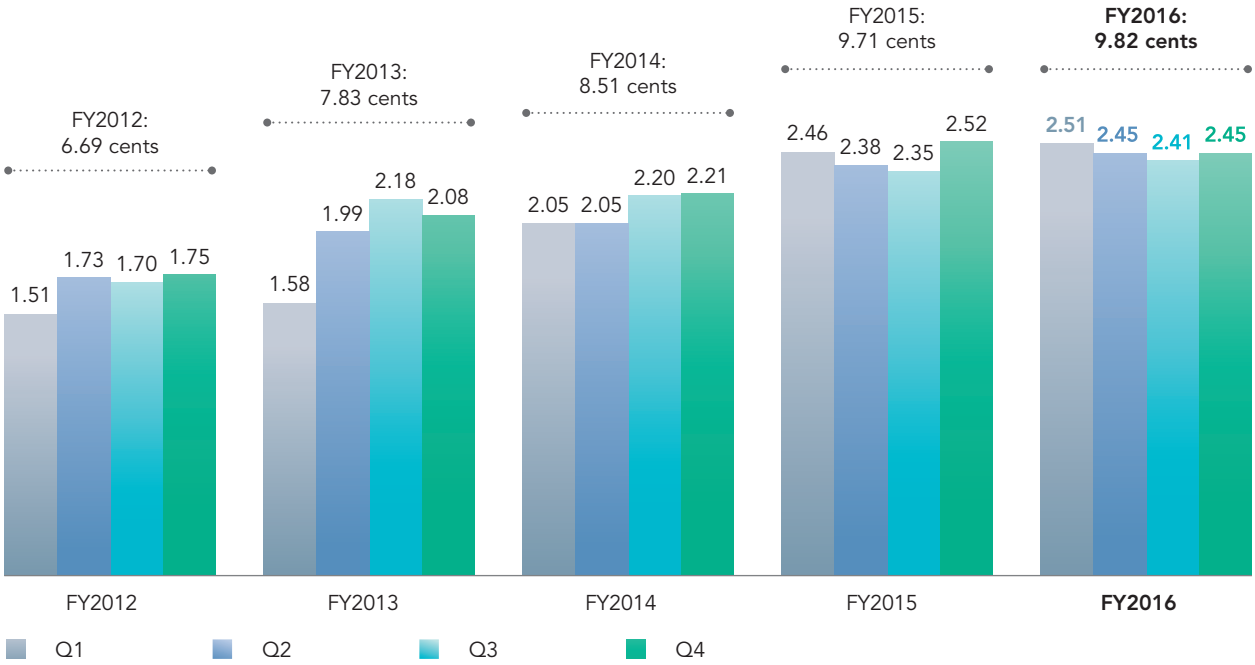


1 FCOT divested KeyPoint on 28 September 2012 and the remaining Japanese properties namely Azabu Aco Building, Galleria Otemae Building and Ebara Techno-Serve Headquarters Building on 25 October 2012.

2 NPI excluding the effects of recognising accounting income on a straight line basis over the lease term.

3 Excludes distributable income.

QUARTERLY DPU



Statement of total return highlights (S$ million)	FY2012[1]	FY2013[1]	FY2014	FY2015	FY2016
Gross revenue	132.9	118.2	118.8	142.2	156.5
NPI	102.5	90.9	90.6	101.9	115.6
NPI on cash basis[2]	99.5	85.9	88.0	100.9	113.8
Distributable income to Unitholders	43.1	51.4	57.3	67.8	77.6
Balance Sheet highlights (as at 30 September) (S$ million)					
Total assets	2,339.9	1,862.5	1,881.8	2,034.4	2,069.4
Portfolio property valuation	1,757.5	1,811.4	1,824.9	1,954.8	1,989.3
Total liabilities	1,007.6	801.2	790.4	827.6	840.9
Total borrowings	860.2	701.2	698.6	736.8	745.4
Net assets	1,332.2	1,061.4	1,091.4	1,206.9	1,228.4
Key Financial Indicators					
DPU (cents)	6.69	7.83	8.51	9.71	9.82
NAV per Unit[3] (S$)	1.50	1.57	1.59	1.53	1.52
Gearing (%)	36.8	37.7	37.1	36.2	36.0
Interest cover (times)	3.1	4.3	4.3	4.5	4.6
Average cost of debt (%)	3.5	3.0	2.7	2.9	3.0
Fixed borrowings as a % of total borrowings (%)	72.0	51.0	46.0	81.0	85.0
Unencumbered assets as a % of property portfolio (%)	–	20.2	100.0	100.0	100.0

1 FCOT divested KeyPoint on 28 September 2012 and the remaining Japanese properties namely Azabu Aco Building, Galleria Otemae Building and Ebara Techno-Serve Headquarters Building on 25 October 2012.

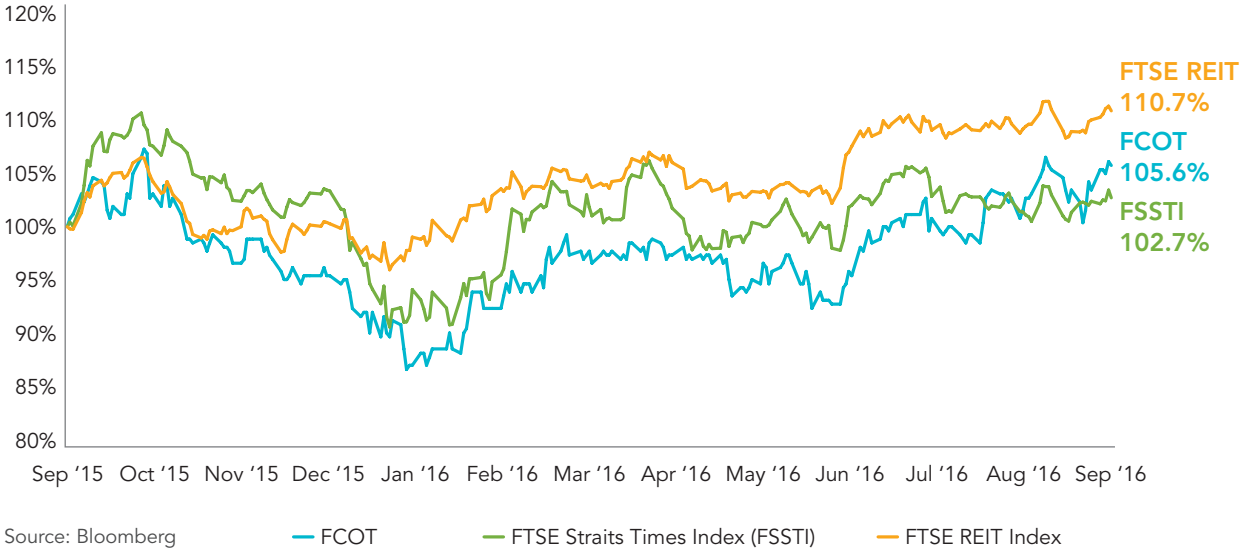
2 NPI excluding the effects of recognising accounting income on a straight line basis over the lease term.

3 Excludes distributable income.

FINANCIAL HIGHLIGHTS

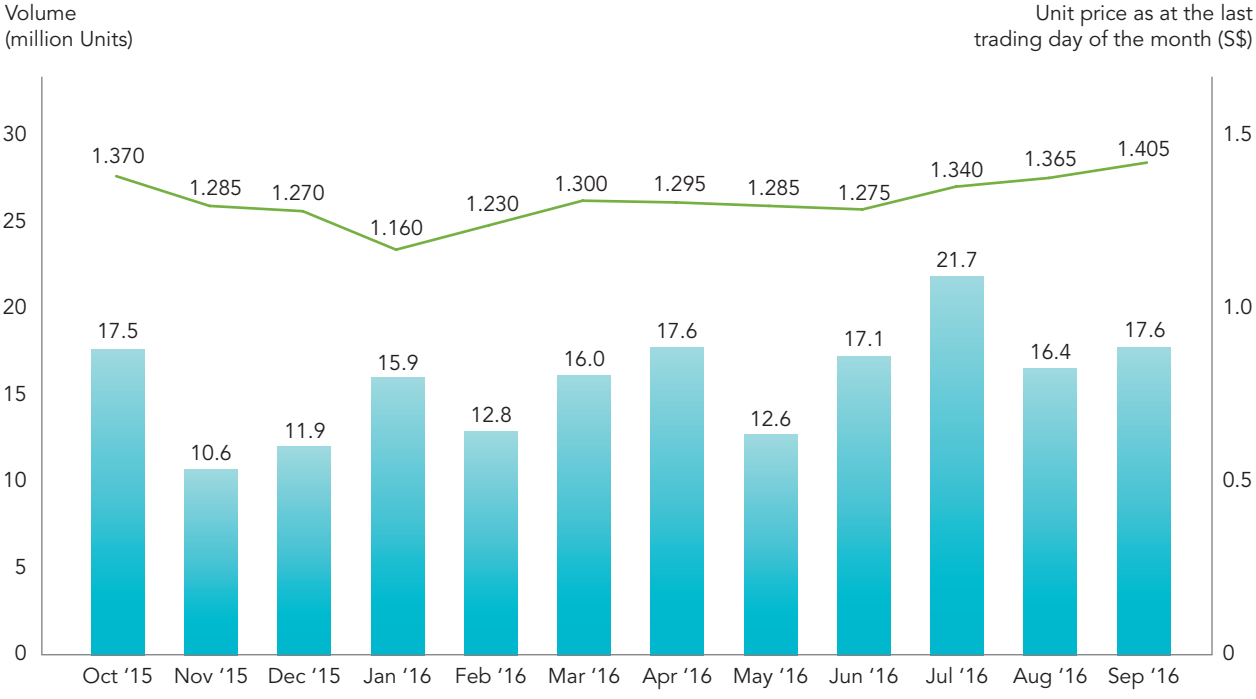
TRADING PERFORMANCE IN FY2016

FY2016 was another volatile year and market sentiment was affected by concerns over global economic growth, lower oil prices, Brexit and the timing of further interest rates hikes by the US Federal Reserve, among others. In December 2015, the US Federal Reserve raised interest rates by 0.25%, the first rate increase since 2006. As at 30 September 2016, FCOT Unit price of S$1.405 closed 5.6% above the opening price of S$1.330 a year ago. Despite the challenging market environment, FCOT has outperformed the FTSE Straits Times Index during the same period. The FTSE REIT Index has outperformed FCOT during the same period as liquidity inflows may have favoured REITs with larger market capitalisation.



Source: Bloomberg — FCOT — FTSE Straits Times Index (FSSTI) — FTSE REIT Index

FCOT MONTHLY TRADING PERFORMANCE IN FY2016



Source: Bloomberg

FCOT UNIT PRICE PERFORMANCE

	FY2012	FY2013	FY2014	FY2015	FY2016
Opening price (S$)	0.785	1.165	1.250	1.360	1.330
Closing price (S$)	1.175	1.260	1.350	1.330	1.405
High price (S$)	1.180	1.595	1.440	1.580	1.430
Low price (S$)	0.730	1.135	1.215	1.180	1.145
Trading volume (million Units)	197.3	320.4	189.9	218.0	187.7
Average daily trading volume (million Units)	0.8	1.3	0.8	0.9	0.7
Market capitalisation (S$ million)[1]	756.4	828.5	913.5	1,041.0	1,116.0

Source: Bloomberg

1 Based on the closing price and issued Units as at 30 September.

FCOT HAS OUTPERFORMED THE FTSE STRAITS TIMES INDEX OVER THE YEARS

	1 Year[1]		3 Years[1]		5 Years[1]	
	Price change %	Total return[2] %	Price change %	Total return[2] %	Price change %	Total return[2] %
FCOT	5.6	13.3	11.5	36.6	75.6	147.6
FTSE REIT Index	11.1	19.1	5.4	27.4	29.4	77.0
FTSE Straits Times Index	2.8	6.9	-9.4	0.3	7.3	26.2

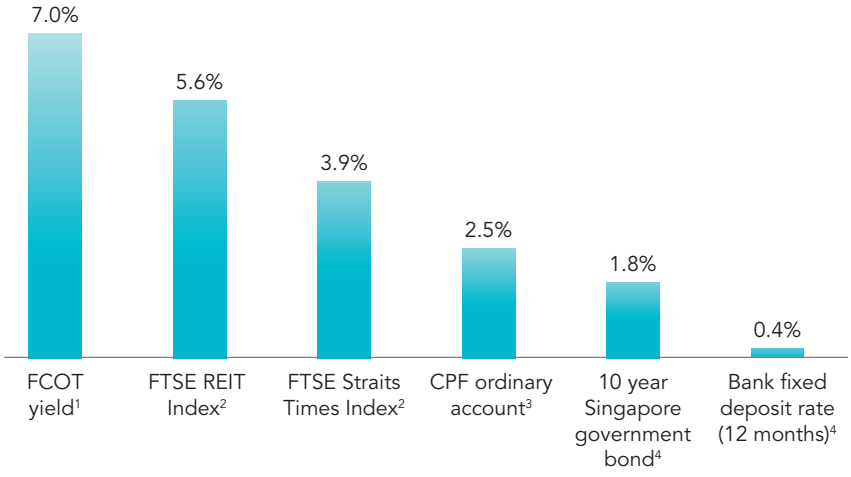
Source: Bloomberg

1 Up to 30 September 2016.

2 Assumes dividends are reinvested.

FCOT OFFERS ATTRACTIVE YIELD COMPARED TO OTHER INVESTMENTS

FCOT offers an attractive dividend yield of 7.0% as at 30 September 2016, higher than the FTSE Straits Times and REIT Indices.



1 Based on FCOT's closing price of S$1.405 per Unit as at 30 September 2016 and the DPU of 9.82 cents for FY2016.

2 As at 30 September 2016. Source: Bloomberg

3 Based on interest rate paid on the Central Provident Fund (CPF) ordinary account from July to September 2016 on the CPF website.

4 As at 30 September 2016. Source: www.mas.gov.sg

FCOT 5-YEAR TOTAL RETURN



147.6%

FCOT's 5-year total return of 147.6% up to FY2016 exceeded the FTSE Straits Times Index's total return of 26.2%.

LETTER TO UNITHOLDERS



2016 is a special year for the Trust as it marks the tenth anniversary of its listing on the Singapore Exchange. Over the past decade, with the Manager taking a disciplined approach combined with strategies to create and deliver long-term value to Unitholders, the Trust has emerged on a stronger financial footing and with more resilience. The Manager continues to look forward to delivering a stable and sustainable distribution to Unitholders as it takes the Trust forward to the next decade.

S$77.6 million
▲ 14.5%
Distributable income to Unitholders

9.82 ¢
▲ 1.1%
Distribution per Unit

7.0%
Distribution yield[1]

9.8%
DPU compounded annual growth rate[2]

1 Based on closing price of S$1.405 per Unit as at 30 September 2016 and DPU of 9.82 cents for FY2016.

2 Since the completion of the recapitalisation exercise in 2009. Compounded annual growth rate for the last seven financial years up to FY2016.

Dear Unitholders,

On behalf of the Board of Directors of Frasers Centrepoint Asset Management (Commercial) Ltd, the Manager of FCOT, we are pleased to present the Annual Report for FY2016.

2016 is a special year for us as we celebrate the tenth anniversary of the listing of the Trust. The theme for this year's annual report, 'Celebrating a Decade of Achievements' aptly describes the many achievements of the Trust in the past ten years. Listed on the main board of the SGX-ST on 30 March 2006 as Allco REIT then, the Trust went through many challenges especially during the global financial crisis in 2008, before emerging on a stronger financial footing and with more resilience after having been successfully transformed.

The transformation journey began in August 2008 with the acquisition of 17.7% interest in Allco REIT and the Manager by Frasers Centrepoint Limited (FCL). The REIT and the Manager were subsequently renamed to Frasers Commercial Trust and Frasers Centrepoint Asset Management (Commercial) Ltd, respectively. In FY2009, the Manager undertook the recapitalisation exercise to strengthen the balance sheet of FCOT, and the participation by FCL demonstrated the importance of a strong sponsor. Between FY2011 and FY2013, the divestment of several mature and non-core assets under the portfolio reshaping strategy resulted in a balanced portfolio of quality properties. In its transformation journey, the Trust divested all its properties in and exited Japan to sharpen its focus on the key markets of Singapore and Australia, thereby leveraging on the sponsor's presence in these two markets. The Trust also divested KeyPoint in Singapore in FY2012 at 26.3% premium to book value. In FY2012, FCOT acquired the remaining 50.0% interest in Caroline Chisholm Centre in Canberra, Australia. In FY2015, FCOT entered the Melbourne office market with the acquisition of 357 Collins Street. The portfolio today was built on the back of creating a portfolio that would render the Trust more resilient to changes in market conditions.

During this journey, we also strengthened our corporate governance practices as we believe good corporate practice is one of the key pillars for a sustainable business and strengthening the market's and investors' confidence in FCOT. This has culminated in FCOT being conferred the runner-up in the Singapore Corporate Governance Award under the REITs and Business Trusts category by the Securities Investors Association Singapore (SIAS) for three consecutive years from 2013 to 2015.

The commendable performance over the last decade was achieved on the back of an experienced and committed team backed by a strong sponsor. Our ability to adapt to the ever-changing environment, and a disciplined approach combined with strategies to create and deliver long-term value to Unitholders have also contributed to the achievements. We are also grateful for the support of our tenants and partners during the past decade.

The Trust was listed in 2006 with 2 properties, namely China Square Central and Central Park, and an investment in the Allco Wholesale Property Fund with a combined portfolio value of S$683.9 million[1]. Today, the Trust has three properties in Singapore and another three in Australia with a total valuation of S$2.0 billion and a market capitalisation exceeding S$1.0 billion[2]. Since the completion of the recapitalisation exercise in 2009, FCOT delivered an attractive DPU with a compounded annual growth rate of 9.8% per annum[3]. Over the same period, FCOT delivered a total annualised shareholder returns of 173.8%[4]. These figures are a testament to the Trust's mission of delivering stable and sustainable distributions to achieve long-term growth.

We look forward to continue to deliver a stable and sustainable distribution to Unitholders as we take the Trust forward to the next decade.

A RECORD HIGH IN FY2016

FY2016 was indeed a challenging year given the slower global economic growth and the weaker market conditions especially for the Singapore office market. Against such a backdrop, the core strategies for FCOT combined with the resilient properties were evidently successful in delivering the good performances in FY2016. We continued to remain focused on our three-pronged strategies of proactive asset management, pursuing yield accretive acquisitions and capital recycling and adopting a prudent capital and risk management approach.

1 As set out in the prospectus dated 23 March 2006.
2 As at 30 September 2016. Source: Bloomberg.
3 From FY2010 to FY2016.
4 Assumes dividends are reinvested. Source: Bloomberg.

LETTER TO UNITHOLDERS



357 Collins Street, Melbourne, Australia

With these core strategies in place, the Trust delivered the highest distributable income to Unitholders and DPU in FY2016 since its listing in 2006. The distributable income to Unitholders of S$77.6 million and DPU of 9.82 cents also marked the seventh consecutive year of growth since the completion of the recapitalisation exercise in 2009.

In FY2016, gross revenue of S$156.5 million increased by 10.1% year-on-year. Accordingly, the NPI increased 13.4% to S$115.6 million for FY2016. Excluding the effects of recognising accounting income on a straight line basis over the lease term, the NPI (cash basis) of S$113.8 million for FY2016 was 12.8% higher year-on-year. The good performance was attributed to the full year contribution from 357 Collins Street following the completion of the acquisition on 18 August 2015 and the better performance of Alexandra Technopark as a result of higher rentals achieved, lower utilities expenses and upfront rental income received[5]. The increase was partially reduced by the average weaker Australian dollar in FY2016 as compared to FY2015 and the lower occupancies for China Square Central and Central Park.

With the commencement of construction works for the development of a 16 storey hotel (Hotel) and additions and alterations (Commercial Project)[6] at China Square Central in January 2016, the loss of income of certain affected units was supplemented by S$2.2 million of capital distribution in FY2016. This was funded from the capital gains from the disposal of the Hotel development rights for China Square Central in August 2015.

To manage the impact of the weaker Australian dollar, the net cash flows from the Australian properties have been hedged.

Finance cost increased 12.2% in FY2016 mainly due to the additional loan facilities drawn down in August 2015 to part finance the acquisition of 357 Collins Street and higher floating interest rates on the unhedged portion of the Singapore Dollar denominated borrowings. The increase was partially offset by the lower floating rates on the unhedged portion of the Australian Dollar denominated borrowings, interest savings from the partial loan prepayment of S$58.4 million of the transferable

[5] Upfront rental income received from a pre-terminated lease. The pre-terminated lease was replaced by a new lease with a longer duration.

[6] Refer to Circular to Unitholders dated 3 June 2015 for details.

term loan facility maturing in FY2019 and the effects of the weakening Australian Dollar on the Australian Dollar denominated interest expense. As at 30 September 2016, 85.0% of the borrowings are on fixed interest rates.

UNLOCKING VALUE OF THE PROPERTIES

To maintain the competitive position and as part of the Manager's continuous efforts to unlock values of the properties, the retail arcade of Central Park was revamped and a refreshed and contemporary look with a new identity was created. The construction of the Hotel by an entity of FCL at China Square Central is currently on track for completion in mid-2019. The Hotel will be operated by Frasers Hospitality under the 'Capri by Fraser' brand. In addition, as part of the Commercial Project, new retail and commercial spaces will also be created with better frontage and visibility. All these will raise the profile of China Square Central and can be expected to further rejuvenate and boost the value of China Square Central in the long run.

S$100.0 MILLION RAISED FROM THE MAIDEN ISSUANCE OF FIVE-YEAR SENIOR UNSECURED FIXED RATE NOTES

In August 2016, the Trust raised S$100.0 million from the maiden issuance of S$100.0 million five-year senior unsecured notes (Series 001 Notes) under its S$1.0 billion Multicurrency Medium Term Note Programme. The Series 001 Notes, due in 2021, was priced at an attractive fixed interest rate of 2.835% per annum. The issuance marks FCOT's debut fund raising from the debt capital market and has diversified the sources of funding for FCOT beyond bank borrowings.

1.8% INCREASE IN PORTFOLIO VALUE TO S$2.0 BILLION

As at 30 September 2016, FCOT's overall property portfolio value increased 1.8% year-on-year to S$1,989.3 million. The higher portfolio value was attributed to the higher valuation achieved for Alexandra Technopark, 55 Market Street, 357 Collins Street and Caroline Chisholm Centre mainly on the back of higher rents and lower capitalisation rates for the properties in Australia. The increase was also due to the effects of the stronger Australian dollar as at



China Square Central, Singapore

LETTER TO UNITHOLDERS

30 September 2016 as compared to a year ago on the Australian properties. This was offset by the lower valuation for China Square Central mainly due to the expected loss of income during the construction period for the Hotel and Commercial Project, and the lower valuation for Central Park as a result of the weaker office market in Perth.

As at 30 September 2016, the net asset value per Unit (excluding distributable income) was S$1.52.

HEALTHY OCCUPANCY AND RENTAL REVERSIONS

The Manager's proactive asset management strategy and leasing initiatives yielded positive results despite the challenging leasing environment in the Singapore office market. In FY2016, the Manager saw robust leasing activities as it completed 71 new leases and renewals across 433,453 sq ft of space, representing 16.6% of portfolio net lettable area. In FY2016, tenant retention remained healthy at 86.7%. Overall the portfolio achieved a positive weighted average rental reversion of 6.6%[7] in FY2016.

The Trust enjoyed a healthy average portfolio occupancy rate of 93.0% as at 30 September 2016. The average occupancy rates in Singapore and Australia were 92.5% and 93.8%, respectively. The overall occupancy rate for the Singapore properties was affected by the lower occupancy rate at China Square Central as a result of the on-going construction works for the Hotel and Commercial Project, although the occupancy rates for the remaining Singapore properties remained relatively stable.

As part of the Manager's continuous proactive asset management initiative, FCOT signed a lease with Microsoft Operations Pte Ltd, an established name and one of the long-term tenants at Alexandra Technopark, for a further five years to FY2022. The new lease was extended ahead of its lease expiring in January 2017.

The well spread lease expiry profile and long weighted average lease expiry (WALE) of 3.8 years[8] provide income stability for the portfolio.

CONTINUED PRUDENT AND PROACTIVE CAPITAL MANAGEMENT

Underpinning our prudent and proactive approach towards capital management, the Manager used the entire proceeds from the Series 001 Notes to partially prepay the transferable term loan facility which will fall due in FY2019.

The Trust would not have any debt maturing until September 2017. The unsecured debts provide financial flexibility to the Trust. In FY2016, interest coverage ratio remained healthy at 4.6 times and the average interest rate was 3.0% per annum. As at 30 September 2016, the weighted average debt maturity was 2.6 years and gearing was healthy at 36.0%, which is well below the 45.0% cap on gearing set by the Monetary Authority of Singapore for Singapore Real Estate Investment Trusts effective on 1 January 2016.

Approximately 85.0% of borrowings are on fixed interest rates, providing certainty in interest costs and limiting the Trust's exposure to any rise in interest rates. Borrowings obtained in the Australian dollar provide a natural hedge for the Trust.

In April 2016, Moody's Investor Service upgraded FCOT's issuer rating from Baa3 to Baa2 with a stable outlook. The upgrade reflected the sustained strengthening of FCOT's financial profile, driven by its prudent financial management and healthy operating performance.

SUSTAINABLE GROWTH

Sustainability remains an important part of our business and the Manager remains committed in its continuous engagement to increase transparency and uphold good corporate governance practices. As we continue to develop and improve further in our sustainability journey, we have taken progressive steps in improving our sustainability performance. We are pleased to present our second Sustainability Report that meets the international guideline for sustainability reporting, the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines. With the completion of the acquisition of 357 Collins Street in August 2015, we have

[7] The weighted average rental reversions based on signing rents on the area for new and renewed leases which commenced in FY2016. For China Square Central, the weighted average rental reversions are for 18 Cross Street office tower only, and excludes the retail podium at 18 Cross Street, and 20 and 22 Cross Street which are partially affected by the construction works for the Hotel and Commercial Project.

[8] As at 30 September 2016. Inclusive of (1) early renewal of the lease with Microsoft Operations Pte Ltd at Alexandra Technopark; and (2) the Heads of Agreement executed with an entity of Rio Tinto Limited for a new 12-year lease from FY2018 to FY2030 at Central Park. New lease is assumed and based on the existing space occupied by Hamersley Iron Pty Limited, a wholly-owned subsidiary of Rio Tinto Limited as the exact space requirement will only be determined later. Excluding the early renewal and new lease, the WALE is 3.0 years.



Alexandra Technopark, Singapore

expanded the scope of the Sustainability Report to include the performance of this asset. When the Sustainable Development Goals (SDGs) were released, we mapped out FCOT's material issues against the relevant SDGs to explore opportunities to contribute towards this global effort. We are also pleased that FCOT is a constituent of the SGX Sustainability and Sustainability Enhanced Indices[9]. We are also encouraged that our inaugural Sustainability Report in FY2015 was shortlisted as a finalist for Asia's Best First Time Sustainability Report at the Asia Sustainability Reporting Awards 2016. We will continue to build on our sustainability efforts and we hope that the Sustainability Report provides a good sense of our progress and achievements and our plans for the future.

The Trust is also a signatory to the 2016 Corporate Governance Statement of Support organised by SIAS where the Trust has pledged its commitment to uphold high standards in corporate governance.

In line with good corporate governance practice, in September 2016, we formed a Nominating and Remuneration Committee which will assist the Board in matters relating to the appointment and re-appointment of the Board, evaluation of the Board and its committees, independence of the Board, succession planning and remuneration for Directors and key executives of the Manager.

SUCCESSION PLANNING

On 8 November 2016, FCOT announced the appointment of Mr Jack Lam as the CEO-designate of the Manager with immediate effect. Mr Low Chee Wah will step down as the CEO of the Manager with effect from 1 January 2017 and Mr Lam will assume the role of CEO on 1 January 2017.

The appointment of the new CEO, which is in line with the succession planning for the Manager, has the unanimous support of the Board. With his wealth of industry experience of more than two decades, including his experience in REIT management since 2002, Mr Lam will be able to build on the strengths and resilience of the Trust in its next phase of growth. The Board looks forward to working closely with him.

[9] Source: SGX Sustainability Indices as at November 2016.

LETTER TO UNITHOLDERS



Caroline Chisholm Centre, Canberra, Australia

OUTLOOK

The Ministry of Trade and Industry expects the Singapore economy to grow between 1.0% to 1.5% in 2016, and 1.0% to 3.0% in 2017. In Australia, the Reserve Bank of Australia expects the economy to grow between 2.5% to 3.5% to June 2017 and to pick up to around 3.0% to 4.0% over the year to December 2018.

In Singapore, despite the slower global economic growth and weaker office market stemming from the significant new office supply primarily in the Grade A office space in 2016 and 2017, FCOT's Grade B offices are expected to remain relatively resilient. Similarly, Alexandra Technopark will continue to offer value with its competitive rents and strategic location at the fringe of the Singapore Central Business District.

357 Collins Street has proven to be a yield-accretive acquisition and will continue to strengthen the distribution in the longer term with its full occupancy and no lease expiries until FY2018. Caroline Chisholm Centre continues to anchor the portfolio with its long WALE of 8.8 years as at 30 September 2016 and fixed rent increment of 3.0% per annum.

The Manager will continue its proactive approach on asset management and leasing initiatives while maintaining healthy occupancy rates. In view of the weaker environment, the Manager will also review opportunities for asset enhancements to reposition the properties to stay competitive.

ACKNOWLEDGEMENTS

Mr Lim Ee Seng stepped down from the Board with effect from 1 October 2016, in line with his retirement as Group CEO of FCL on the same date. Mr. Lim had served as the Non-Executive and Non-Independent Director since 2008. We would like to express our sincere appreciation for his invaluable guidance to the management and significant contributions to the Board over the years.

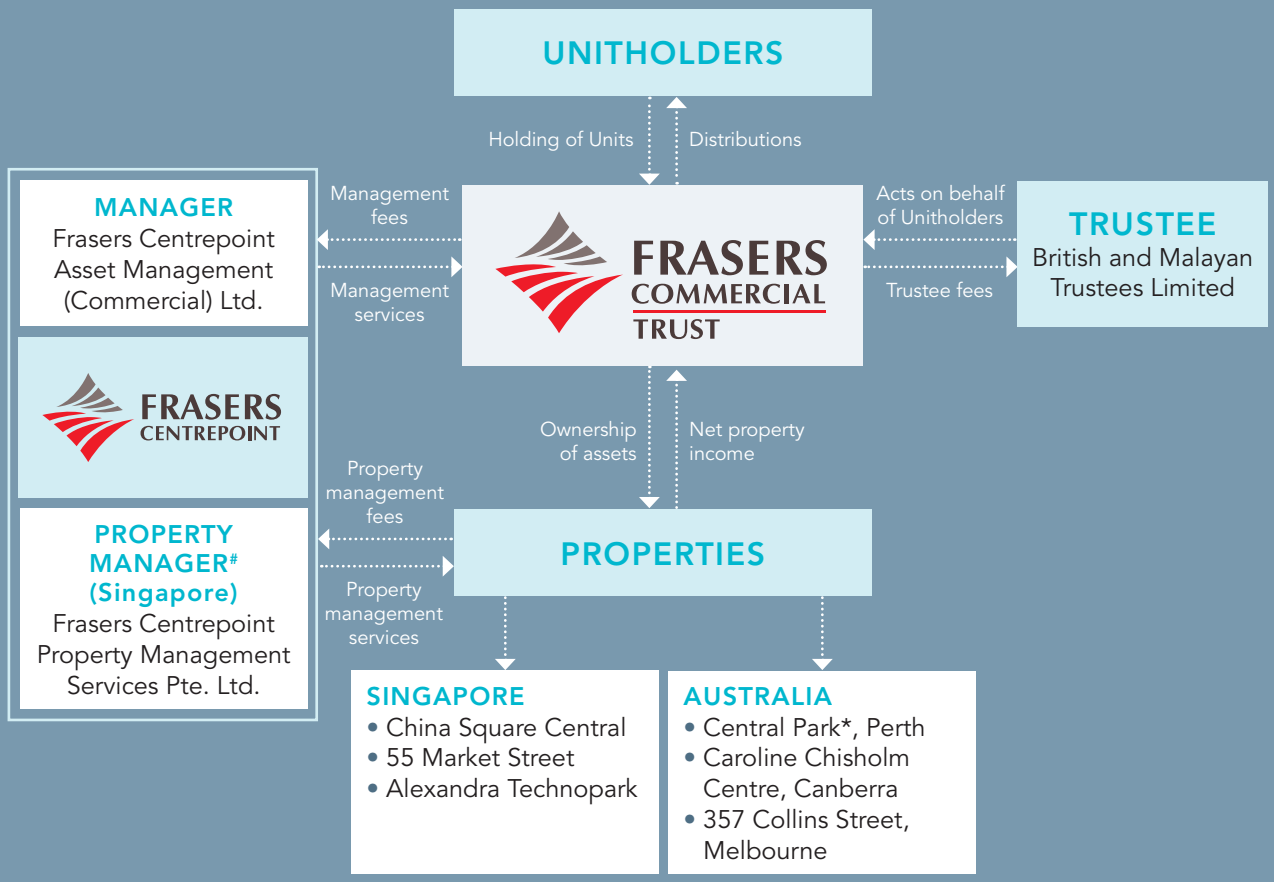
Mr Low Chee Wah will step down as CEO of the Manager on 1 January 2017 to assume wider responsibilities at FCL. On behalf of the Board, we would like to express our sincere appreciation for Mr Low's contributions and dedication in bringing the Trust to greater heights over the years. He was instrumental in building up a strong and resilient Trust and laid strong foundations to deliver stable and sustainable distributions to achieve long term growth. Mr Low will remain on the Board as Non-Executive and Non-Independent Director.

On behalf of the Board, we would also like to thank our staff, Unitholders, Trustee, bankers, tenants and partners for their continued support throughout the years. We would also like to express our appreciation to our Board colleagues and the Manager for their continued dedication and commitment in growing the Trust. We look forward to meeting with our Unitholders at the upcoming Annual General Meeting to be held on 23 January 2017.

DR CHUA YONG HAI
Chairman and Independent Non-Executive Director

LOW CHEE WAH
Chief Executive Officer and Executive Director

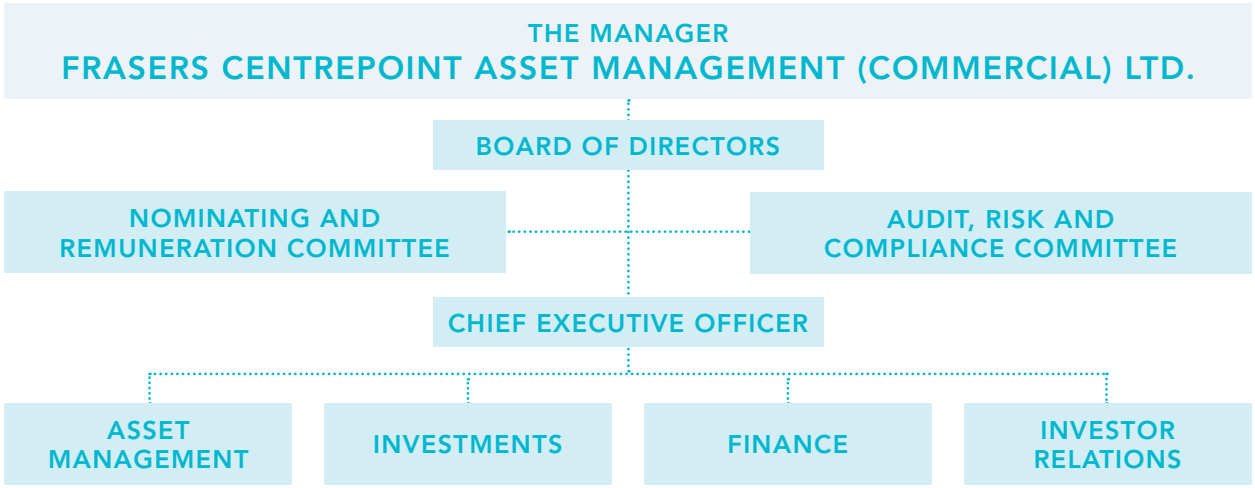
CORPORATE STRUCTURE



* Represents FCOT's 50.0% indirect interest in the property.

\# The property manager of 357 Collins Street is Frasers Property Management Services Pty Limited, a related company of the Manager. The property managers of Central Park and Caroline Chisholm Centre are not related parties.

ORGANISATION STRUCTURE



KEY EVENTS

OCTOBER 2015

FCOT was named the runner-up for the third consecutive year in the Singapore Corporate Governance Award under the REITs and Business Trusts category at the 16th Securities Investors Association (Singapore) Investors' Choice Award 2015.

Distribution of 1.6069 cents per Unit was declared for the financial period from 3 August 2015 to 30 September 2015 and the Distribution Reinvestment Plan (DRP) was applied. The total distribution of 2.5181 cents[1] for the financial period from 1 July 2015 to 30 September 2015 was up 13.7% year-on-year.



357 Collins Street, Melbourne, Australia

2015

NOVEMBER 2015

923,129 new Units were allotted and issued pursuant to the DRP for the distribution declared for the financial period from 3 August 2015 to 30 September 2015.

DECEMBER 2015

Resignation of Mr Christopher Tang Kok Kai as a member of the Audit, Risk and Compliance Committee.

2016

JANUARY 2016

Seventh Annual General Meeting held on 20 January 2016 and all resolutions proposed were duly passed.

Distribution of 2.5100 cents per Unit was declared for the financial period from 1 October 2015 to 31 December 2015, up 2.0% year-on-year and the DRP was applied.

FEBRUARY 2016

Entered into a property management agreement with Frasers Centrepoint Property Management Services Pte Ltd.

2,869,009 new Units were allotted and issued pursuant to the DRP for the distribution declared for the financial period from 1 October 2015 to 31 December 2015.

APRIL 2016

Distribution of 2.4526 cents per Unit was declared for the financial period from 1 January 2016 to 31 March 2016, up 3.2% year-on-year and the DRP was applied.

Moody's Investors Service (Moody's) upgraded the issuer rating of FCOT from Baa3 to Baa2 with a stable outlook.

MAY 2016

2,215,744 new Units were allotted and issued pursuant to the DRP for the distribution declared for the financial period from 1 January 2016 to 31 March 2016.

[1] Comprise (a) advanced distribution of 0.9112 cents per Unit declared for the period from 1 July 2015 to 2 August 2015 in relation to the private placement of 96.0 million new Units; and (b) Unitholders' distribution of 1.6069 cents per Unit for the period from 3 August 2015 to 30 September 2015.



Alexandra Technopark, Singapore



Central Park, Perth, Australia

JULY 2016

A distribution of 2.4101 cents per Unit was declared for the period from 1 April 2015 to 30 June 2015, up 2.5% year-on-year and the DRP was applied.

AUGUST 2016

Moody's assigned a provisional (P)Baa2 rating to the S$1.0 billion multicurrency medium term note programme (MTN Programme) established by FCOT Treasury Pte Ltd on 27 September 2013.

Maiden issuance of S$100.0 million five-year Series 001 Notes due 2021 with a fixed rate of 2.835% per annum under the MTN Programme. Moody's assigned a rating of Baa2 for the Series 001 Notes.

Partially prepaid S$100.0 million of the transferable term loan facility maturing in FY2019 which was funded from the proceeds of the Series 001 Notes and the debt maturity was extended to FY2021.

2,951,508 new Units were allotted and issued pursuant to the DRP for the distribution declared for the financial period from 1 April 2016 to 30 June 2016.

SEPTEMBER 2016

The Nominating and Remuneration Committee was established.

Retirement of Lim Ee Seng as non-executive and non-independent director.

Cessation of Piya Treruangrachada and appointment of Catherine Yeo as Company Secretary.

CELEBRATING A *Decade* OF ACHIEVEMENTS 2006 – 2016



Alexandra Technopark, Singapore



China Square Central, Singapore



357 Collins Street, Melbourne, Australia



Caroline Chisholm Centre, Canberra, Australia



Central Park, Perth, Australia



55 Market Street, Singapore

OUR JOURNEY IN THE PAST DECADE

2016 marks a special year as we celebrate the tenth anniversary of the listing of the Trust. The Trust ended the decade with the highest distributable income to Unitholders of $77.6 million and DPU of 9.82 cents. Listed as Allco REIT on the main board of the SGX-ST on 30 March 2006, the REIT was subsequently renamed to Frasers Commercial Trust after FCL acquired a stake in the REIT and the Manager in August 2008.

During the journey in the past decade, the Trust faced many challenges, including the global financial crisis in 2008. The Manager's ability to adapt to the ever-changing environment with a disciplined approach, combined with strategies to create and deliver long term value to Unitholders led to the Trust rising above these challenges. The Trust was transformed and reshaped with resilience and strong foundations to deliver a stable and sustainable distribution to achieve long term growth. The recapitalisation exercise strengthened the balance sheet of the Trust, while the portfolio reshaping strategy saw the Trust sharpening its focus on the key markets of Singapore and Australia and achieving a balanced portfolio of quality properties.

These have clearly delivered results as the DPU grew at a compounded annual growth rate of 9.8% since the completion of the recapitalisation exercise in 2009. As we enter the new decade amidst the weaker global economic outlook, we strive to deliver a stable growth with the strong foundations in place backed by the resilient portfolio.

KEY HIGHLIGHTS

PORTFOLIO

S$1,989.3 million

portfolio value,
6 properties as at
30 September 2016

Singapore
- China Square Central
- 55 Market Street
- Alexandra Technopark

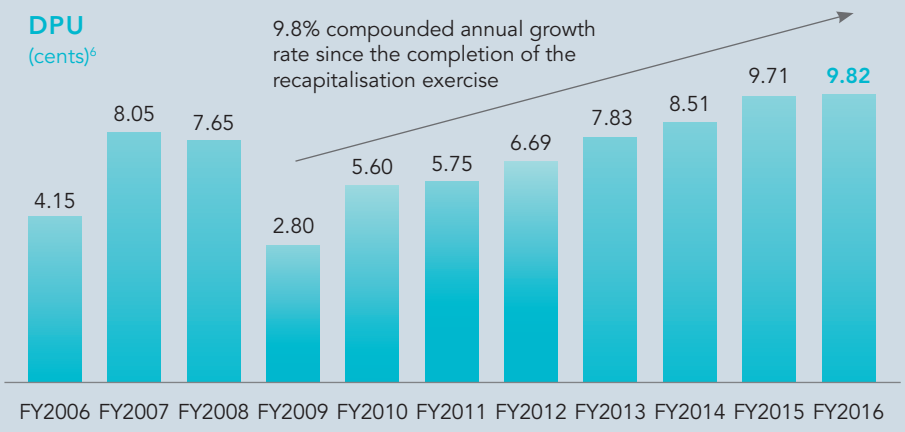
Australia
- 50% in Central Park
- Caroline Chisholm Centre
- 357 Collins Street

FY2006[1]

- Listed on the the Main Board of the SGX-ST on 30 March 2006 as Allco Commercial REIT (Allco REIT) with two properties, namely China Square Central in Singapore and 50% interest in Central Park, Perth, Australia and an investment in the Australian Wholesale Property Fund with a total portfolio value of S$683.9 million[2]
- Acquired 55 Market Street in Singapore

FY2007[1]

- Raised S$199.5 million net proceeds in a rights issue that was 117.7% oversubscribed
- Expanded the portfolio with the acquisition of 6 properties (50% interest in Caroline Chisholm Centre in Canberra, Australia; KeyPoint in Singapore and 4 properties in Japan[3])



[1] On 26 August 2009, FCOT changed its financial year end from 31 December to 30 September. From FY2009 onwards, the financial year end was 30 September. Prior to that, the financial year end was 31 December. For FY2009, the financial year was from 1 January 2009 to 30 September 2009.

ACQUISITION BY FCL

RECAPITALISATION EXERCISE

Achievement: Strengthened balance sheet and provided platform for future growth

FY2008[1]

- **14 August**
  FCL acquired 17.7% interest in Allco REIT and the entire interest in the Allco REIT manager
- **6 October**
  Renamed Allco REIT and the manager to Frasers Commercial Trust and Frasers Centrepoint Asset Management (Commercial) Ltd, respectively
- Standard and Poor's International, LLC assigned a BB long-term corporate rating on credit watch with developing implications

FY2009[1]

- Standard and Poor's Ratings Services (S&P) affirmed FCOT's BB long-term corporate rating with a negative outlook, following the extension of the maturity date of the existing debt and refinancing commitment from lenders
- Raised $213.9 million gross proceeds in a rights issue that was 136.4% oversubscribed and the proceeds was used to repay debt
- Acquired Alexandra Technopark in Singapore, fully funded by the issuance of Series A convertible perpetual preferred units (Series A CPPUs) in FCOT

FY2010

- S&P affirmed FCOT's BB long-term credit rating with a stable outlook, reflecting the improved capital structure
- FCOT held its inaugural Annual General Meeting


China Square Central, Singapore


Alexandra Technopark, Singapore

[2] As set out in the prospectus dated 23 March 2006.
[3] Cosmo Plaza and Galleria Otemae Building in Osaka, and Azabu Aco Building and Ebara Techno-Serve Headquarters Building in Tokyo.
[4] Azabu Aco Building, Galleria Otemae Building and Ebara Techno-Serve Headquarters Building.

PORTFOLIO RESHAPING STRATEGY

Achievement: Divested matured and non-core assets to achieve a balanced portfolio of quality properties

FY2011

- Consolidated every five units into one unit in FCOT
- Divested Cosmo Plaza in Japan and the investment in the Australia Wholesale Property Fund
- Gearing as at 30 September 2011 lowered to 36.6% compared to 39.6% a year ago with the above divestments

FY2012

- Refinanced the AUD and SGD denominated term loan facilities at lower interest margins
- Acquired the remaining 50.0% interest in Caroline Chisholm Centre at a 12.6% discount from valuation
- S&P affirmed FCOT's BB long-term corporate rating and revised the outlook from stable to positive
- Divested KeyPoint at 26.3% premium to book value

FY2013

- Exited the Japan market with the divestment of all the three remaining properties in Japan[4]
- Moody's assigned a corporate family rating of Baa3 to FCOT with a stable outlook
- Refreshed the office tower of China Square Central, and revitalised Nankin Mall with the China Square Precinct Master Plan
- Redeemed or converted 330.3 million Series A CPPUs, resulted in S$18.2 million savings in Series A CPPU distributions per annum[5]
- Interest expense was reduced by 35.9% with the partial prepayment of borrowings funded from the proceeds of the divestment of KeyPoint, and full year effects of refinancing the loan facilities in FY2012



55 Market Street, Singapore


Central Park, Perth, Australia

[5] Based on the distribution rate of 5.5% per annum for Series A CPPUs, assuming that the redemption and conversion had occurred for the full year.

[6] The number of Units used to calculate the DPU had been adjusted for the effects of the Unit consolidation on 11 February 2011.

GROWING AND UNLOCKING VALUE

FY2014

- FCOT was named the runner-up in the Singapore Corporate Governance Award (REITs and Business Trusts category) by SIAS
- Completed the early refinancing of all existing term loan facilities on an unsecured basis and all the properties of FCOT were unencumbered

FY2015

- Runner-up for the second consecutive year in the Singapore Corporate Governance Award (REITs and Business Trusts category) by SIAS
- Moody's assigned a Baa3 issuer rating with a stable outlook
- Realised approximately S$44.1 million net proceeds from the disposal of the hotel development rights in China Square Central
- FCOT entered the Melbourne CBD office market with the acquisition of 357 Collins Street in Australia
- Raised gross proceeds of S$142.1 million from an upsized private placement that was oversubscribed by more than two times to part finance the acquisition of 357 Collins Street

FY2016

- Runner-up for the third consecutive year in the Singapore Corporate Governance Award (REITs and Business Trusts category) by SIAS
- Moody's upgraded FCOT's issuer rating from Baa3 to Baa2 with a stable outlook
- Maiden issuance of S$100.0 million five-year senior unsecured notes with a fixed rate of 2.835% per annum
- Revamped and refreshed the retail arcade of Central Park



357 Collins Street, Melbourne, Australia


Caroline Chisholm Centre, Canberra, Australia

BOARD OF DIRECTORS



DR CHUA YONG HAI, 72

Chairman, Non-Executive and Independent Director

Date of appointment as Director: 27 February 2006
Length of service as a Director: 10 years 08 months
(as at 30 September 2016)

Board committees served on

- Audit, Risk and Compliance Committee
- Nominating and Remuneration Committee

Academic & Professional Qualifications

- Bachelor of Science (Honours), University of Singapore
- Graduate Diploma in Business Administration, University of Singapore
- PhD in Chemical Engineering from the University of New South Wales
- Qualified Chemical Engineer

Present Directorships as at 30 September 2016

Listed companies

Nil

Listed REITs

- Cambridge Industrial Trust Management Limited, the Manager of Cambridge Industrial Trust (Chairman)

Others

- Lend Lease Asian Retail Investment Funds (No 1-5) Limited

Major appointments (other than Directorships)

Nil

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2013 to 30 September 2016)

- Chiwayland International Limited

Others

- Previously Board Director of Lend Lease Corporation Limited
- Previously General Manager of Temasek Holdings Pte Limited
- Previously Managing Director and Chief Executive of United Engineers Limited
- Previously Group General Manager of Suntec City Development Private Limited
- Singapore Government Scholar and Australian Commonwealth Fellowship
- Public Service Medal (PBM), Public Service Star (BBM) and Justice of Peace
- Previously Singapore's Non-resident High Commissioner to Namibia, Swaziland and the Maldives



MR LOW CHEE WAH, 51

Executive and Non-Independent Director

Date of appointment as Director: 14 August 2008
Length of service as a Director: 8 years 02 months
(as at 30 September 2016)

Board committees served on

Nil

Academic & Professional Qualifications

- Bachelor of Economics, Monash University
- Bachelor of Laws, Monash University
- Fellow of CPA Australia
- Fellow Chartered Accountant of Singapore

Present Directorships as at 30 September 2016

Listed companies or REITs

Nil

Others

- Dover Park Hospice (Council Member)
- Real Estate Investment Trust Association of Singapore (Vice President of Executive Committee)

Major appointments (other than Directorships)

- Chief Executive Officer, Frasers Centrepoint Asset Management (Commercial) Ltd[1]

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2013 to 30 September 2016)

Nil

Others

- Previously Chief Executive Officer of BNP Paribas Peregrine (Singapore) Ltd, investment banking arm of BNP Paribas Singapore

[1] Mr Low Chee Wah will step down as the Chief Executive Officer on 1 January 2017 in line with the successsion planning for the Manager. He will remain on the Board as Non-Executive and Non-Independent Director.



MR CHAY WAI CHUEN, 66

Non-Executive and Independent Director

Date of appointment as Director: 29 July 2010
Length of service as a Director: 6 years 03 months
(as at 30 September 2016)

Board committees served on

- Audit, Risk and Compliance Committee (Chairman)
- Nominating and Remuneration Committee

Academic & Professional Qualifications

- Bachelor of Arts, University of Singapore
- Bachelor of Social Science (Honours), University of Singapore
- Master of Social Science, University of Singapore
- Master of Arts, University of Sussex
- Graduate of the Singapore Command and Staff College
- Advanced Management Program, Harvard Business School

Present Directorships as at 30 September 2016

Listed companies or REITs

Nil

Others

- Singapore Corporation of Rehabilitative Enterprises (SCORE)
- Chairman of Investment and Finance Committee (SCORE)

Major appointments (other than Directorships)

- Singapore's Ambassador to the Slovak Republic

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2013 to 30 September 2016)

Nil

Others

- Previously Member of Parliament in Singapore
- Previously Member of the Public Accounts Committee of Parliament
- Previously Chairman of the Government Parliamentary Committee in Transport
- Previously Chairman of the Tanjong Pagar Town Council
- Previously Chief Financial Officer and Director for Supply Chain and Logistics, NTUC Fairprice Cooperative Ltd.
- Previously Singapore's Non-resident High Commissioner to Sri Lanka



MR CHIA KHONG SHOONG, 45

Non-Executive and Non-Independent Director

Date of appointment as Director: 01 September 2009
Length of service as a Director: 7 years 01 month
(as at 30 September 2016)

Board committees served on

Nil

Academic & Professional Qualifications

- Bachelor of Commerce (Accounting and Finance) (First Class Honours), University of Western Australia
- Master of Philosophy (Management Studies), Cambridge University

Present Directorships as at 30 September 2016

Listed companies

Nil

Listed REITs

- Frasers Centrepoint Asset Management Ltd, Manager of Frasers Centrepoint Trust

Major appointments (other than Directorships)

- Frasers Centrepoint Limited (Chief Corporate Officer and Chief Financial Officer)

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2013 to 30 September 2016)

Nil

Others

- Previously, Director, Investment Banking, The Hongkong & Shanghai Banking Corpn Ltd

BOARD OF DIRECTORS



MR LIM EE SENG, BBM, 65

Non-Executive and Non-Independent Director

Date of appointment as Director: 14 August 2008
Length of service as a Director: 8 years 02 months
(as at 30 September 2016)

Board committees served on

Nil

Academic & Professional Qualifications

- Bachelor of Engineering (Civil Engineering), University of Singapore
- Master of Science (Project Management), National University of Singapore
- Fellow, Singapore Institute of Directors
- Member, The Institution of Engineers Singapore

Present Directorships as at 30 September 2016

Listed companies

Nil

Listed REITs/Trusts

- Frasers Centrepoint Asset Management Ltd, Manager of Frasers Centrepoint Trust
- Frasers Hospitality Asset Management Pte Ltd, Manager of Frasers Hospitality Real Estate Investment Trust
- Frasers Hospitality Trust Management Pte Ltd, Trustee-Manager of Frasers Hospitality Business Trust
- Frasers Logistics & Industrial Asset Management Pte Ltd, Manager of Frasers Logistics & Industrial Trust

Others

- Frasers Property Australia Pty Limited
- Vacaron Company Sdn Bhd

Major appointments (other than Directorships)

- Frasers Centrepoint Limited (Group Chief Executive Officer)
- Real Estate Development Association of Singapore (2nd Vice-President)

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2013 to 30 September 2016)

Nil

Others

- Awarded Public Service Star (BBM)
- Former Board member of the Building and Construction Authority of Singapore
- Former Council member of the Singapore Chinese Chamber of Commerce and Industry
- Previously Managing Director, MCL Land Limited
- Previously General Manager (Property Division), First Capital Corporation Ltd
- Previously Project Manager, Singapore Land Ltd



MR TAN GUONG CHING, 70

Non-Executive and Independent Director

Date of appointment as Director: 27 February 2006
Length of service as a Director: 10 years 08 months
(as at 30 September 2016)

Board committees served on

- Nominating and Remuneration Committee (Chairman)
- Audit, Risk and Compliance Committee

Academic & Professional Qualifications

- Bachelor of Engineering (Dean's Honours), McMaster University, Canada
- Master of Engineering, McMaster University, Canada
- Advanced Management Programme, Wharton University

Present Directorships as at 30 September 2016

Listed companies

- Singapore Shipping Corporation Limited

Listed REITs

- Cambridge Industrial Trust Management Limited, Manager of Cambridge Industrial Trust

Others

- Singapore Technologies Telemedia Pte Ltd (Chairman)
- STT Communications Ltd (Chairman)
- Asia Mobile Holdings Pte Ltd (Chairman)
- Singapore Millennium Foundation Ltd

Major appointments (other than Directorships)

Nil

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2013 to 30 September 2016)

- StarHub Limited (Chairman)

Others

- Previously Chief Executive Officer of the Housing & Development Board
- Previously the Principal Private Secretary to the Prime Minister
- Previously the Permanent Secretary of the Ministry of Home Affairs, Ministry of the Environment and the then Ministry of Communications & Information
- Previously Director of Singapore Pools Pte. Ltd.
- Previously Chairman of Singapore Technologies Aerospace Ltd

Mr Lim Ee Seng resigned from the Board on 1 October 2016 in line with his retirement as the Group Chief Executive Officer of Frasers Centrepoint Limited on 1 October 2016.



MR CHRISTOPHER TANG KOK KAI, 55

Non-Executive and Non-Independent Director

Date of appointment as Director: 14 August 2008
Length of service as a Director: 8 years 02 months
(as at 30 September 2016)

Board committees served on

- Nominating and Remuneration Committee

Academic & Professional Qualifications

- Bachelor of Science, National University of Singapore
- Master of Business Administration, National University of Singapore

Present Directorships as at 30 September 2016

Listed companies

Nil

Listed REITs

- Frasers Centrepoint Asset Management Ltd, Manager of Frasers Centrepoint Trust
- Hektar Asset Management Sdn Bhd, Manager of Hektar REIT

Others

- Republic Polytechnic (Member of Board of Governors)

Major appointments (other than Directorships)

- Chief Executive Officer, Singapore, Frasers Centrepoint Limited
- Chief Executive Officer, China, Frasers Centrepoint Limited

Past Directorships in listed companies held over the preceding 3 years (from 01 October 2013 to 30 September 2016)

Nil

Others

- Previously Chief Executive Officer of Frasers Centrepoint Asset Management Ltd, the Manager of Frasers Centrepoint Trust. He had previously worked with DBS Bank, DBS Land and British Petroleum

MANAGEMENT TEAM



From left to right: Ms Wang Mei Ling, Ms Chew Chiu Shan, Mr Low Chee Wah, Ms Cheah Yoke Lan, Ms Chiah Soo Ling and Mr Wong Soon Yean

MR LOW CHEE WAH
Chief Executive Officer

Mr Low Chee Wah works with the Board to determine the overall business and investment strategies of FCOT and is responsible for the day-to-day management of FCOT. Mr Low also works closely with the management team to ensure that FCOT's finance, investment and asset management strategies are executed integrally and successfully.

Please refer to the Board of Directors section for details of Mr Low's profile.

MR WONG SOON YEAN
Assistant General Manager, Investments

Mr Wong Soon Yean leads the investment team and is responsible for evaluating and recommending potential acquisitions and divestments, including the execution of the transactions.

Mr Wong has more than 25 years of experience in investment, development, property management, leasing and sales spanning across different real estate asset classes, including retail, industrial, office and residential developments. Prior to joining the Manager, he was with a listed company covering property investments, asset management and business development in Singapore and Malaysia.

He holds a Bachelor of Science (Honours) in Estate Management from the National University of Singapore and an Executive Master of Science in Finance from the Zicklin School of Business, Baruch College, City University of New York.

MS CHEW CHIU SHAN
Financial Controller

Ms Chew Chiu Shan leads the finance team and is responsible for overseeing all aspects of finance, taxation and treasury functions and provides support for compliance matters of FCOT.

Ms Chew, who graduated from the Nanyang Technological University of Singapore with a Bachelor of Accountancy degree, has over 17 years of experience. She is a Singapore Chartered Accountant with the Institute of Singapore Chartered Accountants. Prior to joining the Manager, she was a Senior Audit Manager with a Big Four accounting firm.

MS CHEAH YOKE LAN

Assistant General Manager, Asset Management

Ms Cheah Yoke Lan is responsible for the active asset management of the properties in Australia and the implementation of the business plans. She works closely with the respective property managers to enhance the performance of these assets.

She has more than 24 years of valuation and asset management experience. Ms Cheah holds a Bachelor of Property Management (Honours) from University Technology, Malaysia and a Masters in Business Administration from Heriot Watt University, United Kingdom.

She is a British Council Scholar and holds both a property management, valuation and estate agent's licence issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

MS CHIAH SOO LING

Senior Manager, Asset Management

Ms Chiah Soo Ling is responsible for the active asset management of the properties in Singapore, including the asset management strategies and plans for the Singapore properties.

She has more than 21 years of valuation, tenant representation, centre management and asset management experience. Ms Chiah graduated on the Dean's List from the National University of Singapore with a Bachelor of Science (Estate Management), Second Upper Class Honours.

MS WANG MEI LING

Senior Manager, Investor Relations

Ms Wang Mei Ling is responsible for investor relations activities of FCOT. She focuses on maintaining communication and relationship with Unitholders, investors and media.

Ms Wang graduated from the University of Manchester, United Kingdom with a Bachelor of Arts in Economic and Social Studies (Accounting & Finance). She is a Fellow of the Institute of Chartered Accountants in England and Wales. She has more than 10 years of banking, asset management and auditing experience. Prior to joining the Manager, she was a fund manager and in alternative asset management. She was also previously an investment banker and an auditor with a Big Four accounting firm.

OPERATIONAL REVIEW

PROACTIVE ASSET MANAGEMENT STRATEGIES HAVE YIELDED POSITIVE RESULTS

93.0%
As at 30 September 2016

Healthy portfolio occupancy rate

3.8 years
As at 30 September 2016[1]

Long WALE

Robust leasing
Signed 71 new and renewed leases across 433,453 sq ft of space in FY2016

86.7%
Healthy average portfolio retention rate in FY2016

+6.6%
Weighted average rental reversions in FY2016[2]

Refreshed and revamped Central Park retail arcade
Unlocked value of properties through asset enhancements

Green features for operational efficiency
FCOT is a constituent of the SGX Sustainability and SGX Sustainability Enhanced Indices[3]

1 Inclusive of (1) the early renewal of the lease with Microsoft Operations Pte Ltd at Alexandra Technopark for a further five years; and (2) the Heads of Agreement executed with an entity of Rio Tinto Limited for a new 12-year lease from FY2018 to FY2030 at Central Park. New lease is assumed based on the existing space occupied by Hamersley Iron Pty Limited, a wholly-owned subsidiary of Rio Tinto Limited as the exact space requirement will only be determined later. Excluding early renewal and new lease, the WALE is 3.0 years.

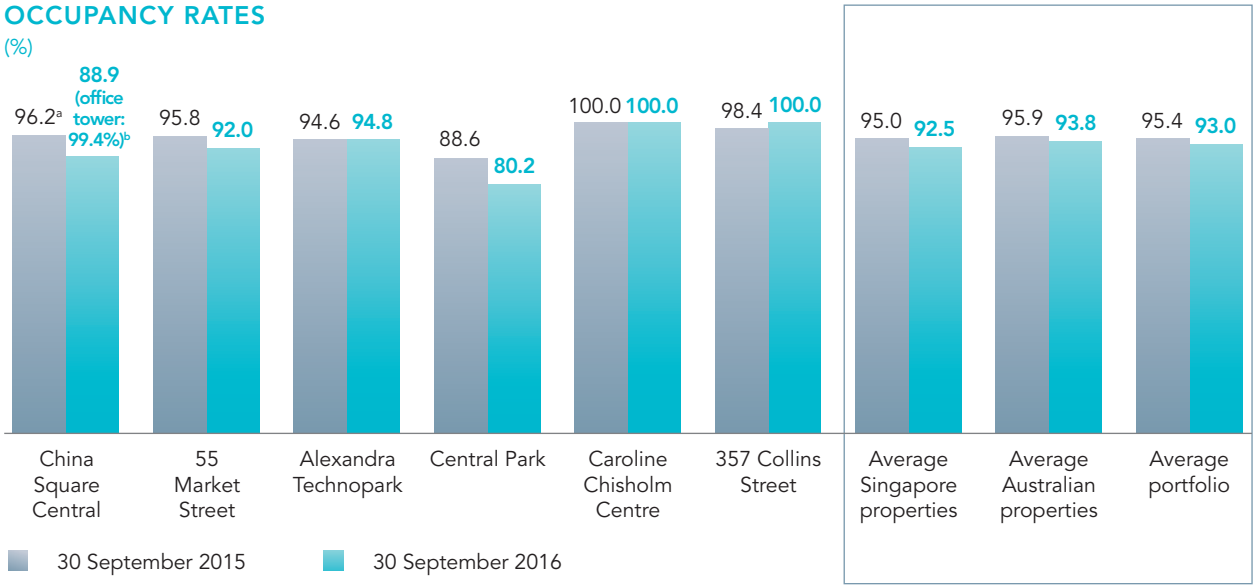
2 The weighted average rental reversions based on signing rents for the area for new and renewed leases which commenced in FY2016. For China Square Central, the weighted average rental reversions are for 18 Cross Street office tower only, and excludes the retail podium at 18 Cross Street, and 20 and 22 Cross Street which are partially affected by the construction works for the Hotel and Commercial Project.

3 Source: SGX Sustainability Indices as at November 2016.

HEALTHY PORTFOLIO OCCUPANCY RATE

The Manager's proactive asset management strategy and leasing initiatives yielded positive results despite the challenging leasing environment in the Singapore office market. FCOT achieved a healthy average portfolio occupancy rate of 93.0% as at 30 September 2016. The average portfolio occupancy rate for the Singapore properties of 92.5% was 2.5 percentage points lower mainly due to the lower occupancy rate at China Square Central as a result of the on-going construction works for the Hotel and Commercial Project, although the occupancy rates for the remaining Singapore properties remained relatively stable. The average portfolio occupancy rate for the Australian properties of 93.8% was down 2.1 percentage points due to the lower occupancy at Central Park as a result of the weaker office market in Perth. The Manager will continue its proactive leasing initiatives to improve the occupancy and achieve organic growth for the Trust.

OCCUPANCY RATES



[a] Committed occupancy as at 30 September 2015.

[b] Committed occupancy as at 30 September 2016. Lower occupancy as certain units were affected by the construction works for the development of the Hotel and Commercial Project. Affected units were mainly retail units at 18 Cross Street and certain units at the shophouses at 20 and 22 Cross Street. Refer to the circular to Unitholders dated 3 June 2015 for details.



357 Collins Street, Melbourne, Australia

OPERATIONAL REVIEW

WELL SPREAD LEASE EXPIRY PROFILE

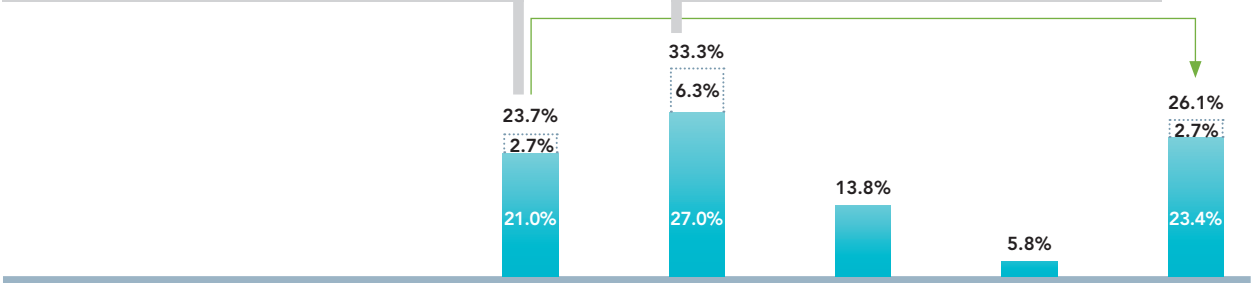
FCOT has a well-spread lease expiry profile where not more than 34.0% of the portfolio leases by gross rental income (GRI) will expire in a single financial year. FCOT has a large tenant base of 215 tenants as at 30 September 2016. Following the execution of the Heads of Agreement in FY2015 with an entity of Rio Tinto Limited for a new 12-year lease from FY2018 to FY2030 at Central Park, 6.3% of leases expiring in FY2018 will be extended to FY2030, further strengthening the lease expiry profile of the portfolio.

PORTFOLIO LEASE EXPIRY BY GRI

(as at 30 September 2016)

Following the early renewal of the lease with Microsoft Operations Pte Ltd (Microsoft) at Alexandra Technopark for a further five years from FY2017 to FY2022, the lease expiry in FY2017 was reduced to 21.0%

An entity of Rio Tinto Limited signed a Heads of Agreement for a new lease for 12 years from FY2018 to FY2030 at Central Park. 6.3% of leases expiring in FY2018 will be extended to FY2021 and beyond[a]



	FY2017	FY2018	FY2019	FY2020	FY2021 & beyond
Number of leases expiring	86	75	48	13	26
NLA (sq ft) expiring	455,460	803,495	304,342	145,505	727,338
Expiries as % of total NLA	17.4	30.7	11.6	5.6	27.8
Expiries as % of total GRI	21.0	33.3	13.8	5.8	26.1

As at 30 September 2016. Excludes retail turnover rent

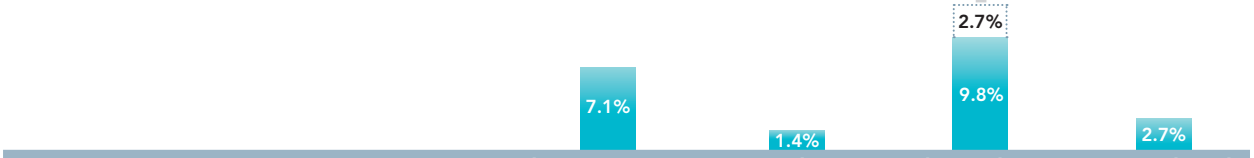
[a] New lease is assumed based on the existing space currently occupied by Hamersley Iron Pty Limited, a wholly-owned subsidiary of Rio Tinto Limited at Central Park as the exact space requirement will only be determined later.

LEASES EXPIRING IN FY2017

PROPERTY LEASE EXPIRY IN FY2017 AS A PROPORTION OF PORTFOLIO GRI

(as at 30 September 2016)

Following the early renewal of the lease with Microsoft for a further five years from FY2017 to FY2022, the lease expiry in FY2017 was reduced to 9.8%



	China Square Central	55 Market Street	Alexandra Technopark	Central Park
Number of leases expiring	20 (office) 31 (retail)	8	23	3 (office) 1 (retail)
Average passing rent for expiring leases (per sq ft per month/per sq m per annum)[a]	S$6.9 (office) S$6.4 (retail)	S$7.2	S$4.2	A$851.5 (office) A$4,623.4 (retail)

As at 30 September 2016. Excludes retail turnover rent

[a] Stated as per sq ft per month for the properties in Singapore and per sq m per annum for Central Park.

In FY2017, 21.0%[1] of leases by GRI will be up for renewal, of which 8.5% comprise lease expiries in the Grade B office properties in Singapore, namely China Square Central and 55 Market Street. Although the new supply offices are primarily in the Grade A space in Singapore in 2016 and 2017, the Manager will continue its proactive approach on renewing these leases. Located in the Alexandra Precinct, Alexandra Technopark will continue to offer value proposition given its good connectivity and close proximity to the Central Business District.

HEALTHY WEIGHTED AVERAGE LEASE EXPIRY

As at 30 September 2016, the portfolio weighted average lease expiry (WALE) by GRI was 3.8 years[2].

As part of the Manager's continuous proactive asset management, FCOT signed a lease with Microsoft Operations Pte Ltd, an established name and one of the long-term tenants at Alexandra Technopark, for a further five years to FY2022. The current lease was extended ahead of its lease expiring in January 2017. Microsoft currently occupies approximately 78,000 sq ft, representing 7.4% of the net lettable area of the property as at 30 September 2016. Alexandra Technopark continues to attract tenants given its strategic location within the Alexandra Precinct, good connectivity and close proximity to the Central Business District. The five-year lease extension will strengthen the lease expiry profile of the portfolio and ensure longer-term income stability.

The top ten tenants' WALE of 5.2 years as at 30 September 2016 will also provide stability to the portfolio.

WALE BY GRI

(as at 30 september 2016)



WALE OF NEW AND RENEWED LEASES ENTERED INTO IN FY2016 AND THE PROPORTION OF REVENUE ATTRIBUTED TO THOSE LEASES

As part of its proactive leasing strategy to retain and attract new tenants, the Manager keeps regular dialogue with tenants to understand their needs and discussions are held with tenants in advanced on their lease expiries. Despite the challenging leasing environment in the Singapore office market, FCOT signed 71 new and renewed leases across 433,453 sq ft of space, representing 16.6% of the portfolio NLA. These leases have a WALE of 2.0 years as at 30 September 2016, and generate a rental of S$24.7 million per annum.

WALE AND REVENUE OF NEW AND RENEWED LEASES

New and renewed leases entered into in FY2016	Number of leases	NLA (sq ft)	% of portfolio NLA (%)	WALE as at 30 September 2016 (years)	Rental per annum (S$ million)
Renewals	56	366,627	14.0	1.8	21.2
New leases	15	66,826	2.6	3.4	3.5
Total	**71**	**433,453**	**16.6**	**2.0**	**24.7**

1 After the early renewal of the lease with Microsoft. Microsoft extended its current lease for a further five years from FY2017 to FY2022 at Alexandra Technopark.

2 Inclusive of (1) the early renewal of the lease with Microsoft at Alexandra Technopark; and (2) the Heads of Agreement executed with an entity of Rio Tinto Limited for a new 12-year lease from FY2018 to FY2030 at Central Park. New lease is assumed based on the existing space occupied by Hamersley Iron Pty Limited, a wholly-owned subsidiary of Rio Tinto Limited as the exact space requirement will only be determined later. Excluding early renewal and new lease, the WALE is 3.0 years.

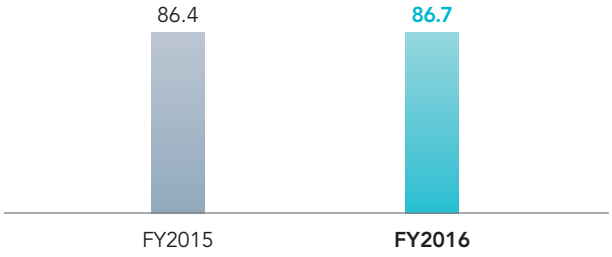
OPERATIONAL REVIEW

HEALTHY PORTFOLIO RETENTION RATE

With on-going tenant engagement, FCOT has retained a healthy average portfolio retention rate of 86.7% for FY2016, up 0.3 percentage point compared to FY2015.

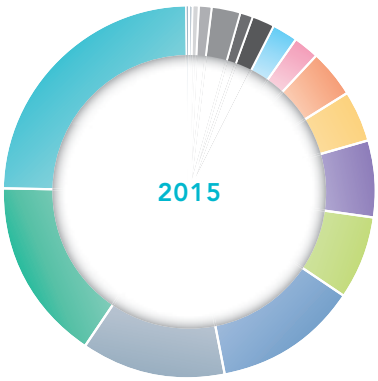
AVERAGE PORTFOLIO RETENTION RATE

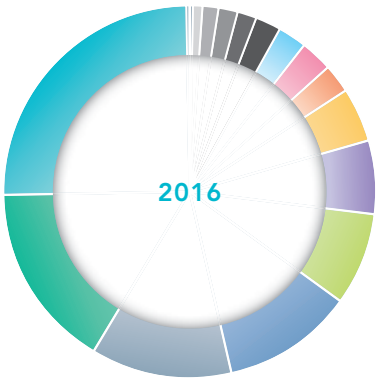
(%)



DIVERSE TRADE SECTOR MIX

FCOT's portfolio is well diversified with a large tenant base of 248 office and retail leases across various industries. As at 30 September 2016, no single industry accounted for more than 26.0% of portfolio GRI, thereby reducing concentration risk from any particular sector. IT Products & Services continued to be the largest contributor at 25.2% of the portfolio GRI.





Trade sector mix by GRI	30 September 2015 (%)	30 September 2016 (%)
IT Products & Services	24.5	25.2
Government and Government Linked	15.8	16.1
Banking, Insurance & Financial Services	12.6	12.2
Mining/Resources	12.6	11.5
Consultancy / Business Services	7.1	8.0
Food and Beverage	6.6	6.5
Multimedia & Telecommunications	4.5	4.5
Others	3.6	2.6
Real Estate / Property Services	2.3	2.6
Legal	2.1	2.5
Electronics	2.1	2.4
Shipping / Freight	1.5[a]	1.6
Retail	2.6	1.6
Medical / Pharmaceuticals	1.0	1.5
Amenities	0.7	0.8
Consumer goods / Trading	0.3	0.3
Travel	0.1	0.1

[a] Classified under Others as at 30 September 2015.

TOP TEN TENANTS BY GRI

The top ten tenants which accounted for 57.2% of FCOT's portfolio GRI and collectively occupied 57.6% of the total NLA, are established and well-diversified across various industries, comprising multinational companies, government bodies and public listed companies. This provides income stability. The portfolio is anchored by the long lease with the Commonwealth Government of Australia at Caroline Chisholm Centre which will expire in July 2025.

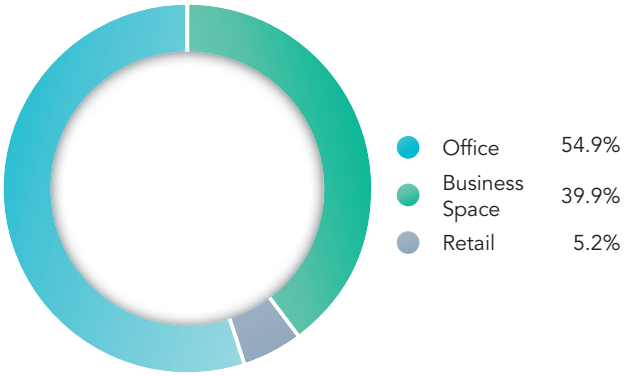
Top ten tenants	Property	Sector	Lease expiry	% of portfolio GRI
Commonwealth of Australia	Caroline Chisholm Centre	Government	July 2025	14.0
Hewlett-Packard Singapore Pte Ltd	Alexandra Technopark	IT Products & Services	November 2017	10.5
Hewlett-Packard Enterprise Singapore Pte Ltd	Alexandra Technopark	IT Products & Services	September 2017/ November 2017	7.0
Hamersley Iron Pty Limited[a]	Central Park	Mining/Resources	June 2030	6.3
Commonwealth Bank of Australia	357 Collins Street	Banking, Insurance & Financial Services	December 2022	5.4
GroupM Singapore Pte Ltd	China Square Central	Consultancy/Business Services	March 2019	3.1
BHP Billiton Iron Ore Pty Ltd	Central Park	Mining/Resources	Between July 2017 to October 2017	2.8
Service Stream Ltd	357 Collins Street	Multimedia & Telecommunications	December 2019	2.8
Microsoft Operations Pte Ltd	Alexandra Technopark	IT Products & Services	January 2022	2.7
Cerebos Pacific Ltd	China Square Central	Food & Beverage	May 2017	2.6
Total				**57.2**

As at 30 September 2016. Excludes retail turnover rent

[a] FCOT signed a Heads of Agreement with an entity of Rio Tinto Limited for a new 12 year lease from FY2018 to FY2030 at Central Park. New lease is assumed based on the existing space currently occupied by Hamersley Iron Pty Limited as the exact space requirement will only be determined later.

NLA MIX AS AT 30 SEPTEMBER 2016

As at 30 September 2016, 54.9% of the NLA comprise office space.




357 Collins Street, Melbourne, Australia

OPERATIONAL REVIEW

POSITIVE RENTAL REVERSIONS

The properties saw robust leasing activity in FY2016 and the properties in Singapore consistently achieved positive weighted average (WA) rental reversions[2] every quarter. For new and renewed leases entered into in FY2016, the properties in Singapore achieved positive WA rental reversions of between 5.4% to 7.3%. 357 Collins Street enjoyed a positive rental reversion of 2.5%, whereas Central Park recorded a negative reversion of 4.2% for a small space representing 1.4% of the property's net lettable area. Overall, the properties achieved a positive WA rental reversion of 6.6% in FY2016.

THE PROPERTIES CONTINUE TO ENJOY POSITIVE RENTAL REVERSIONS

+6.6%

The properties enjoyed higher weighted average rental reversion in FY2016

	Weighted average rental reversions[a]				
Property	1QFY2016	2QFY2016	3QFY2016	4QFY2016	FY2016
China Square Central[b]	+10.3%	+2.4%	+5.5%	+3.7%	+5.4%
55 Market Street	–[c]	+5.4%	+10.3%	+5.3%	+6.3%
Alexandra Technopark	+5.0%	+5.3%	+8.4%	+9.5%	+7.3%
Central Park	–[c]	–[c]	–[c]	-4.2%[f]	-4.2%
357 Collins Street	Office: NA[d] Retail: -4.1%[e]	–[c]	–[c]	+6.2%	+2.5%
Portfolio					**+6.6%**

As at 30 September 2016. Excludes retail turnover rent.

[a] Weighted average rental reversions based on the area for the new and renewed leases that commenced in 1QFY2016, 2QFY2016, 3QFY2016, 4QFY2016 and FY2016 respectively.

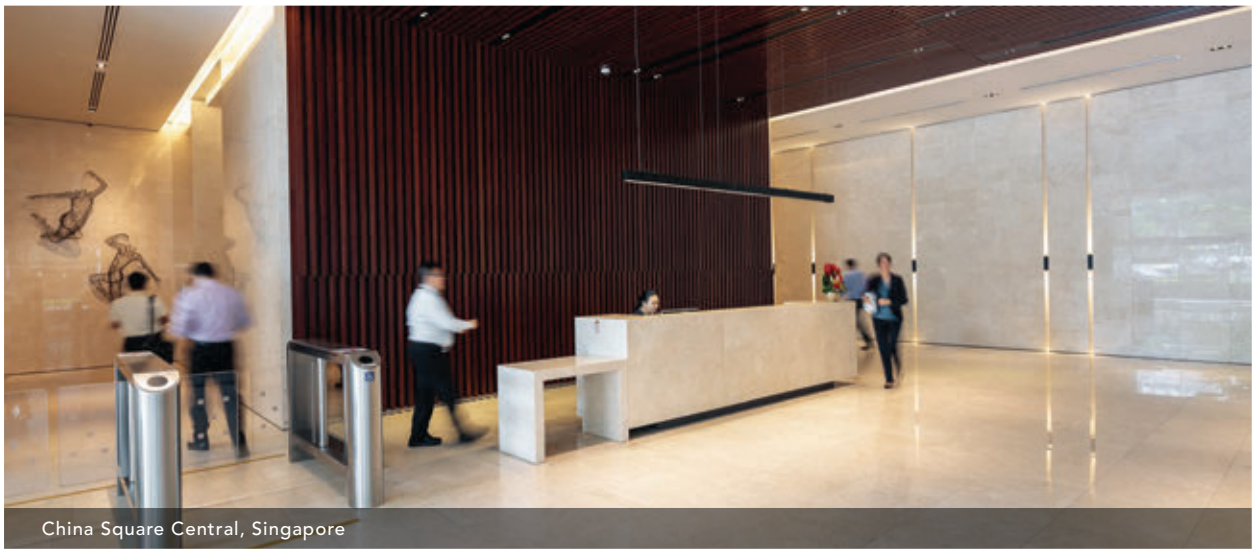
[b] Weighted average rental reversions for 18 Cross Street office tower only. Excludes the retail podium at 18 Cross Street, and 20 and 22 Cross Street which are partially affected by the construction works for the Hotel and Commercial Project. Refer to the Circular to Unitholders dated 3 June 2015 for details.

[c] No new or renewed leases for the quarter.

[d] New leases signed for spaces that were previously unoccupied.

[e] Retail space representing approximately 0.5% of NLA at 357 Collins Street.

[f] Office space representing 1.4% of NLA at Central Park.



China Square Central, Singapore

[2] The weighted average rental reversions based on signing rents for the area for new and renewed leases which commenced in FY2016. For China Square Central, the weighted average rental reversions are for 18 Cross Street office tower only, and excludes the retail podium at 18 Cross Street, and 20 and 22 Cross Street which are partially affected by the construction works for the Hotel and Commercial Project.

STEP UP RENTS AND RENT REVIEWS PROVIDE GOOD ORGANIC GROWTH FOR THE TRUST

Rentals, especially in Australia, include rental uplifts either in the form of fixed percentage rent increases, market or inflation adjusted reviews. These provide good organic growth for the Trust. In FY2017, 55.3% of the portfolio GRI have a weighted average fixed step up rent of 3.8% per annum.

In addition to fixed step up rents, certain leases in Central Park have market rent reviews or rent reviews based on consumer price index (CPI) which constitute 2.3% of portfolio GRI. In total, leases with fixed step up rents and rent reviews constitute 57.6% of portfolio GRI in FY2017. In FY2017, 1,451,041 sq ft of space will be subjected to fixed step up rents, market rent or CPI rent reviews.

LEASES WITH FIXED PERCENTAGE STEP UP RENTS AND OTHER MID-TERM RENT REVIEWS IN FY2017[a]

(as at 30 September 2016)

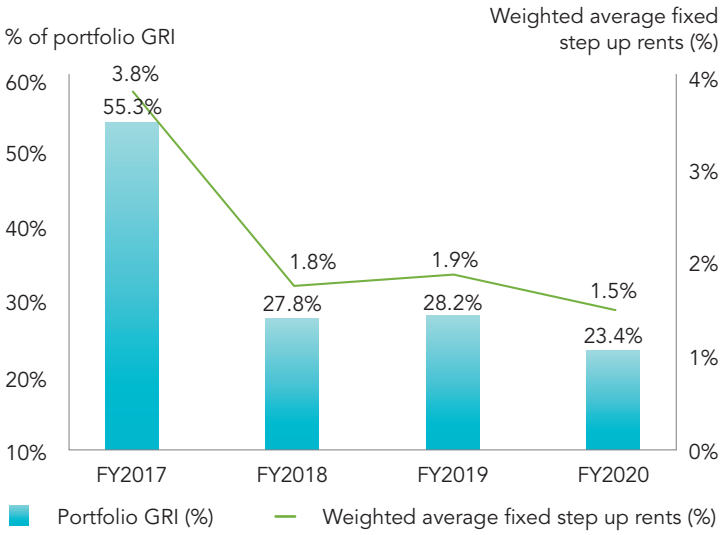
Property	Leases	Average step-up rent (%)/ other reviews	% of property GRI	% of portfolio GRI
China Square Central	3	1.5	18.9	3.4
55 Market Street	2	0.7	10.7	0.4
Alexandra Technopark	3	4.9	36.5	12.3
Caroline Chisholm Centre	1	3.0	100.0	14.0
Central Park	15	4.4	69.8	11.4
357 Collins Street	38	3.9	100.0	13.8
Central Park	2	Market	6.5	1.1
Central Park	4	CPI	7.1	1.2
Total	**68**			**57.6**

Excludes retail turnover rent.

[a] Updated as at the date of this report.

PORTFOLIO GRI WITH FIXED PERCENTAGE STEP UP RENTS IN FY2017 – FY2020

(as at 30 September 2016)





57.6%

Percentage of leases with fixed step up rents and rent reviews in FY2017

OPERATIONAL REVIEW

UNLOCKING VALUE THROUGH ASSET ENHANCEMENT INITIATIVES

As part of the Manager's organic growth strategy and to increase yields of the properties, the Manager intends to upgrade the properties through asset enhancements or refurbishments. In FY2016, the retail arcade of Central Park was revamped and a refreshed and contemporary look with a new identity was created.

The retail arcade now features modern outdoor sitting areas and has higher ceiling to give a spacious feel. The full height glass shopfront allows more light and the retail shop presentation has also improved.

CENTRAL PARK RETAIL ARCADE

Before





After





FINANCIAL REVIEW

In FY2016, the Trust continued to achieve record distributable income to Unitholders and DPU since listing in 2006. The distributable income of S$77.6 million and DPU of 9.82 cents also marked the seventh consecutive year of growth since the completion of the recapitalisation exercise in 2009. The full year contribution from 357 Collins Street and good performance of Alexandra Technopark continued to boost the performance of the Trust in FY2016.

KEY HIGHLIGHTS



S$77.6 million

Distributable income

Highest since listing and seventh consecutive year of growth since the completion of the recapitalisation exercise in 2009



9.82 cents

DPU

Highest since listing and seventh consecutive year of growth since the completion of the recapitalisation exercise in 2009



100.0%

Unencumbered assets provide financial flexibility



36.0%

Healthy gearing



4.6 times

Healthy interest cover



85.0%

Borrowings on fixed interest rates provide certainty in interest cost and limit exposure to rising interest rates

FINANCIAL REVIEW

Financial Highlights (S$ million)	FY2015	FY2016	Increase (%)
Gross revenue	142.2	156.5	10.1
Property operating expenses	(40.3)	(40.9)	1.5
NPI	101.9	115.6	13.4
NPI on cash basis[a]	100.9	113.8	12.8
Distributable income to Unitholders	67.8	77.6	14.5
DPU	9.71	9.82	1.1

[a] NPI excluding the effects of recognising accounting income on a straight line basis over the lease term.

GROSS REVENUE AND NPI

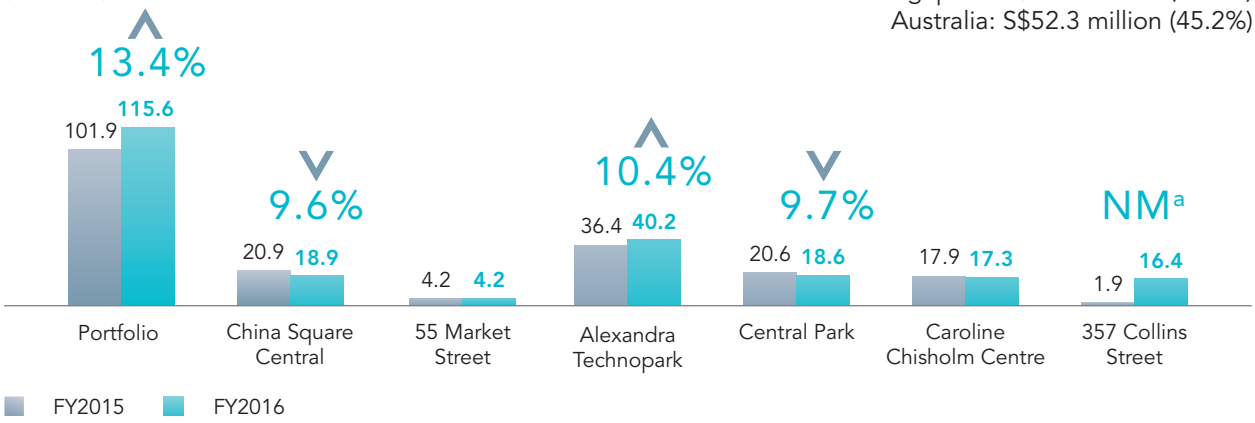
In FY2016, gross revenue increased 10.1% year-on-year to S$156.5 million, attributed to the full year contribution from 357 Collins Street following the completion of the acquisition on 18 August 2015 and higher revenue contribution from Alexandra Technopark as a result of higher rentals achieved and upfront rental income received[1]. This was offset by the average weaker Australian dollar in FY2016 as compared to FY2015 and lower occupancy rates for China Square Central and Central Park.

NPI increased 13.4% year-on-year to S$115.6 million. NPI on cash basis, which excluded the effects of recognising accounting income on a straight line basis over the lease terms, was $113.8 million, representing an increase of 12.8% year-on-year. The higher NPI achieved was attributed to the full year contribution from 357 Collins Street and the better performance of Alexandra Technopark as a result of higher rentals achieved, lower utilities expenses and upfront rental income received[1]. The increase was partially reduced by the average weaker Australian dollar in FY2016 as compared to FY2015 and the lower occupancy rates for China Square Central and Central Park. The average NPI margin improved from 71.7% in FY2015 to 73.9% in FY2016.

NET PROPERTY INCOME

(S$ million)

Total for FY2016: S$115.6 million
Singapore: S$63.3 million (54.8%)
Australia: S$52.3 million (45.2%)



[a] Not meaningful. The acquistion of 357 Collins Street was completed on 18 August 2015.

[1] Upfront rental income received from a pre-terminated lease. The pre-terminated lease was replaced by a new lease with a longer duration.

FINANCE COSTS AND EXCHANGE DIFFERENCES

Finance costs increased 12.2% to S$24.8 million in FY2016 mainly due to the additional loan facilities drawn down in August 2015 to part finance the acquisition of 357 Collins Street and higher floating interest rates on the unhedged portion of the Singapore dollar denominated borrowings. The increase was partially offset by the lower floating interest rates on the unhedged portion of the Australian dollar denominated borrowings, interest savings from the partial loan prepayment in August 2015 and the effects of the average weaker Australian dollar on the Australian dollar denominated interest expense. As at 30 September 2016, 85.0% of borrowings are on fixed rates.

To manage the exposure to the Australian dollar, net anticipated cash flows from the Australian properties have been hedged and a portion of the investment in the Australian assets is hedged naturally with Australian dollar denominated borrowings.

DISTRIBUTABLE INCOME AND DPU

Distributable income to Unitholders of S$77.6 million increased by 14.5% in FY2016. This translated to a higher DPU of 9.82 cents per unit in FY2016, up 1.1% compared to FY2015. The Manager continues to pay out 100.0% of the income available for distribution to Unitholders in FY2016.

PORTFOLIO VALUE INCREASED 1.8% IN FY2016

Asset	Local currency valuation as at 30 September 2016 (million)	Translated as at 30 September 2016 (S$ million)[a]	Local currency valuation per NLA[b]	Variance from 30 September 2015 (local currency value) (million)	(%)	Variance from 30 September 2015 (translated value) (S$ million)	(%)	Valuation capitalisation rate
China Square Central	S$562.5	562.5	S$1,521	(S$7.5)	(1.3)	(7.5)	(1.3)	
55 Market Street	S$139.0	139.0	S$1,936	S$3.0	2.2	3.0	2.2	
Alexandra Technopark	S$508.0	508.0	S$487	S$5.0	1.0	5.0	1.0	
Singapore Properties	**S$1,209.5**	**1,209.5**		**S$0.5**	**–**	**0.5**	**–**	**Office: 3.7% – 4.0% Retail: 4.3% Business space: 6.5%**
Central Park	A$265.0[c]	276.1	A$8,005	(A$25.0)	(8.6)	(14.2)	(4.9)	
Caroline Chisholm Centre	A$227.5	237.0	A$5,653	A$12.5	5.8	21.8	10.1	
357 Collins Street	A$256.0	266.7	A$8,019	A$16.0	6.7	26.4	11.0	
Australia Properties	**A$748.5**	**779.8**		**A$3.5**	**0.5**	**34.0**	**4.6**	**5.6%–7.5%**
Total		**1,989.3**						

[a] Translated at A$1.00=S$1.0418 being the exchange rate as at 30 September 2016.

[b] Expressed as per sq ft for Singapore properties and per sq m for Australian properties.

[c] Represents Frasers Commercial Trust's 50.0% indirect interest in the asset.

FINANCIAL REVIEW

Following an independent portfolio valuation as at 30 September 2016 commissioned by the Trust, FCOT's overall property portfolio value increased by 1.8% year-on-year to S$2.0 billion. FCOT's three properties in Singapore constitute 60.8% of the total portfolio value, and the remaining 39.2% comprise of the three properties in Australia.

The higher portfolio value was attributed to the higher valuation achieved for Alexandra Technopark, 55 Market Street, 357 Collins Street and Caroline Chisholm Centre mainly on the back of higher rents and lower capitalisation rates for the properties in Australia. The increase was also due to the effects of the stronger Australian dollar as at 30 September 2016 as compared to a year ago on the Australian properties. The increased valuation was offset by the lower valuation for China Square Central mainly due to the expected loss of income during the construction period for the Hotel and Commercial Project, and the lower valuation for Central Park as a result of the weaker office market in Perth.

NAV AND NAV PER UNIT

As at 30 September 2016, the NAV increased 1.8% to S$1.23 billion. NAV per Unit (excluding distributable income) was S$1.52 as at 30 September 2016.

PRUDENT AND PROACTIVE CAPITAL MANAGEMENT

	FY2015	FY2016	Increase/ (Decrease)
Debt	S$736.8 million	S$745.4 million	1.2%
Gearing	36.2%	36.0%	(0.2% points)
Unencumbered assets as a percentage of total property portfolio	100.0%	100.0%	–
Fixed borrowings as a % of total borrowings	81.0%	85.0%	4.0% points
Weighted average tenure of debt to maturity	3.3 years	2.6 years	NM
Average cost of debt	2.9%	3.0%	0.1% points
Interest cover	4.5 times	4.6 times	NM
Issuer rating by Moody's Investors Service	Baa3	Baa2	NM

NM-Not meaningful

MAIDEN ISSUANCE OF FIXED RATE NOTES

In August 2016, the Trust raised S$100.0 million from the maiden issuance of S$100.0 million five-year Series 001 Notes under the S$1.0 billion Multicurrency Medium Term Note Programme. The Series 001 Notes, due in 2021, was priced at fixed interest rate of 2.835% per annum. The issuance marks FCOT's debut fund raising from the debt capital market and has diversified the source of funding for FCOT beyond bank borrowings.

The entire proceeds from the Series 001 Notes was used to partially prepay a transferable term loan facility which will be due in FY2019.

DEBT

With the issuance of the Series 001 Notes, total debt was diversified across bank borrowings and fixed rate notes. As at 30 September 2016, the total debt of S$745.4 million comprised S$645.4 million bank borrowings and S$100.0 million Series 001 Notes. The total debt of S$745.4 million was 1.2% higher as compared to FY2015 due to the effects of the stronger Australian dollar as at 30 September 2016 as compared to a year ago on the Australian dollar denominated borrowings.

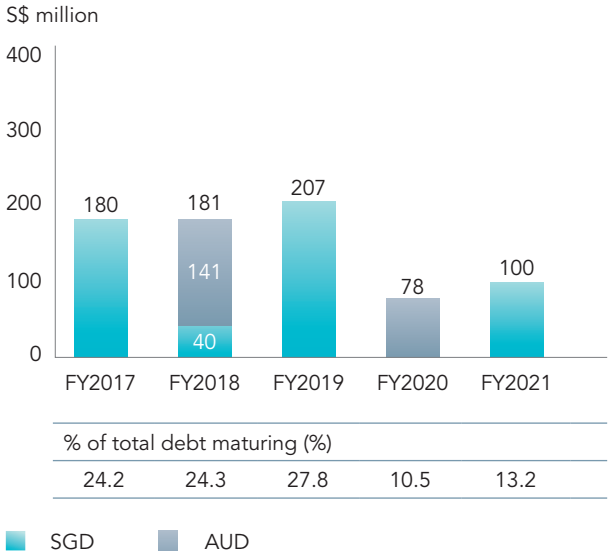
All debts are unsecured and this provides financial flexibility for the Trust. As at 30 September 2016, the weighted average debt maturity was 2.6 years and gearing was healthy at 36.0%. The interest coverage ratio continued to be healthy at 4.6 times and the average cost of debt was 3.0% per annum in FY2016.

In FY2016, Moody's upgraded the Trust's issuer rating from Baa3 to Baa2 with stable outlook, reflecting the sustained strengthening of FCOT's financial profile, driven by its prudent financial management and healthy operating performance.

The Manager will continue to adopt a prudent and proactive approach to capital management.

WELL-SPREAD DEBT MATURITY PROFILE

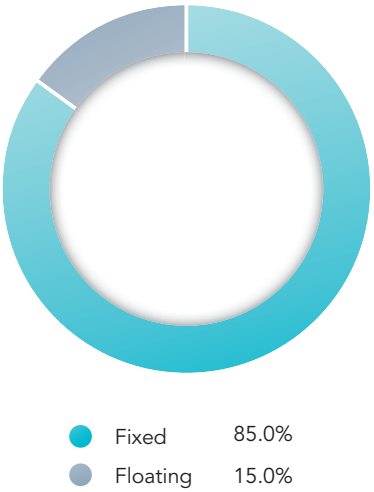
DEBT MATURITY PROFILE
(as at 30 September 2016)



As at 30 September 2016, the debt of the Trust were as follows:

Debt (all unsecured)	Amount (million)	Maturity
Bank Borrowings		
SGD term loan facility	S$180.0	19 September 2017
SGD term loan facility	S$40.0	13 August 2018
AUD term loan facility	A$135.0	19 September 2018
SGD term loan facility	S$207.0	19 September 2019
AUD term loan facility	A$75.0	14 August 2020
Others		
Series 001 Notes	S$100.0	11 August 2021

DEBT COMPOSITION – FLOATING VS. FIXED INTEREST RATES



The loan maturities are well-spread out, hence, there is no concentration of borrowings due in one particular year. This minimises refinancing risks. There will be no debt maturing until September 2017. The borrowings denominated in Australian dollar provide a natural hedge for the Australia properties. Approximately 85.0% of the borrowings are on fixed interest rates, providing certainty in interest costs and limiting the Trust's exposure to rising interest rates.

All assets are unencumbered and this provides financial flexibility for the Trust.

The Manager will continue to keep a well spread debt maturity profile to reduce refinancing risk and fix interest rates to limit exposure to interest rate fluctuations.

FOREIGN EXCHANGE RISK MANAGEMENT

Besides borrowings denominated in Australian dollar, the Trust uses derivative financial instruments to manage its foreign currency exposure. The Manager hedges anticipated net cash flow from the Australian properties approximately six to nine months forward. The Manager will continue to monitor the market and limit the Trust's exposure to adverse movements in foreign exchange rates through derivative financial instruments or other suitable financial products.

FINANCIAL REVIEW


357 Collin Streets, Melbourne, Australia

USE OF NET PROCEEDS FROM THE CHINA SQUARE CENTRAL HOTEL TRANSACTION

In January 2016, construction works for the development of the Hotel and Commercial Project commenced and are currently in progress. As a result of the construction, the loss of income arising from certain affected units[2] was supplemented by S$2.2 million of capital distribution in FY2016. This was funded from the capital gains from the disposal of the Hotel development rights for China Square Central of S$44.1 million in FY2015.

DRP FOR DISTRIBUTIONS DECLARED FOR FY2016

The DRP was applied for the distributions declared in FY2016. The DRP provides Unitholders with the option to receive their distributions declared, either in the form of Units or cash or a combination of both. Participation in the DRP is voluntary and Unitholders may elect to participate in respect of all or part of their unitholdings. The DRP enables Unitholders to acquire new Units without incurring transaction or other related costs. Cash retained and Units issued in lieu of cash distributions under the DRP will enlarge the Trust's capital base, strengthen its working capital reserves and improve the liquidity of the Units. In FY2016, approximately 9.0 million new Units were issued pursuant to the DRP.

SENSITIVITY ANALYSIS

As at 30 September 2016, 45.2% of the total portfolio net property income of the Trust is derived from the properties in Australia. As such, the Trust is subject to foreign exchange rate fluctuations, which affects the income generated from Australian assets. A further 5% strengthening of the Singapore dollar against the Australian dollar would result in a corresponding decrease of approximately S$2.0 million or 2.6% on the distributable income for FY2016 for the Trust.

The Trust is also subject to interest rate fluctuations, mainly arising from its interest-earning financial assets and interest-bearing borrowings. A 1% increase in interest rates on the portion of the Group's borrowings that is not hedged, with all other variables held constant, would correspondingly decrease the Group's distributable income for FY2016 by S$1.1 million or 1.4%.

[2] Mainly retail units at 18 Cross Street and certain units at the shophouses at 20 and 22 Cross Street.

MARKET OVERVIEW SINGAPORE

1 THE SINGAPORE ECONOMY

The Singapore economy expanded by 1.1% year-on-year (Y-o-Y) in 3Q 2016, according to the Ministry of Trade and Industry (MTI). This was slower than the 2.0% growth in the last quarter.

Gross Domestic Product (GDP) growth was supported by the construction sector which grew at an annualised rate of 1.6% in 3Q 2016. Meanwhile, underpinned by higher output in the electronics and the precision engineering clusters, the manufacturing sector expanded by 1.3% Y-o-Y. On the other hand, growth in the services sector came to a standstill in 3Q 2016 after growing by 1.2% Y-o-Y in the previous quarter. This was primarily due to the contraction in the wholesale trade and the finance and insurance sectors.

The economic growth for the rest of 2016 is expected to stay modest. MTI expects growth to come from the electronics, information and communications and the other services industries. However, wholesale trade and finance and insurance sectors could continue to struggle.

In line with the subdued global growth outlook, the MTI predicted a muted 2016 growth of 1.0% to 1.5% for Singapore.

2 THE OFFICE MARKET

2.1 Existing Office Supply

As at 3Q 2016, CBRE basket of island-wide office stock stands at 56.6 million sq ft. Of which, 11.8 million sq ft is Grade A office space with the remaining 33.8 million sq ft classified as Grade B office stock. 48.7% of the total office space in CBRE basket is located in the Core CBD area which consists of Raffles Place, Marina Bay, Marina Centre and Shenton Way micro-markets.

The Raffles Place micro-market consists of approximately 26.5% of the Core CBD office stock in 3Q 2016. The amount of existing office supply in the Raffles Place micro-market remained unchanged from a year ago. 31.8% of the Raffles Place office space are Grade A space while 65.0% are classified as Grade B space. Both 55 Market Street and China Square Central are located in the Raffles Place micro-market.

2.2 Future Office Supply

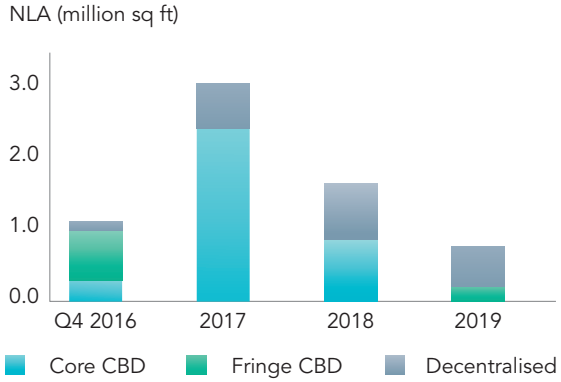
Based on CBRE estimates, a total supply of around 6.34 million sq ft of office space will be in the pipeline over the next three years (4Q 2016 – 4Q 2019 inclusive) as at 3Q 2016. 11.6% of these new office completions will be strata-titled space.

Over half of the future office supply amounting to 54.5% is located in the Core CBD sub-market while the remaining 31.7% and 13.8% new office space are in the decentralised and the Fringe CBD sub-markets respectively. Excluding strata-titled space, no new office supply in the Raffles Place micro-market is expected.

The bulk of the future office supply amounting to 46.3% of the pipeline supply will be completed in 2017. The anticipated completion of Marina One in 1Q 2017 will inject close to 1.9 million sq ft of new Core CBD office space. Apart from Marina One, 5 Shenton Way (278,000 sq ft) is the other new Grade A office building to be completed in 2017. Approximately 1.6 million sq ft of office space will come on stream in 2018 with Frasers Tower (664,000 sq ft) comprising the majority of new supply in the Core CBD submarket. 2019 will see a lower new office space completion of 739,000 sq ft.

The amount of potential secondary space has declined significantly from approximately 692,000 sq ft in 3Q 2015 to 296,000 sq ft in 3Q 2016 due to more realistic expectations by landlords leasing out such space. This also suggests that demand for office space is still healthy at the right rent level (See chart: Future Office Supply).

FUTURE OFFICE SUPPLY



Source: CBRE

MARKET OVERVIEW SINGAPORE

2.3 Demand and Occupancy

As at 3Q 2016, the total island-wide office net absorption was 820,000 sq ft; a reversal from the previous four straight quarters of negative absorption. This is due to healthy commitments at Guoco Tower upon its completion in 3Q 2016. The increased leasing activity was mostly due to the 'flight in quality' movement, where tenants relocate to better-value propositions arising from newer and better located office buildings.

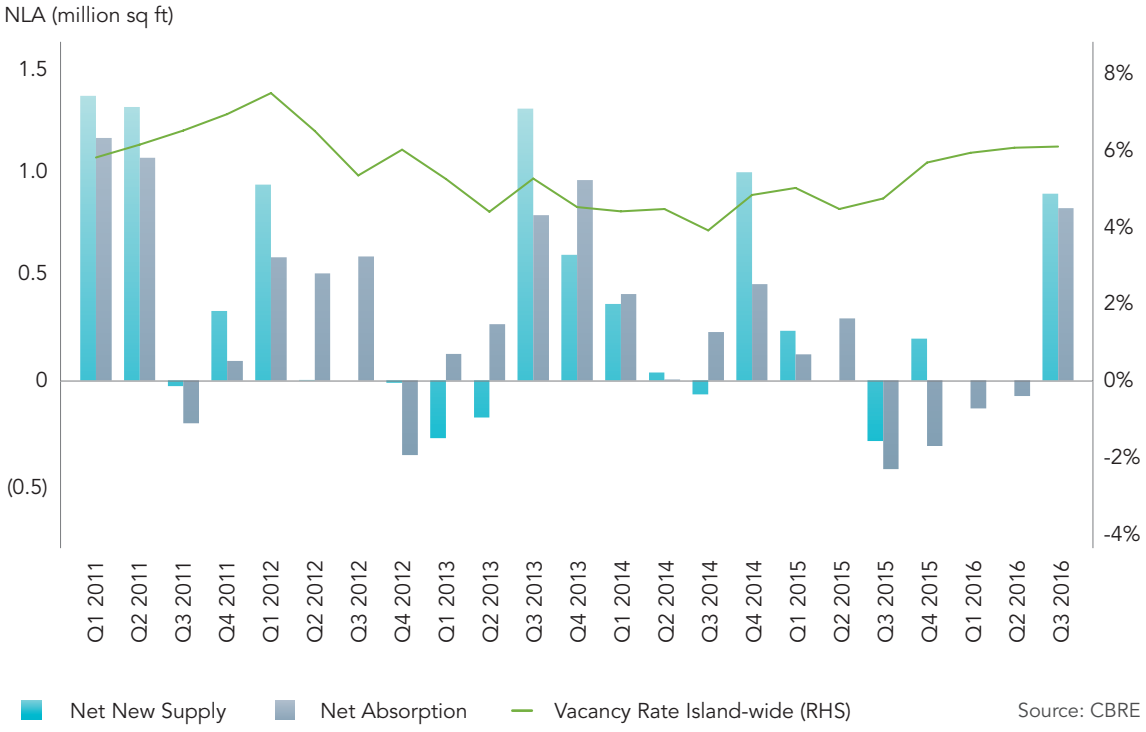
Activity in the leasing market was primarily driven by a diverse range of sectors that include technology, insurance, financial services, business services and real estate. For instance, Prudential is in advanced discussions to lease up to 90,000 sq ft of office space at Marina One's East Tower while Julius Baer (104,000 sq ft), The Bank of Tokyo-Mitsubishi UFJ(BTMU) (140,000 sq ft) and PwC is taking a lease of around 180,000 sq ft in Marina One.

It has been observed that the tenant profiles for Grade A and Grade B offices are quite distinct.

The Grade A office market continue to attract tenants looking for prestige and the efficiency of large floor plates such as the global financial institutions, infocomm media firms, as well as the larger fund management and insurance sectors.

In contrast, Grade B offices typically attract tenants who are usually more cost conscious and do not require large floor plate requirements. These are usually tenants from the business services, information technology, professional services firms, and fund management sectors (See chart: Island-wide Office: Net Supply, Net Absorption and Vacancy Rates).

ISLAND-WIDE OFFICE: NET SUPPLY, NET ABSORPTION AND VACANCY RATES



Source: CBRE

2.4 Office Vacancy Rates

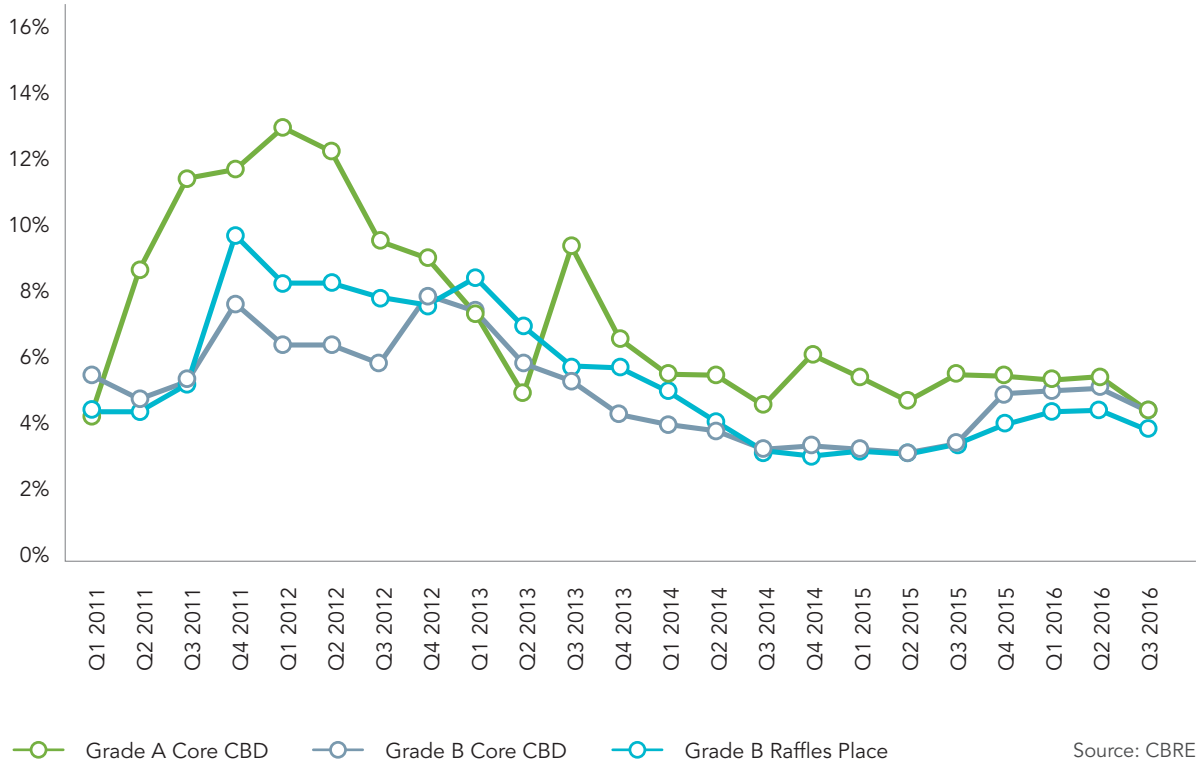
The Raffles Place micro-market enjoys relatively healthy vacancy rates at 3.5% in 3Q 2016. Vacancy rates for Grade A offices in the Raffles Place micro-market are at 3.7% while Grade B offices enjoys a lower vacancy rate of 3.5%. As at 30 September 2016, China Square Central office tower at 18 Cross Street achieved a high committed occupancy rate of 99.4% while 55 Market Street achieved an occupancy rate of 92.0%.

Generally, there is a diversity of Grade B buildings within the Grade B spectrum in the Raffles Place micro-market. While most Grade B offices tend to fall short on location and sometimes quality, Grade B buildings with more favourable location and quality will continue to lead the Grade B market with healthier vacancy rates.

It should be noted that the office tower of China Square Central was revitalised following the completion of an asset enhancement and the area along Nankin Mall was rejuvenated under the Precinct Master Plan in 2013. China Square Central will be further rejuvenated with the construction of a 16-storey hotel by an entity of Frasers Centrepoint Limited. The construction is currently on-going and is expected to be completed in mid-2019. 55 Market Street is located in the heart of Raffles Place.

Furthermore, the vacancy rates of Grade B offices are also relatively more stable than Grade A offices due to a reduced exposure to global financial institutions and relatively competitive rents (See chart: Office Vacancy Rates).

OFFICE VACANCY RATES



Source: CBRE

MARKET OVERVIEW SINGAPORE

2.5 Office Rents

Singapore office market rents have been in correction mode since the peak in 1Q 2015. As at 3Q 2016, Grade A Core CBD and Grade B Core CBD rents have declined by 18.4% and 12.8% off its peaks respectively. Nonetheless, the pace of rental decline has generally slowed in 2016.

Grade A Core CBD rents were hit the hardest, falling 14.7% y-o-y (-2.1% q-o-q) to S$9.30 psf per month in 3Q 2016, surrendering the gains since 2013. Landlords have shifted their focus to tenant retention and are more realistic with rental expectations as they remain conscious of the impending supply in 2017.

Grade B rents are historically less volatile relative to Grade A rents. This is largely due to the relatively defensive nature of the Grade B tenant market. Grade B Core CBD rents decreased at a slower pace of 10.2% y-o-y and 2.0% q-o-q to reach S$7.50 psf per month in 3Q 2016. Similar trends were observed within the Raffles Place micro-market where Grade A office rents fell at a faster annualised rate compared with the drop for Grade B office rents.

The office rental correction within the Raffles Place vicinity was broadly in line with the overall market. Grade A office rents in Raffles Place micro-market have fallen by 7.0% YTD to S$9.10 per sq ft (-2.7% q-o-q) in 3Q 2016. In the same quarter, Grade B office rents in Raffles Place declined at a slower pace of 6.8% year to date (YTD) to S$7.69 per sq ft (-2.5% q-o-q). Grade B office rents in the Raffles Place micro-market peaked at S$8.80 per sq ft in 1Q 2015. In general, rents in the Raffles Place micro-market is supported by relatively healthy vacancy rates and limited new supply.

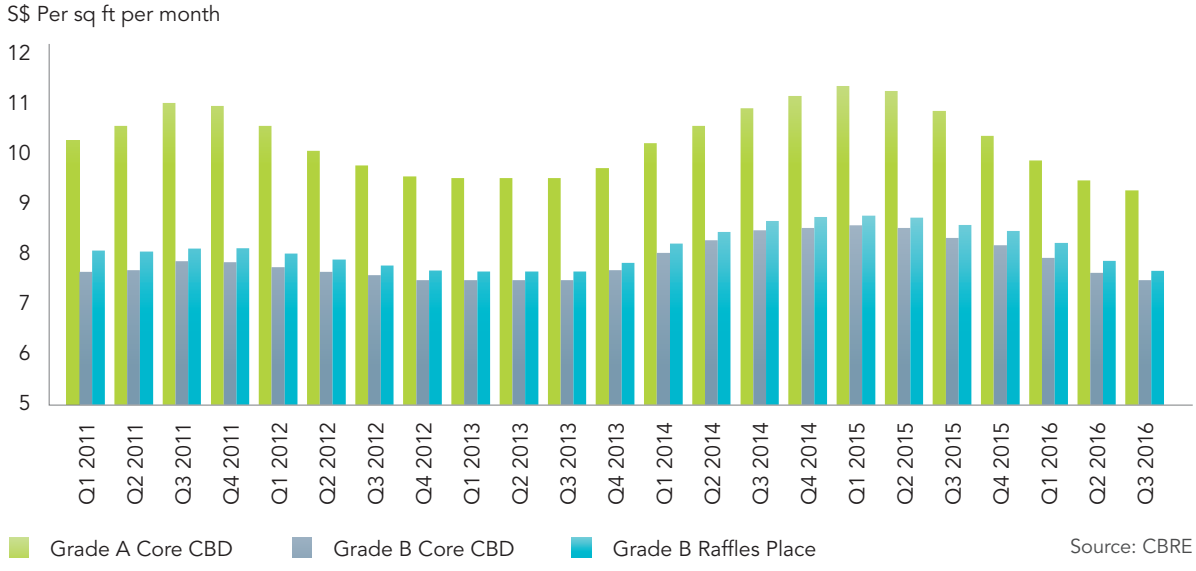
Looking ahead into the future, office rentals will still likely to come under pressure on concerns about global growth prospects and the incoming pipeline of supply. Nonetheless, slowing rental decline and encouraging pre-let figures for office space are signs that the office market is gathering strength. Barring unforeseen shocks, office rents could pick up in 2018 after the supply wave has passed (See charts: Office Rents in the Raffles Place Micro-Market and Q-o-Q Office Rents in the Raffles Place Micro Market).

	Q3 2016 (Per sq ft/Month)	YTD 2016	Q-o-Q
Grade A Core CBD[1]	S$9.30	-6.1%	-2.1%
Grade B Core CBD	S$7.50	-5.7%	-2.0%
Grade B Raffles Place	S$7.69	-6.8%	-2.5%

Source: CBRE

OFFICE RENTS IN THE RAFFLES PLACE MICRO-MARKET

(S$ Per sq ft/month)

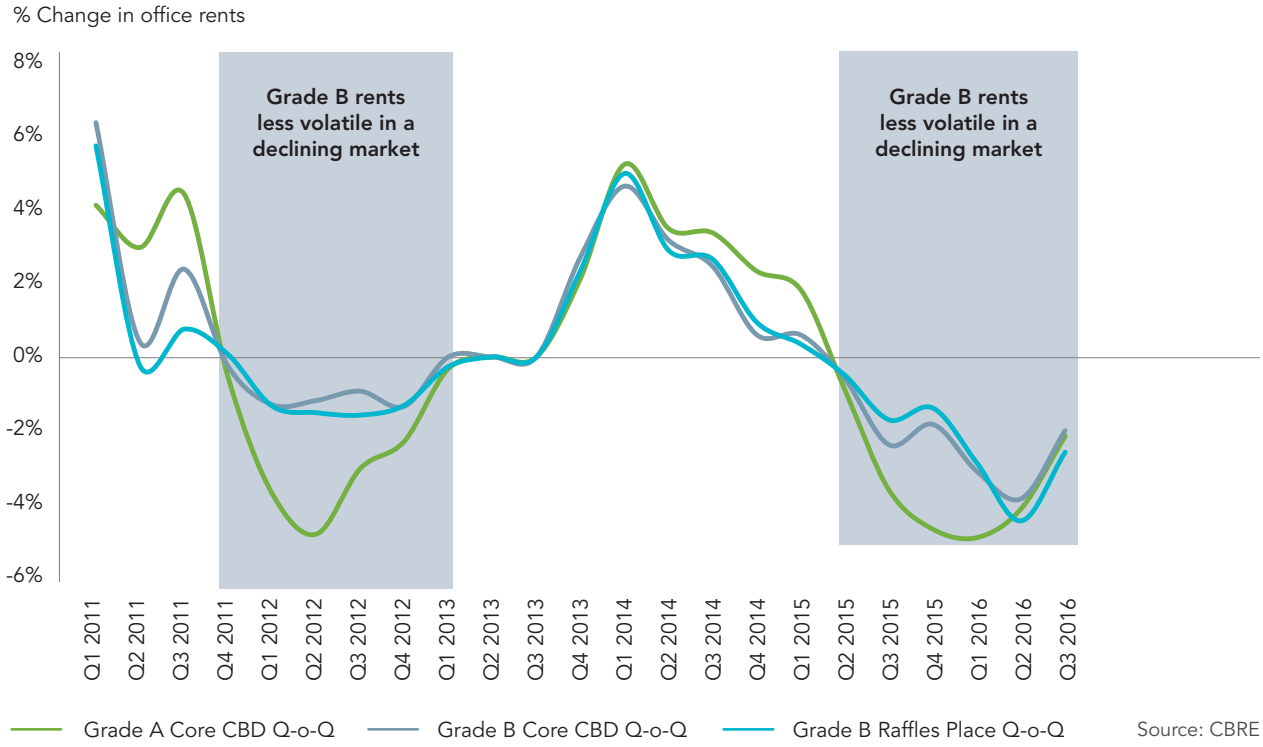


Source: CBRE

[1] CBRE defines Grade A Core CBD office as new or redeveloped offices located in Raffles Place, Marina Centre and Marina Bay with high specifications, commanding top rents. CBRE does not publish micro-market data for Grade A offices.

Q-O-Q OFFICE RENTS IN THE RAFFLES PLACE MICRO MARKET

(S$ Per sq ft/month)



Source: CBRE

2.6 Office Investment Market and Capital Values

The top enbloc office transaction in 2016 YTD is the sale of Asia Square Tower 1 for S$3.4 billion to Qatar Investment Authority. Other major office investment deals include the office component of Mapletree Business City (Phase 1) to Mapletree Commercial Trust; Straits Trading Building to MYP Ltd; and 50% stake in 78 Shenton Way to Alpha Investment Partners.

Generally, the capitalisation rates for enbloc office transactions in 2016 are between 3.0% and 4.0%, similar to the range in the previous year.

After a slow start to the year, the overall office investment market has started to gather pace with the conclusion of several major deals particularly in the second quarter. CBRE observes a narrowing price gap between buyers and sellers and more deals may be concluded before the end of this year. Demand for reasonably priced good quality office buildings is expected to remain healthy as investors with longer investment horizons seek investment opportunities in the long term fundamentals of the Singapore market as these asset classes have proven to be stable in the long term.

2.7 Office Outlook

Grade A Core CBD rents are expected to decline to S$8.60 per sq ft in 4Q 2016. The overall Grade B Core CBD market rents are forecasted to fall to S$7.10 per sq ft in 4Q 2016 while Grade B Raffles Place market rents are expected to drop to S$7.54 per sq ft in 4Q 2016.

The office rental market could find support in 2018. Grade A office rents are expected to decelerate further in the following year. Fintech, insurance, E-commerce, and professional services companies are likely to feature more heavily in the leasing market. As the market rents for Grade B offices tend to be less volatile than the Grade A market, Grade B rents are expected to decline at a slower pace.

The pursuit for quality tenants is expected to heat up given the current weak economic sentiments. The incoming new Grade A office space will likely lead to increases in vacancy rate for older Grade A offices in 2017.

MARKET OVERVIEW SINGAPORE

Meanwhile, Grade B vacancy rates are also expected to increase marginally. In 2017, landlords will continue to focus on tenant retention and review incentives and rents to remain competitive.

3 THE HIGH-SPECS AND BUSINESS PARK MARKETS

The High-Specs Business space market typically refer to light industrial premises that are equipped with better building specifications compared to conventional industrial premises. Such specifications usually consist of central air-conditioning, smart building automation system, security, high ceiling height clearance, wide column span, as well as higher grade electrical power loading and the provision of basic fittings including suspended ceilings and lightings.

High-Specs Business space developments typically attract value conscious industrialists in the high technology, information technology, infocomm, electronics sector as well as cost conscious back ended functions of financial institutions. While the occupier profile for a High-Specs Business space tenant may resemble that of Business Parks, they tend to be more cost conscious industrialists who conform to the permissible planning perimeters as written in the master plans for Business 1 and Business 2 space[2].

In contrast, Business Parks tend to be larger campus-style high-specs developments occupying at least five hectares of land with modern office like specifications. As such, tenants occupying Business Park space tend to be more image conscious industrialists who meet the permissible usage requirement to occupy Business Park space. Business Park tenants are typically less cost sensitive as compared to High-Specs Business Space tenants.

Alexandra Technopark is a High-Specs business space development with some of its attributes, such as large floor plates and flexible space configuration, commonly found in a Business Park space. With a land area of 4.8 hectares, Alexandra Technopark has office like specifications, open park-like environment and is well served by amenities.

3.1 Existing Supply

As at 3Q 2016, there are close to 14.1 million sq ft of island-wide Hi-Specs business space, an annualised increment of 9.4% or 1.2 million sq ft. Major newly completed Hi-Specs business space include SingTel Data Centre in Yung Ho Road (341,259 sq ft), a multiple-user factory in Tai Seng (280,000 sq ft), and a biopharmaceutical manufacturing plant in Tuas (193,965 sq ft).

The Hi-Specs business space are mostly situated in Central Singapore (36.6%) and followed by North-Eastern Singapore (28.9%) and Western Singapore (17.6%). The Alexandra micro-market located in the CBD Fringe has a limited supply of high-specs space at 1.1 million sq ft. Alexandra Technopark is located in the Alexandra micro-market.

The Business Park market has also increased supply with the completion of new Business Park space such as Mapletree Business City (MBC) II (1.1 million sq ft), located within the Alexandra micro-market, and Ascent (387,500 sq ft). As at 3Q 2016, the total stock of Business Park space monitored by CBRE is 19.7 million sq ft, an increase of 7.9% Y-o-Y.

The majority of the Business Park space is located at One North (28.8%) in Central Singapore, followed by Changi Business Park (21.5%) in Eastern Singapore. Following the completion of MBC II, the Alexandra micro-market consists close to 2.4 million sq ft (or 12.1% of total stock) of Business Park space.

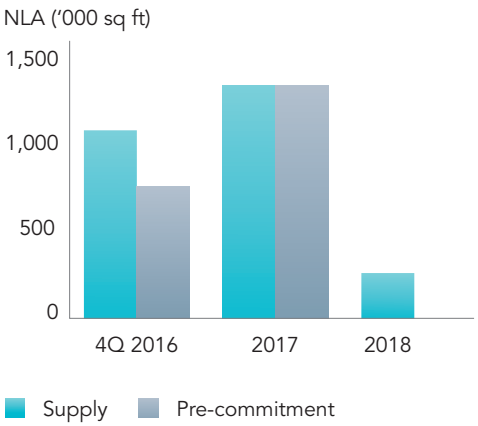
3.2 Future Supply

CBRE estimates the total projected island-wide high-specs business space for the next two years (4Q 2016 to 4Q 2018 inclusive) to increase by approximately 2.7 million sq ft. New high-specs business space will mainly be located in the West (44.0%) and the Central (41.2%) region. There will be no new high-specs development located in the Alexandra micro-market.

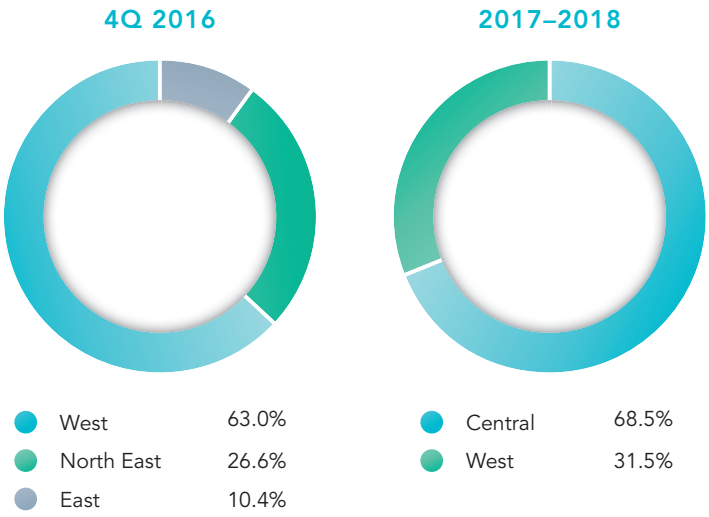
Close to 388,000 sq ft of new Business Park space will be completed over the next four years (4Q 2016 to 4Q 2020 inclusive). The new Business Park space are broadly evenly distributed among Changi Business Park (36.0%), Science Park (32.2%) and One North (31.8%) (See charts: Future Supply of High-Specs Business Space and Future Business Park Supply).

[2] Permissible use requirements can be found on http://www.ura.gov.sg/uol/guidelines/development-control/change-use-premises/sections/Permissible-Uses.aspx

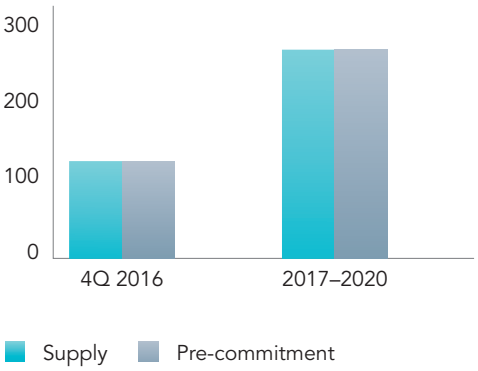
FUTURE SUPPLY OF HIGH-SPECS BUSINESS SPACE



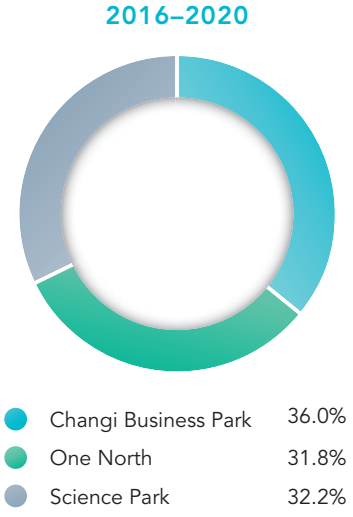
Source: CBRE



FUTURE BUSINESS PARK SUPPLY



Source: CBRE



3.3 Demand and Occupancy

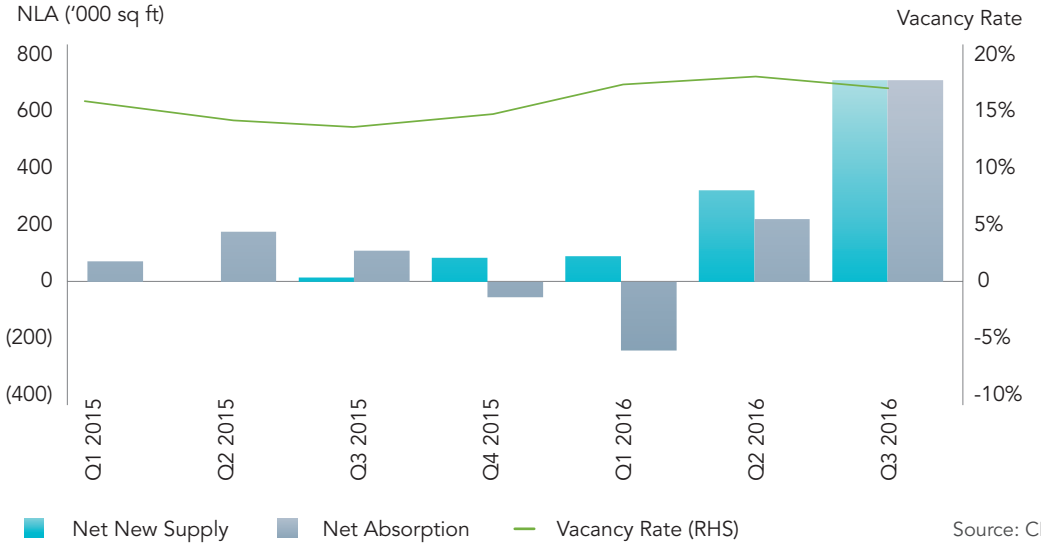
The island-wide net absorption for high specs business space in 2016 YTD was 691,566 sq ft. In 3Q 2016 alone, the island-wide net absorption was 712,066 sq ft.

There has been a shift in focus on the industrial scene in Singapore towards high value-add and high productivity activities. This will fundamentally lead to increasing demand for high-specs space in the medium to long term. However, cyclical headwinds in the general economy and new completions of high-specs space has led to island-wide occupancy rate for high-specs space declining by 3.1%-points Y-o-Y. On a quarterly basis, occupancy rate has increased from 82.4 % in 2Q 2016 to 83.4% in 3Q 2016.

However, as the upcoming supply of new high-specs space from 4Q 2016 to 2018 enjoy healthy pre-commitment rates of close to 80.0%, island-wide occupancy rate is likely to remain stable over the short term (See charts: Island-wide High-Specs Net Supply, Net Absorption and Vacancy Rates and Island-wide Business Park Net Supply, Net Absorption and Vacancy Rates).

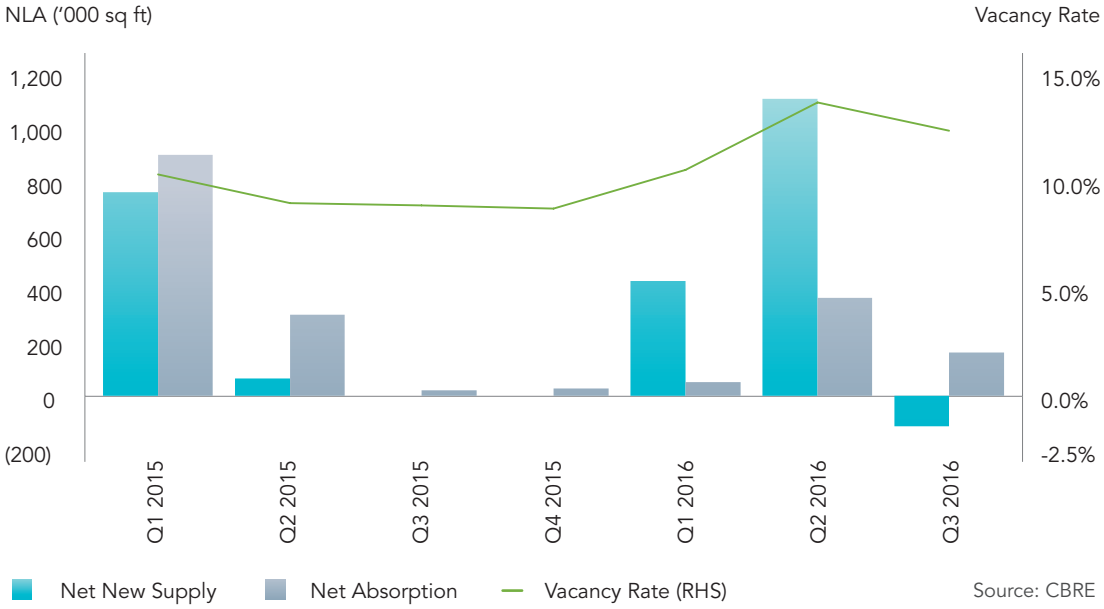
MARKET OVERVIEW SINGAPORE

ISLAND-WIDE HIGH-SPECS NET SUPPLY, NET ABSORPTION AND VACANCY RATES



Source: CBRE

ISLAND-WIDE BUSINESS PARK NET SUPPLY, NET ABSORPTION AND VACANCY RATES



Source: CBRE

Despite the underlying weak economic sentiments, the Business Park market performed relatively well in 2016 YTD. The island-wide Business Park occupancy rate eased to 86.2% in 2Q 2016 after the completion of Ascent and Mapletree Business City II (MBC II) in 1H 2016. Following the continued absorption of these newly-built Business Park space, occupancy edged up to 87.5% in 3Q 2016. Most of the leasing activities centred on firms from the pharmaceutical and technology sectors.

The Business Park spaces in the pipeline are built-to-suit developments which are all fully committed. Hence, vacancy rates for Business Park space are expected to ease further in the short to medium term.

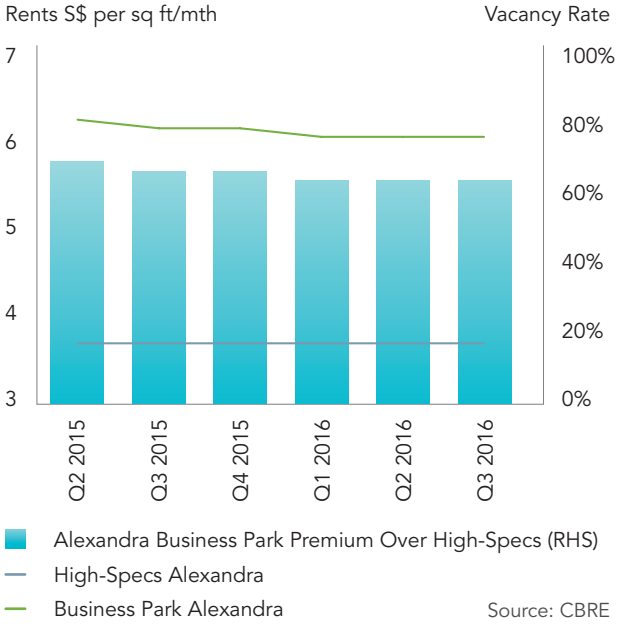
As at 30 September 2016, the occupancy rate for Alexandra Technopark remained healthy at 94.8%.

3.4 Rents

The average island-wide rents for Hi-Specs business space fell by an annualised 1.6% to S$3.10 per sq ft in 3Q 2016. The rents remained unchanged when compared with the previous quarter. Hi-Specs space located in the city fringe such as the Alexandra micro-market continue to command a rental premium of 19.4% over the island-wide market rent due to its prime location and limited supply.

While Business Park rents in the Alexandra micro-market decline 1.6% Y-o-Y to S$6.10 per sq ft in 3Q 2016, it still commands a rental premium of 64.9% over Hi-Specs spaces in the Alexandra micro-market. In general, the Alexandra micro-market enjoys good locational attributes which is expected to keep demand healthy, resulting in rental premiums of around 48.8% over the island-wide Business Park market rent (See chart: High-Specs and Business Park Rents).

HIGH-SPECS AND BUSINESS PARK RENTS



Source: CBRE

3.5 Outlook

Amid the challenging business conditions and uncertainty in the global growth, landlords will continue to remain competitive in their pursuit of quality tenants to strengthen occupancy levels. The lack of new Business Park space in the short to medium term will lend support to occupancy rates. Likewise, occupancy level for Hi-Specs space is likely to remain stable due to strong pre-commitment figures.

Looking ahead, while island-wide rentals for Hi-Specs and Business Park space are predicted to trend downwards due to the underlying soft business conditions, High-Specs and Business Park space in the fringe CBD such as the Alexandra micro-market will continue to appeal to value conscious tenants due to their limited supply and close proximity to the CBD.

In the long term, as businesses in Singapore continue to move up the value chain in search of higher productivity, demand for High-Specs and Business Park space is expected to remain relevant.

Qualifying Clause

This Report is subject to the following limiting conditions:

The content of this report is for information only and should not be relied upon as a substitute for professional advice, which should be sought from CBRE prior to acting in reliance upon any such information.

The opinions, estimates and information given herein or otherwise in relation hereto are made by CBRE and affiliated companies in their best judgment, in the utmost good faith and are as far as possible based on data or sources which they believe to be reliable in the context hereto.

Where it is stated in the Report that information has been supplied to CBRE's by another party, this information is believed to be reliable by CBRE. Other information is derived from sources which we believe to be reliable to the best of our ability. We can accept no responsibility if this should prove not to be so.

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MARKET OVERVIEW MELBOURNE, AUSTRALIA

MARKET OVERVIEW

State final demand continued to grow in Victoria, up 3.5% over the 12 months ended June 2016. The main drivers were private consumption and public investment. Unemployment in Victoria was 5.8% in May 2016, down slightly from the same period 2015. Having risen by 0.2% over the 12 months ended June 2016, white collar employment growth was supported by the finance and insurance, transport, postal and warehousing sectors. GDP growth in Victoria for the year ended June 2016 was 3.3% and is expected to increase at a similar rate for the forthcoming four years.

MELBOURNE CBD OFFICE SUPPLY ADDITIONS

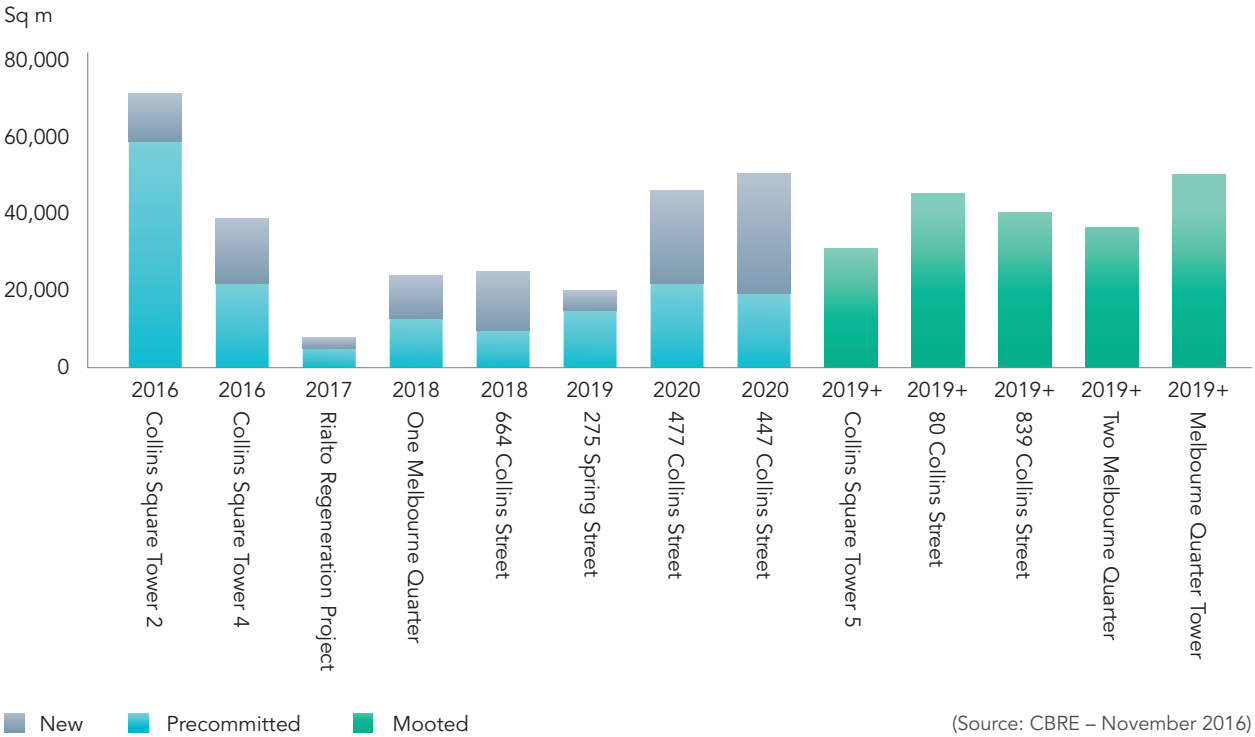
2015 saw the completion of three new developments, bringing a combined 148,774 sq m of new office supply to the Melbourne CBD. This included 313 Spencer Street, 699 Bourke Street and 567 Collins Street. Also completed in 2015 was a refurbishment of 700 Collins Street and an extension/refurbishment project at 570 Bourke Street, bringing a combined 35,000 sq m to the market.

Collins Square's Towers 2 and 4 reached completion in August 2016 and added approximately 110,000 sq m of NLA. The occupants of these towers include KPMG, Maddocks, Aecom, MLC Life, Link, Murray Golbourn and BDO among others.

Major office projects currently underway or proposed include two new projects in the Melbourne CBD (447 and 477 Collins Street) and the Rialto Regeneration Project which will add approximately 8,500 sq m of NLA to the complex. The remaining three new office projects are in Docklands.

The Docklands precinct has been the main catalyst of new supply within the Melbourne CBD, bringing to the market approximately 310,000 sq m of office space over the past five years. According to the Property Council of Australia (PCA), the Docklands precinct now represents approximately 18.0% of the Melbourne CBD office market. Estimated completion dates are set out in the table below.

MELBOURNE CBD SUPPLY



(Source: CBRE – November 2016)

NET ABSORPTION OUTLOOK

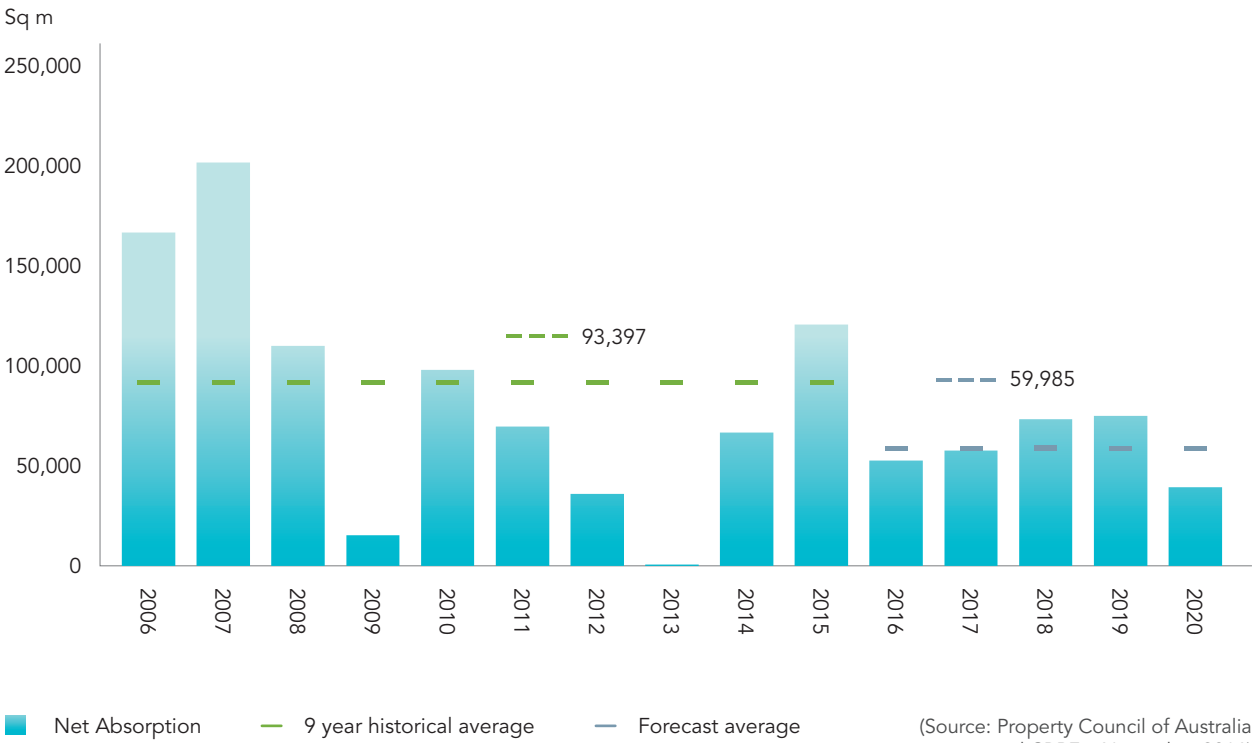
Approximately 67,026 sq m of net absorption was recorded for the 12 months to July 2016. Significantly there is a divergence between net absorption for Prime stock (Premium and A Grade) which recorded positive net absorption of 58,319 sq m and secondary stock which recorded positive net absorption of 8,707 sq m. We have in recent years witnessed some tenant migration from the suburbs to the CBD office market particularly where companies are consolidating their occupancies. Examples include Jemena, NEC, Philip Morris and Symbion.

Net absorption is forecast to remain positive over the near term given expected growth in CBD white collar employment and continued tenant migration from the suburban markets to the CBD. Stock withdrawal for residential use will also play a part, although with record levels of supply this may abate.



357 Collins Street, Melbourne, Australia

MELBOURNE CBD HISTORICAL AND FORECAST NET ABSORPTION



(Source: Property Council of Australia and CBRE – November 2016)

MARKET OVERVIEW
MELBOURNE, AUSTRALIA

MELBOURNE CBD OFFICE VACANCY

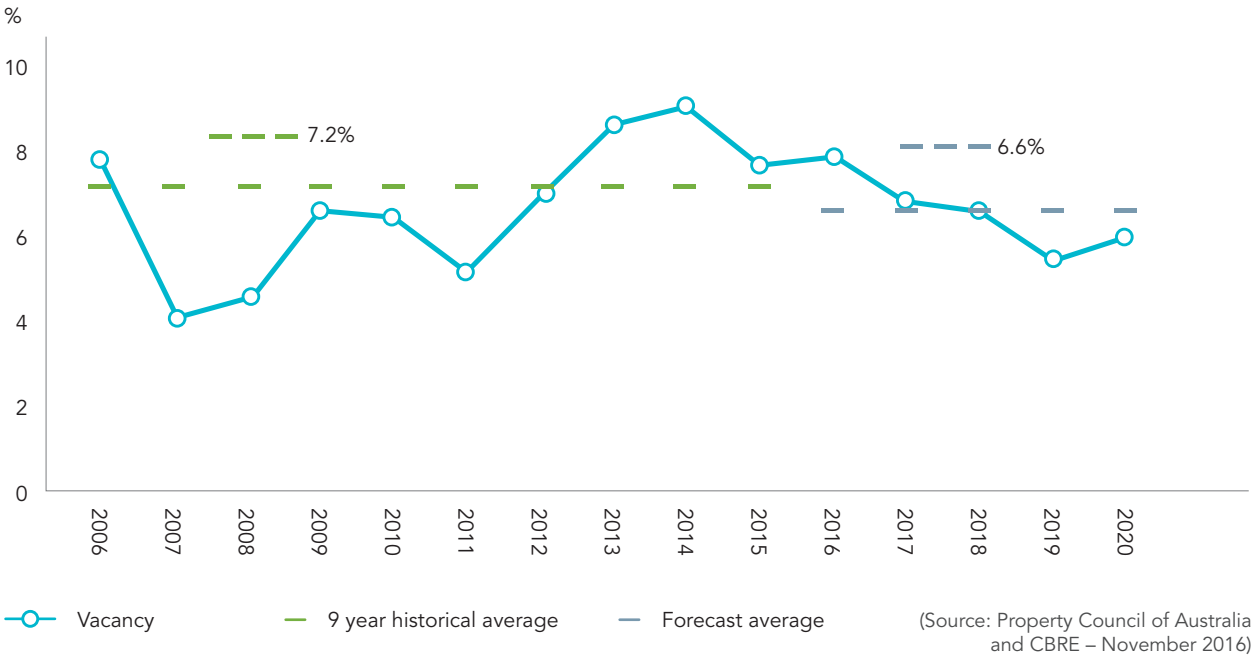
The Melbourne CBD office vacancy as at July 2016 was recorded at 7.0% by the PCA which decreased from 7.7% as at January 2016. As at July 2016, sublease space accounted for 0.7% of the overall vacancy, below that seen in January 2016 (0.9%).

In the last 12 months, we have witnessed increased tenant enquiry for space, being strongest from the professional services, finance and insurance and information technology sectors.

White collar employment is expected to pick up over the next 12 months, with average annual growth of 3.0% forecast over the next three years. The sectors predicted to see the strongest growth in white collar employee numbers over this time are information, media and telecommunications, accommodation and food services and finance and insurance services.

The forecast average vacancy is 6.6% which is largely driven by anticipated changes to net supply, projected white collar employment growth and major tenancy changes (i.e. expansion, contraction and migration).

MELBOURNE CBD HISTORICAL AND FORECAST VACANCY



(Source: Property Council of Australia and CBRE – November 2016)



357 Collins Street, Melbourne, Australia

OFFICE MARKET RENTAL AND INCENTIVE PROJECTIONS

The Melbourne CBD leasing market continued to strengthen in Q3 2016, with prime net face rents up 0.5% over the quarter, and 4.5% year-on-year, to average $516 per sq m per annum net. Prime incentives declined 58 basis points over the quarter to average 32.0%, supporting growth in effective rents.

Prime face and effective rents are expected to grow over the short term and we expect incentives to gradually decline.

MELBOURNE CBD YIELDS

Further yield compression was witnessed in Q3 of 2016, with prime yields now sitting at an indicative 5.6% (down 11 basis points over the quarter). Over recent times, compression has been stronger in the secondary market, with the yield spread between prime and secondary narrowing. Investment activity for prime commercial office assets continues to be very strong with a weight of capital, limited investment options and low interest rate environment driving demand. We are also witnessing demand for assets with vacancies or which require re-positioning from value add investors.

MARKET OVERVIEW
PERTH, AUSTRALIA

ECONOMIC OVERVIEW

Western Australia's economy remains in a period of transition as a number of its major resource projects move from the construction to production phase of their life cycles, resulting in low levels of market confidence. The positive from this transition is the substantial increase in export volumes in the iron ore sector, which will be continued in the liquidified natural gas sector as a number of mega-projects (including Gorgon, Wheatstone and Prelude) move into production through 2016; and despite the lower price point, iron ore is being exported from the State at record levels. The historical low interest rate environment has helped reduce some of the risk surrounding the transitioning economy, particularly through providing a boost to the construction sector. The lower Australian dollar is also having positive effects for the Western Australia economy, aiding long-term growth and stability in Perth's property market, and increasing the attractiveness of the State's assets to foreign investors.

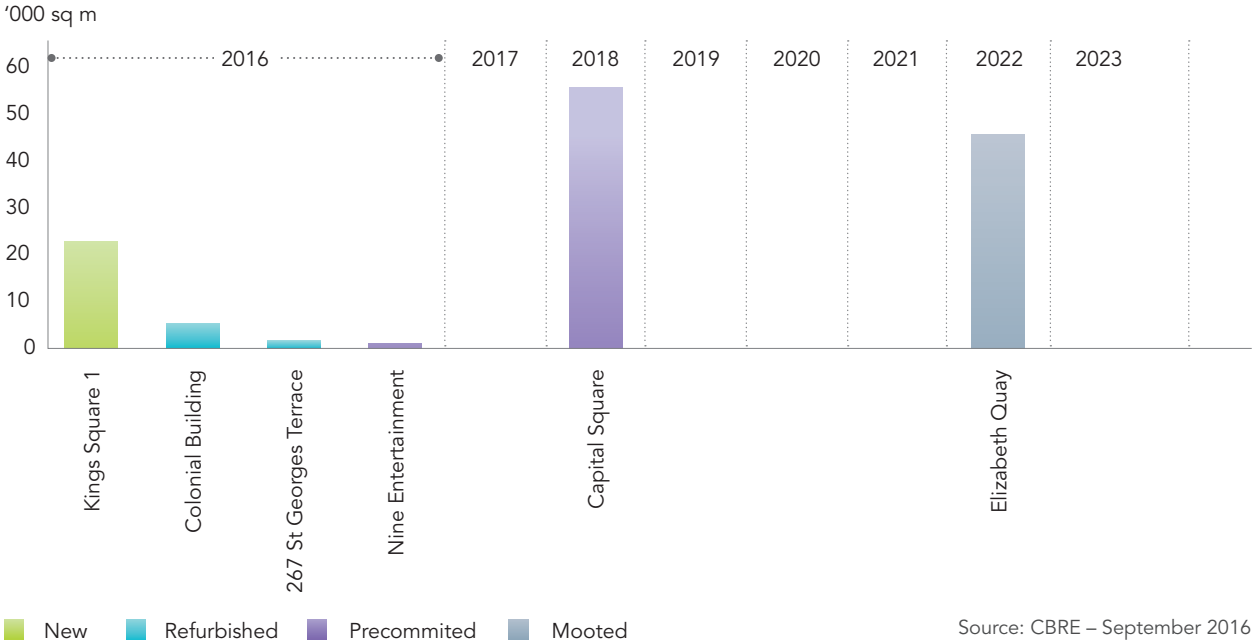
The economy of Western Australia continues to grow, driven almost exclusively by exports and trade. Excluding these factors, demand from the State's consumers is contracting. Population growth in the State has slowed significantly from the highs of the resource sector boom, with the last 12 months seeing more interstate net emigration - a direct result of the slowing resource sector and softening jobs market. However population growth as a whole has remained positive, and is forecast to begin to improve into the coming year. Western Australia's unemployment rate remains elevated by historical standards at 5.7% in June 2016. This figure is however marginally below the national average of 5.8%.

The Perth office market is currently experiencing a market correction after years of strong mining sector growth. A decrease in mining investment is negatively impacting the Western Australian economy resulting in fewer jobs both within mining companies and mining service companies. This is resulting in decreased demand for new and existing office space in the Perth CBD and broader market. Buildings with high vacancy over the last 12 months have increasingly been competing for tenants which has resulted in very high incentives and declines in face rents.

PERTH CBD OFFICE SUPPLY ADDITIONS

Current future net supply additions are considered limited with the office market having weakened significantly from 2014. Capital Square is the only new supply in 2018. Capital Square is largely committed to be leased by Woodside with circa 56,500 sq m of office space spread over 29 levels. Notably the completion of this space will coincide with Woodside's lease expiry in 240 St Georges Terrace comprising a total area of circa 40,000 sq m occurring December 2018. Completion of Capital Square and potential resultant vacancy in 240 St Georges Terrace is anticipated to hinder / delay the recovery of the Perth office market prolonging current weak office leasing conditions.

PERTH CBD SUPPLY

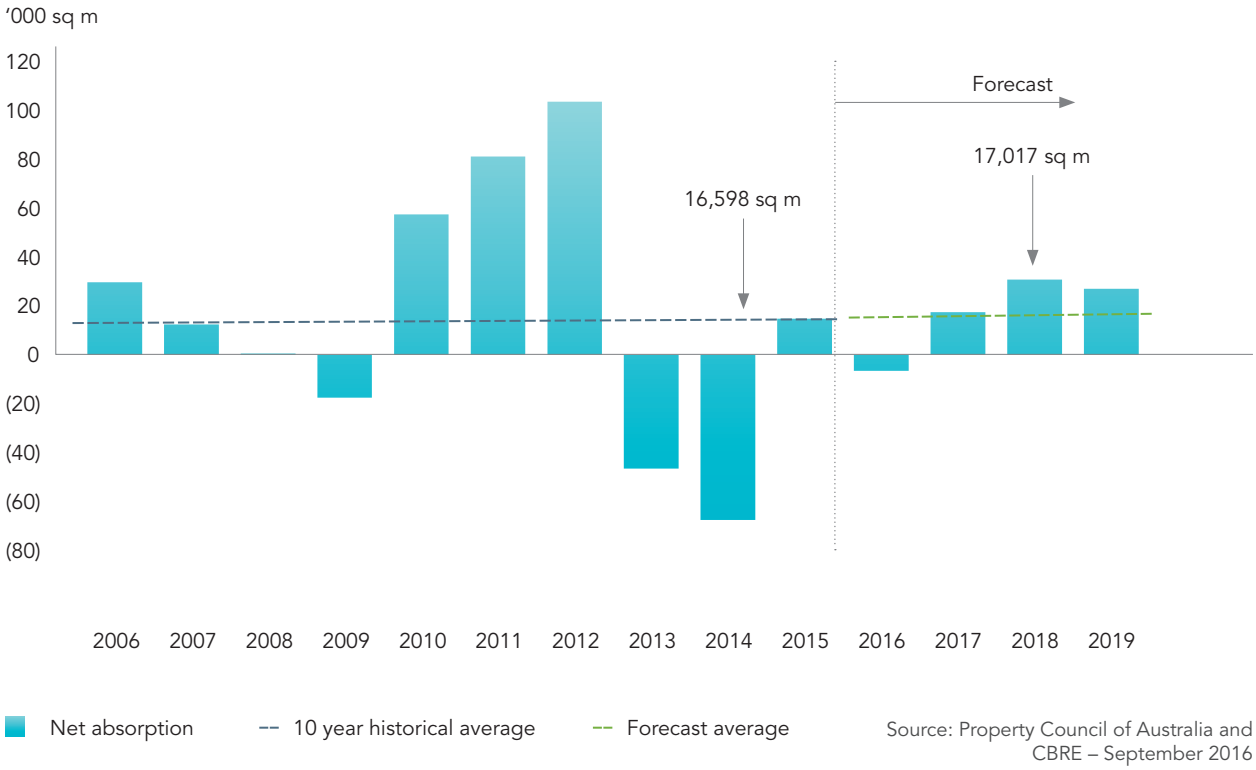


Source: CBRE – September 2016

NET ABSORPTION OUTLOOK

Net Absorption in the Perth CBD office market over the twelve months to July 2016 was 18,206 sq m, a significant improvement compared to negative 51,926 sq m in the 12 months to July 2015. Perth has experienced consecutive annual negative absorption for the years ending July 2013 through to July 2015.

PERTH CBD HISTORICAL AND FORECAST NET ABSORPTION



Source: Property Council of Australia and CBRE – September 2016

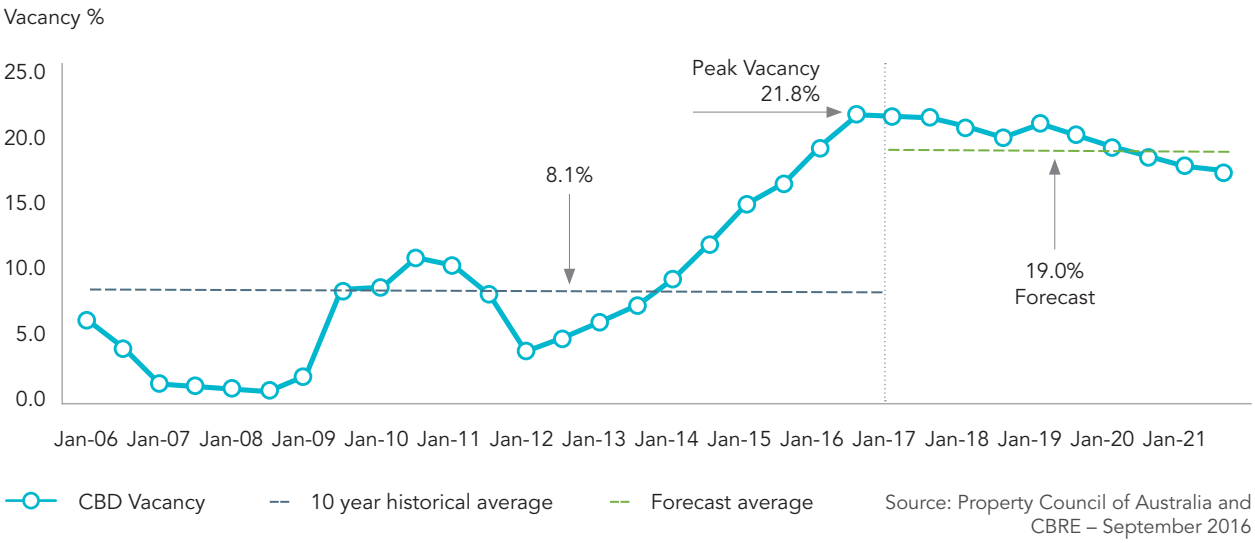
PERTH CBD OFFICE VACANCY

According to the latest Property Council of Australia (PCA) vacancy survey, total market vacancy increased from 19.6% in January 2016 to 21.8% in July 2016. Direct vacancy accounted for 17.5% (or 309,753 sq m) of the total vacancy whilst available sub lease space (not in occupation) accounted for 4.3% (or 75,550 sq m). Premium vacancy increased this period from 16.2% to 16.7% demonstrating an increased availability of quality space that currently exists within the market as resources and associated industries consolidate. However direct premium vacancy reduced from 14.3% to 10.6% over the 6 months while sublease premium vacancy increased from 1.9% to 6.1%.

Looking forward, total vacancy is likely to rise moderately, subsequent to supply increase, before moving into a modest decline. This is due to a more widespread downturn in business confidence spreading from resources sector industries to professional service industries, coupled with the new stock due for completion in 2018. During 2016, vacancy is likely to increase modestly across all grades. CBRE expect vacancy to trend downwards post 2016, off the back of moderately positive forecast absorption as the market adjusts to the current correction.

MARKET OVERVIEW
PERTH, AUSTRALIA

PERTH CBD HISTORICAL AND FORECAST VACANCY



Source: Property Council of Australia and CBRE – September 2016

OFFICE MARKET RENTAL AND INCENTIVE PROJECTIONS

As at June 2016 premium office net face rent in the Perth CBD was approximately $650 per sq m per annum. Incentives typically range between 40% and 50%. Face rents are forecast to modestly contract further over the following year, reaching a floor in 2017, with improvements not expected until 2020.

Office tenants are taking advantage of lower face rents and high incentives. There is an apparent trend of office tenants consolidating into higher grade space within the CBD, in addition to suburban and West Perth office tenants moving into the CBD. Many office tenants are taking the opportunity to agree to long term leases with low to moderate annual reviews.



Central Park, Perth, Australia

INVESTOR RELATIONS

We continue to maintain proactive engagement and regular communication with the investment community to share the latest performances, developments and strategies of FCOT

ENGAGING THE INVESTMENT COMMUNITY PROACTIVELY

The Manager maintains proactive engagement and regular communication with the investment community so as to provide timely disclosure and increase the level of transparency. Regular interactions through multiple channels enable the investment community to gain a better understanding of FCOT and its strategies, and the Manager to address their queries or concerns. Analysts, fund managers and investors have regular access to the Manager either through briefings, conference calls, conferences, non-deal roadshows or one-to-one meetings. Property tours were also conducted with investors and analysts to raise and increase awareness of FCOT's properties.

In FY2016, the Manager met with more than 130 investors and analysts globally and participated in 35 conferences, conference calls, meetings and non-deal roadshows in Bangkok, Hong Kong, Kuala Lumpur, Seoul, Singapore and Tokyo. The Manager also participated in the SGX-REITAS Education Series in Singapore, SIAS Corporate Connect Seminar and the 2016 Singapore REITs Symposium in Singapore which targeted retail investors. The Manager conducted analysts' briefings and investors' luncheon after the announcements of half year and full year results. These meetings and conferences enable the Manager to provide the latest updates on the performances, developments, strategies and outlook of the Trust.

The seventh AGM was held on 20 January 2016 and Unitholders were provided updates on the performances, outlook and strategies of FCOT. The AGM was well attended and investors had the opportunity to raise queries and engage directly with the Board of Directors and senior management. In line with good corporate governance practice, external auditors, valuers and external lawyers were also present at the AGM to address any queries from Unitholders. Voting for all the AGM resolutions were conducted via polls. The results of the AGM showing the number of votes cast for and against each resolution were also announced after the completion of the meeting.

The Manager will continue to maintain its proactive and regular engagement with the investment community.

TIMELY COMMUNICATION AND WEBCASTS

The FCOT website (www.fraserscommercialtrust.com) features materials such as annual reports, investor presentations and press releases, asset details, distribution history, financial information, information on the Board of Directors and management, and these provide stakeholders equal and easy access to information. FCOT's quarterly results are released within one month after the end of each quarter. Material, market sensitive information and corporate actions which are filed with the Singapore Exchange are also posted on the FCOT website. Supplemental financial and operational information are provided in Excel on a quarterly basis which could be downloaded directly from the website for the convenience of the public.

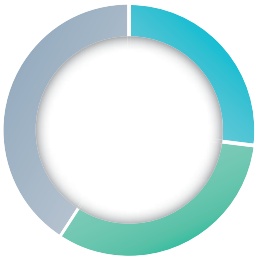
Beginning from October 2016, FCOT provided a webcast presentation of FCOT's full year results on the day of the results briefing for greater accessibility and transparency. Going forward, this will be provided for the half-year and annual results.

UNITHOLDERS OF FCOT

As at 30 September 2016, Frasers Centrepoint Limited, through its subsidiaries, held 27.2% Units in FCOT. Another 32.2% of the Units were held by institutional investors and the remaining Units were held by retail investors. In terms of geographical location and excluding Frasers Centrepoint Limited, 22.5% of the Units were held by investors from Singapore, followed by 8.4% from Asia (excluding Singapore). The rest of the investors were mainly from North America and Europe.

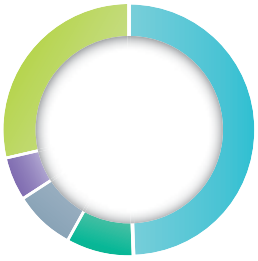
INVESTOR RELATIONS

UNITHOLDERS BY TYPE



Frasers Centrepoint Limited (through its subsidiaries)	27.2%
Institutional investors	32.2%
Retail investors	40.6%

UNITHOLDERS BY GEOGRAPHY



Singapore (including Frasers Centrepoint Limited)	49.7%
Asia (ex-Singapore)	8.4%
North America	8.0%
Europe	5.5%
Others	28.4%

FCOT CONTINUES TO UPHOLD HIGH STANDARDS IN CORPORATE GOVERNANCE

The Manager and the Board of Directors believe good corporate governance practice is key to a sustainable business and have appreciated its importance by setting the right tone from the top to safeguard the interests, enhance the value of the investors in FCOT and creating value in the long term. FCOT continues to be a signatory to the 2016 Corporate Governance Statement of Support organised by the Securities Investors Association of Singapore where the Trust has pledged its commitment to uphold high standards in corporate governance.

INVESTOR RELATIONS CALENDAR IN FY2016

Activities	Month
First Quarter FY2016 (1 October 2015 – 31 December 2015)	
Non-deal roadshow in Kuala Lumpur	October
Analysts' Briefing on FY2015 results	October
Post-results investors luncheon	October
Second Quarter FY2016 (1 January 2016 – 31 March 2016)	
DBS The Pulse of Asia Conference in Singapore	January
Post-results investors luncheon	January
SGX-REITAS Education Series in Singapore	February
Non-deal roadshows in Seoul and Tokyo	March
SIAS Corporate Connect Seminar	March
Non-deal roadshow in Bangkok	March
Third Quarter FY2016 (1 April 2016 – 30 June 2016)	
Analysts' Briefing on FY2016 first half results	April
Post-results investors luncheon	April
Non-deal roadshow in Hong Kong	April
Bank of Singapore Singapore Equity Forum 2016	May
Citi ASEAN C-Suite Forum 2016 in Singapore	June
2016 Singapore REITs Symposium in Singapore	June

Note: The Manager did not participate in conferences or roadshows in Fourth Quarter FY2016 but conducted one-on-one meetings and conference calls.



Mr Low Chee Wah speaking at the panel discussion session at the 2016 Singapore REITs Symposium in Singapore

DISTRIBUTIONS

FCOT applied the DRP for the distributions in FY2016. The DRP provides Unitholders with an option to receive their distributions either in cash, Units or a combination of both. A summary of FY2016 distributions are as follows:

Financial Quarter	Financial Period	Distribution	Distribution Per Unit (cents)
FY2016 First Quarter	1 October 2015 to 31 December 2015	Taxable[1]	1.8400
		Tax-exempt[2]	0.6700
		Total[3]	**2.5100**
		Payment date	**29 February 2016**
FY2016 Second Quarter	1 January 2016 to 31 March 2016	Taxable[1]	1.7784
		Tax-exempt[2]	0.6004
		Capital[4]	0.0738
		Total[3]	**2.4526**
		Payment date	**30 May 2016**
FY2016 Third Quarter	1 April 2016 to 30 June 2016	Taxable[1]	1.6875
		Tax-exempt[2]	0.3435
		Capital[4]	0.3791
		Total[3]	**2.4101**
		Payment date	**29 August 2016**
FY2016 Fourth Quarter	1 July 2016 to 30 September 2016	Taxable[1]	1.6954
		Tax-exempt[2]	0.4921
		Capital[4]	0.2656
		Total[3]	**2.4531**
		Payment date	**29 November 2016**

Notes:

1 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 the carrying on of a trade, business or profession. Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10.0%. All other investors will receive their distributions after deduction of tax at the rate of 17.0%.

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

3 The tax treatment as described above will apply to Unitholders electing to receive distributions in Units under the DRP.

4 Capital distribution represents a return of capital to Unitholders for tax purposes and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units. No tax will be deducted at source from this component.

ANALYSTS COVERAGE

FCOT is covered by the following brokerage houses. Daiwa Institute of Research and Citi Research initiated coverage on FCOT in FY2016.

1. BNP Paribas Securities
2. CIMB Research
3. Citi Research
4. Daiwa Institute of Research
5. DBS Vickers Research
6. OCBC Investment Research
7. Religare Capital Markets Research
8. RHB Research

FEEDBACK

To promote open and transparent communication, the Manager values and welcomes market feedback, which may be made via the following channels:

Telephone: +65 6276 4882
Facsimile: +65 6276 8942
Email: fcot@fraserscentrepoint.com

CALENDAR OF FINANCIAL EVENTS FY2017

(subject to changes by the Manager without prior notice)

January 2017

- Eighth AGM
- Release of FY2017 First Quarter Results

February 2017

- Payment of distribution for FY2017 First Quarter

April 2017

- Release of FY2017 Second Quarter Results

May 2017

- Payment of distribution for FY2017 Second Quarter

July 2017

- Release of FY2017 Third Quarter Results

August 2017

- Payment of distribution for FY2017 Third Quarter

October 2017

- Release of FY2017 Full Year Results

November 2017

- Payment of distribution for FY2017 Fourth Quarter

OVERVIEW OF PROPERTIES

"Six quality commercial properties focused in Singapore and Australia"

FCOT's portfolio comprises six quality commercial properties located in the core markets of Singapore and Australia. As at 30 September 2016, the total value of the five office buildings and a business space building was S$2.0 billion. The properties which are strategically located, well-connected with ample amenities and green features have a well-diversified tenant base across various trade sectors.



SINGAPORE



AUSTRALIA



	Properties	Asset Value as at 30 September 2016	Portfolio Net Property Income for FY2016	Net lettable area (sq ft) as at 30 September 2016
Singapore	2 office buildings 1 business space building	S$1,209.5 million (60.8%)	S$63.3 million (54.8%)	1.5 million (56.7%)
Australia	3 office buildings	S$779.8 million[1] (39.2%)	S$52.3 million (45.2%)	1.1 million (43.3%)
Total	**5 office buildings 1 business space building**	**S$1,989.3 million**	**S$115.6 million**	**2.6 million**

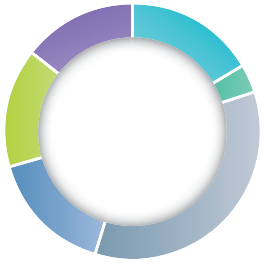
[1] Based on the exchange rate of A$1.00 = S$1.0418 as at 30 September 2016.

ASSET VALUES AS AT 30 SEPTEMBER 2016



China Square Central	28.3%
55 Market Street	7.0%
Alexandra Technopark	25.5%
Central Park	13.9%
Caroline Chisholm Centre	11.9%
357 Collins Street	13.4%

NET PROPERTY INCOME FOR FY2016



China Square Central	16.4%
55 Market Street	3.6%
Alexandra Technopark	34.8%
Central Park	16.0%
Caroline Chisholm Centre	15.0%
357 Collins Street	14.2%

NET LETTABLE AREA AS AT 30 SEPTEMBER 2016



China Square Central	14.1%
55 Market Street	2.7%
Alexandra Technopark	39.9%
Central Park	13.6%
Caroline Chisholm Centre	16.6%
357 Collins Street	13.1%

PORTFOLIO DETAILS







CHINA SQUARE CENTRAL

Address
18, 20 & 22 Cross Street,
China Square Central
Singapore 048423/2/1

Tenure
Leasehold 99 years
commencing February 1997

Net lettable area
369,824 sq ft (34,358 sq m)

Carpark spaces
394

Purchase price
S$390.0 million

Acquisition date
30 March 2006

Valuation as at 30 September 2016
S$562.5 million

Increase in valuation since purchase
44.2%

Occupancy rate as at 30 September 2016
88.9% (office tower: 99.4%)[1]

FY2016 gross revenue
S$28.7 million

FY2016 net property income
S$18.9 million

55 MARKET STREET

Address
55 Market Street,
Singapore 048941

Tenure
Leasehold 999 years
commencing April 1826

Net lettable area
71,796 sq ft (6,670 sq m)

Carpark spaces
Nil

Purchase price
S$72.5 million

Acquisition date
22 November 2006

Valuation as at 30 September 2016
S$139.0 million

Increase in valuation since purchase
91.7%

Occupancy rate as at 30 September 2016
92.0%

FY2016 gross revenue
S$5.9 million

FY2016 net property income
S$4.2 million

ALEXANDRA TECHNOPARK

Address
438A & 438B Alexandra Road
Singapore 119967/8

Tenure
Leasehold 99 years
commencing August 2009

Net lettable area
1,043,891 sq ft (96,981 sq m)

Carpark spaces
905

Purchase price
S$342.5 million

Acquisition date
26 August 2009

Valuation as at 30 September 2016
S$508.0 million

Increase in valuation since purchase
48.3%

Occupancy rate as at 30 September 2016
94.8%

FY2016 gross revenue
S$53.1 million

FY2016 net property income
S$40.2 million

1 Committed occupancy as at 30 September 2016. Lower occupancy as certain units were affected by the commencement of construction for the hotel development and additions and alterations at China Square Central. Refer to the Circular to Unitholders dated 3 June 2015 for details.
2 Represents Frasers Commercial Trust's 50.0% indirect interest in the asset.
3 Based on an exchange rate of A$1.00 = S$1.2347 being the rate at the time of acquisition.
4 Based on the exchange rate of A$1.00 = S$1.0418 as at 30 September 2016.







CENTRAL PARK

Address
152-158 St Georges Terrace
Perth WA 6000, Australia

Tenure
Freehold

Net lettable area
356,353 sq ft[2] (33,106 sq m)

Carpark spaces
421

Purchase price
A$190.0 million (S$234.6 million)[3]

Acquisition date
30 March 2006

Valuation as at 30 September 2016
AS$265.0 million (S$276.1 million)[4]

Increase in valuation since purchase
39.5%[5]

Occupancy rate as at 30 September 2016
80.2%

FY2016 gross revenue
S$26.6 million

FY2016 net property income
S$18.6 million

CAROLINE CHISHOLM CENTRE

Address
Block 4 Section 13, Tuggeranong
ACT 2900, Australia

Tenure
Leasehold 99 years
commencing June 2002

Net lettable area
433,182 sq ft (40,244 sq m)

Carpark spaces
1,093

Purchase price
A$191.8 million (S$244.4 million)[6]

Acquisition dates
18 June 2007, 13 April 2012[7]

Valuation as at 30 September 2016
A$227.5 million (S$237.0 million)[4]

Increase in valuation since purchase
18.6%[5]

Occupancy rate as at 30 September 2016
100.0%

FY2016 gross revenue
S$21.2 million

FY2016 net property income
S$17.4 million

357 COLLINS STREET

Address
357 Collins Street, Melbourne
Victoria 3000, Australia

Tenure
Freehold

Net lettable area
343,616 sq ft (31,923 sq m)

Carpark spaces
41

Purchase price
A$222.5 million(S$226.6 million)[8]

Acquisition date
18 August 2015

Valuation as at 30 September 2016
A$256.0 million (S$266.7 million)[4]

Increase in valuation since purchase
15.1%[5]

Occupancy rate as at 30 September 2016
100.0%

FY2016 gross revenue
S$21.1 million

FY2016 net property income
S$16.4 million

5 Based on the valuation denominated in Australian dollar.
6 Based on the exchange rates of A$1.00 = S$1.2533 and A$1.00 = S$1.3028, being the exchange rates at the time of acquisitions as at 18 June 2007 and 13 April 2012, respectively.
7 On 13 April 2012, Frasers Commercial Trust acquired the remaining 50.0% interest in Caroline Chisholm Centre.
8 Based on an exchange rate of A$1.00 = S$1.0186 being the rate at the time of acquisition.

ASSET PROFILES

CHINA SQUARE CENTRAL, SINGAPORE

Address
18, 20 & 22 Cross Street, China Square Central, Singapore 048423/2/1

Tenure
Leasehold 99 years commencing February 1997

Total NLA
369,824 sq ft

Office NLA
270,551 sq ft

Retail NLA
99,273 sq ft

Number of Tenants
97

Car Park Lots
394

Acquisition price (30 March 2006)
S$390.0 million

Market valuation (30 September 2016)
S$562.5 million



Located in the Central Business District, China Square Central is an office and retail development comprising a 15-storey commercial office tower with two storeys of retail podium, two basement levels and two clusters of heritage shophouses. The shophouses with modernised Chinese architecture features house offices, shops and restaurants. In FY2013, the commercial office tower was refreshed following the completion of the asset enhancement initiative and the area along Nankin Mall was revitalised with the construction of a covered linkway following the completion of the Precinct Master Plan. The construction of a 16 storey hotel, 'Capri by Fraser', by an entity of FCL is currently on-going and this hotel will further rejuvenate China Square Central upon its expected completion in mid-2019. New retail and commercial spaces to be created with better frontage and visibility will also benefit China Square Central in the long run.

China Square Central is within walking distance to three mass rapid transit (MRT) stations. It is approximately a three minute walk from Telok Ayer MRT station (Downtown Line), six minute walk from Chinatown MRT station (North East Line) and an eight minute walk from Raffles Place MRT station (North South Line). These MRT stations are well connected to other MRT lines such as the Circle and East West MRT Lines.

China Square Central has a diverse tenant mix of 97 office and retail tenants from various trade sectors. Major office tenants include GroupM Singapore Pte Ltd, Cerebos Pacific Ltd and Equinix Asia Pacific Pte Ltd. Retail tenants such as Sushi Tei, &SONS Bacaro, Folks Collective Restaurant, Kaiware Japanese Restaurant and Wang Dae Bak Korean BBQ Restaurant serve tenants and the public in the vicinity.

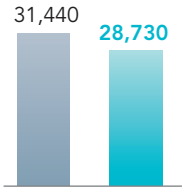
China Square Central has attained several green accolades including the Green Mark Gold Award by the BCA and the Water Efficient Building Award by the PUB. The sustainable practices implemented by the management office has been accredited by the Singapore Environment Council (SEC) under Project: Eco-Office.

Please visit China Square Central at www.chinasquarecentral.com for more information.

OPERATIONAL HIGHLIGHTS

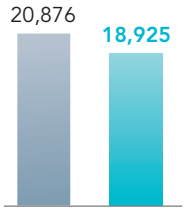
Gross Revenue (S$'000)

(8.6%)



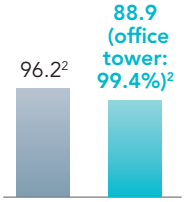
Net property income (S$'000)

(9.3%)



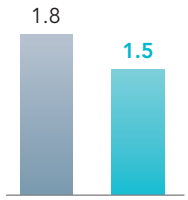
Occupancy (%)

(7.3%)

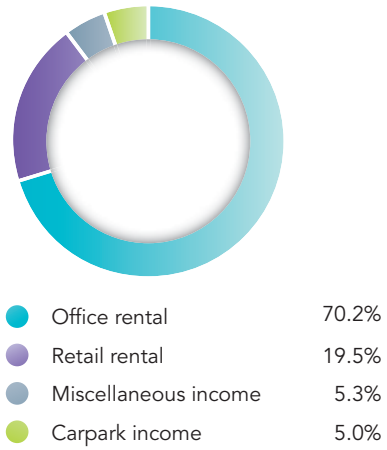


WALE by GRI (years)[3]

(16.7%)



GROSS REVENUE MIX



1 Lower as certain units were affected by the commencement of construction for the Hotel and Commercial Project at China Square Central. Refer to the Circular to Unitholders dated 3 June 2015 for details.

2 Committed occupancies as at 30 September.

3 The WALE is calculated on a gross rental income basis with respect to the unexpired lease terms of the existing tenants and is stated as at 30 September.

TOP 10 TENANTS

As at 30 September 2016	NLA (sq ft)	% of total NLA
GroupM Singapore Pte Ltd	56,285	15.2
Cerebos Pacific Ltd	43,074	11.6
Equinix Asia Pacific Pte Ltd	18,108	4.9
The 3rd Space Management Pte Ltd	16,173	4.4
OCBC Properties Services Pte Ltd	9,066	2.5
Attilan Group Limited	8,405	2.3
WT Partnership (S) Pte Ltd	7,739	2.1
SThree Pte Ltd	5,931	1.6
Grasshopper Pte Ltd	5,860	1.6
Straits Developments Pte Ltd	5,705	1.5
Total	**176,346**	**47.7**

LEASE EXPIRY PROFILE

Period	FY2017	FY2018	FY2019	FY2020	FY2021 & beyond
Number of leases expiring	51	36	25	–	–
NLA (sq ft)	121,902	82,746	113,635	–	–
% of total NLA (office)	34.5	18.7	37.4	–	–
% of total NLA (retail)	28.9	32.3	12.5	–	–
% of total gross rental income (office)	38.3	23.9	37.8	–	–
% of total gross rental income (retail)	43.7	37.2	19.1	–	–

TRADE SECTOR MIX

	% of total gross rental income	
Category	30 September 2015	30 September 2016
Banking, Insurance & Financial Services	13.4	11.2
Consultancy / Business Services	21.4	26.1
Food and Beverage	25.0	25.7
IT Products & Services	7.0	8.5
Legal	2.3	3.2
Medical / Pharmaceuticals	0.7	1.0
Multimedia & Telecommunications	3.5	3.7
Others	5.8	2.1
Real Estate / Property Services	5.8	6.6
Retail	11.6	7.5
Shipping / Freight	3.2[a]	4.0
Travel	0.3	0.4
Total	**100.0**	**100.0**

a Previously classified under Others.

ASSET PROFILES



55 MARKET STREET, SINGAPORE

Address
55 Market Street, Singapore 048941

Tenure
Leasehold 999 years commencing April 1826

Total NLA
71,796 sq ft

Office NLA
65,607 sq ft

Retail NLA
6,189 sq ft

Number of Tenants
17

Car Park Lots
Nil

Acquisition price (22 November 2006)
S$72.5 million

Market valuation (30 September 2016)
S$139.0 million

55 Market Street is a 16-storey commercial property with 15 floors of office space and two floors of retail space (including the basement) located in the heart of Raffles Place. 55 Market Street is approximately a two minute walk from Raffles Place MRT station and six minute walk from the Telok Ayer MRT station, and close to several bus stops with services that ply most parts of Singapore.

55 Market Street has a diverse tenant mix of 17 office and retail tenants from various trade sectors. Major office tenants include Corporate Serviced Offices Pte Ltd, Jones Lang Lasalle Property Consultants Pte Ltd and Manchester Business School Pte Ltd. Retail tenants include Italian restaurant Osteria Art and Kiraku Japanese Restaurant.

55 Market Street has obtained the Green Mark Gold Award by the BCA and Water Efficient Building Award by the PUB.

OPERATIONAL HIGHLIGHTS

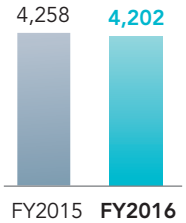
Gross Revenue (S$'000)

(2.5%)



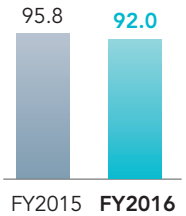
Net property income (S$'000)

(1.3%)



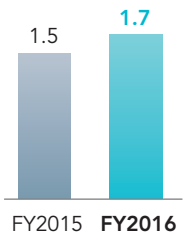
Occupancy (%)

(4.0%)

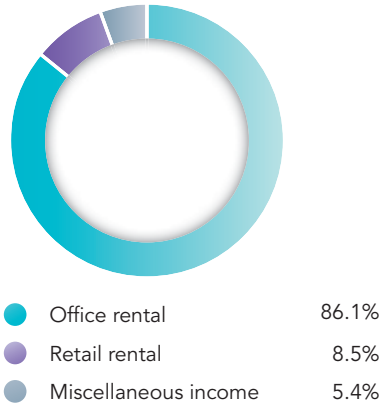


WALE by GRI (years)[1]

13.3%



GROSS REVENUE MIX



[1] The WALE is calculated on a gross income basis with respect to the unexpired lease terms of the existing tenants and is stated as at 30 September.

TOP 10 TENANTS

As at 30 September 2016	NLA (sq ft)	% of total NLA
Corporate Serviced Offices Pte Ltd	11,894	16.6
Jones Lang LaSalle Property Consultants Pte Ltd	4,844	6.7
Manchester Business School Pte Ltd	4,844	6.7
nTan Corporate Advisory Pte Ltd	4,844	6.7
TKP Singapore In Pte Ltd	4,844	6.7
Citigate Dewe Rogerson, i.Mage Pte Ltd	4,768	6.6
Best World Lifestyle Pte Ltd	4,715	6.6
Itron Metering Systems Singapore Pte Ltd	4,715	6.6
Curry San Pte Ltd	3,337	4.6
Il Lido Pte Ltd	2,852	4.1
Total	**51,657**	**71.9**

LEASE EXPIRY PROFILE

Period	FY2017	FY2018	FY2019	FY2020	FY2021 & beyond
Number of leases expiring	8	7	5	–	–
NLA (sq ft)	23,249	21,109	21,690	–	–
% of total NLA	32.4%	29.4%	30.2%	–	–
% of total gross rental income	35.7%	32.2%	32.1%	–	–

TRADE SECTOR MIX

	% of total gross rental income	
Category	30 September 2015	30 September 2016
Consultancy / Business Services	46.6	44.9
Consumer goods / trading	6.8	7.4
Food and Beverage	8.7	8.9
Legal	6.6	6.8
Medical / Pharmaceuticals	3.7	3.8
Mining / Resources	6.7	7.0
Others	14.1	14.3
Real Estate / Property Services	6.8	6.9
Total	**100.0**	**100.0**

ASSET PROFILES

ALEXANDRA TECHNOPARK, SINGAPORE

Address
438A & 438B Alexandra Road,
Singapore 119967/8

Tenure
Leasehold 99 years commencing August 2009

Total NLA
1,043,891 sq ft

Business Space NLA
1,043,891 sq ft

Retail NLA
–

Number of Tenants
46

Car Park Lots
905

Acquisition price (26 August 2009)
S$ 342.5 million

Market valuation (30 September 2016)
S$ 508.0 million



Alexandra Technopark is located within the prominent Alexandra business corridor, a dynamic business hub where office and industrial uses are integrated. Alexandra Technopark is within walking distance to the Labrador Park MRT station on the Circle Line, a 15-minute drive away from the Central Business District, and well-serviced by public buses linking it to Queenstown and HarbourFront MRT stations. It is also close to the Science Park, Biopolis and major expressways.

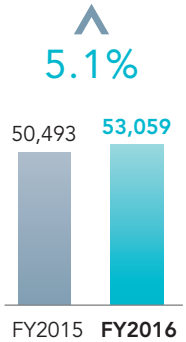
Alexandra Technopark is a high-tech business space comprising two blocks of high-specification buildings with 905 covered and surface car park lots. The buildings have large floor plates of up to 76,000 square feet, high floor-to-floor ceilings and high floor loadings. It is also efficiently designed with six lift cores in each block that allow sub-division into smaller units for flexible space configurations, or for each floor to be combined as one, allowing tenants to locate their entire operations on one floor. Alexandra Technopark houses a range of amenities such as F&B outlets, a medical clinic and other support services for the convenience of both tenants and visitors alike.

Alexandra Technopark has a diverse tenant mix comprising mainly of IT Products & Services, electronics, banking, insurance & financial services and medical and pharmaceutical sectors. Major tenants include Hewlett-Packard, Microsoft Operations Pte Ltd, Nokia Solutions and Networks (S) Pte Ltd, Dyson Operations Pte Ltd and Singapore Oxygen Air Liquide Private Limited.

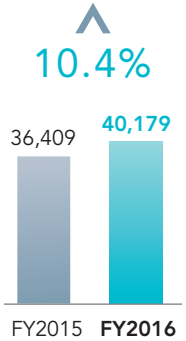
Alexandra Technopark's green accolades include the Water Efficient Building Award by the PUB and the management office has been accredited by the SEC under Project: Eco-Office. Recertification for Green Mark Award by the BCA is currently on-going.

OPERATIONAL HIGHLIGHTS

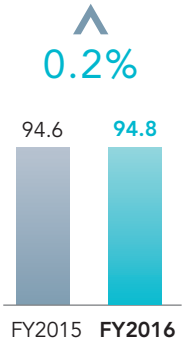
Gross Revenue (S$'000)



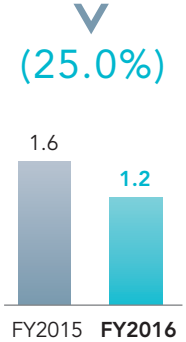
Net property income (S$'000)



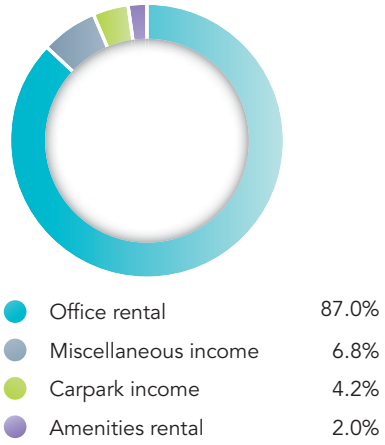
Occupancy (%)



WALE by GRI (years)[1]



GROSS REVENUE MIX



[1] The WALE is calculated on a gross rental income basis with respect to the unexpired lease terms of the existing tenants and is stated as at 30 September.

TOP 10 TENANTS

As at 30 September 2016	NLA (sq ft)	% of total NLA
Hewlett-Packard Singapore Pte Ltd	304,920	29.2
Hewlett-Packard Enterprise Singapore Pte Ltd	191,847	18.4
Microsoft Operations Pte Ltd	77,761	7.4
Nokia Solutions and Networks (S) Pte Ltd	30,968	3.0
Dyson Operations Pte Ltd	29,224	2.8
Singapore Oxygen Air Liquide Private Limited	25,640	2.5
SAP Asia Pte Ltd	25,016	2.4
The Great Eastern Life Assurance Co Ltd	25,016	2.4
Omron Asia Pacific Pte Ltd	24,101	2.3
Sennheiser Electronic Asia Pte Ltd	18,310	1.8
Total	**752,803**	**72.2**

LEASE EXPIRY PROFILE

Period	FY2017	FY2018	FY2019	FY2020	FY2021 & beyond
Number of leases expiring	26	14	11	1	–
NLA (sq ft)	348,432	483,861	131,827	25,016	–
% of total NLA	33.4	46.4	12.6	2.4	–
% of total gross rental income	36.7	48.1	12.7	2.4	–

TRADE SECTOR MIX

	% of total gross rental income	
Category	30 September 2015	30 September 2016
Amenities	2.3	2.2
Banking, Insurance & Financial Services	3.4	3.5
Consultancy / Business Services	0.7	2.0
Electronics	6.6	7.2
Government and Government Linked	0.8	0.8
IT Products & Services	70.4	67.6
Medical / Pharmaceuticals	2.2	3.3
Mining/Resources	2.6	2.7
Multimedia & Telecommunications	3.3	3.1
Others	4.1	4.2
Real Estate / Property Services	0.8	0.7
Shipping / Freight	2.8	2.7
Total	**100.0**	**100.0**

ASSET PROFILES



CENTRAL PARK, PERTH, AUSTRALIA

Address
152-158 St Georges Terrace Perth
WA 6000, Australia

Tenure
Freehold

Total NLA (50.0 % interest)
356,353 sq ft

Office NLA
346,572 sq ft

Retail NLA
9,781 sq ft

Number of Tenants
20

Car Park Lots
421

Acquisition price (30 March 2006)
A$190.0 million (S$234.6 million)[1]

Market valuation (30 September 2016)
A$265.0 million (S$276.1 million)[2]

Strategically located in the heart of the Central Business District, Central Park is the tallest office tower in Perth. The 47-storey Premium Grade office tower was constructed to high specifications and is an iconic Perth landmark. It has a prominent frontage onto St Georges Terrace – Perth's premier business address. Central Park has panoramic river and cityscape views, surrounded by 5,000 square metres of landscaped parkland and is equipped with excellent facilities such as a 130 seat theatrette, seminar/meeting rooms, full audiovisual conferencing facilities, 24 hours security service, centralised mail facility, concierge services, on site gymnasium and a comprehensive end-of-trip bicycle facility.

In FY2016, the retail arcade of Central Park was revamped and a refreshed and contemporary look with a new identity was created. The retail arcade now features modern outdoor sitting areas and has higher ceiling to give a spacious feel. The full height glass shopfront allows more light and the retail shop presentation has also improved.

Central Park has unparalleled road, rail and bus access including convenient access to a range of cafes, restaurants and a secure underground car park for its visitors and tenants.

Central Park has a diverse tenant mix of 20 office and retail tenants from various trade sectors. Major tenants include Hamersley Iron Pty Limited (a wholly-owned subsidiary of Rio Tinto Limited), BHP Billiton Iron Ore Pty Ltd and Government Employees Superannuation Board.

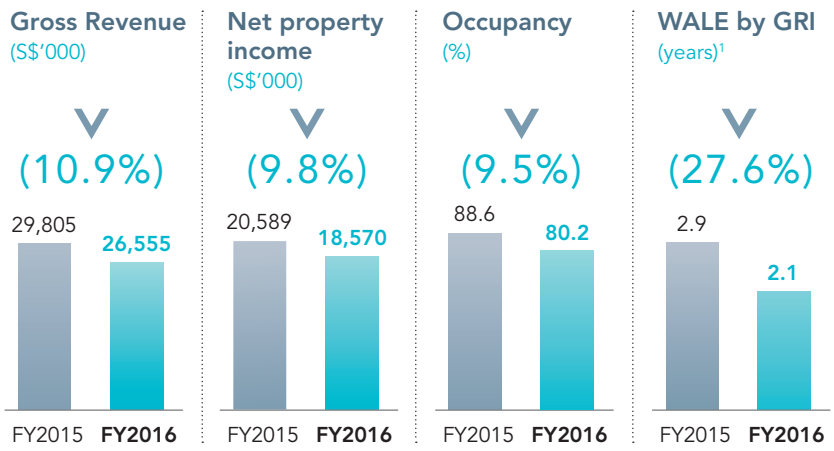
Central Park was the first commercial building in Australia to achieve a 4.5 star NABERS Energy rating and the first premium office building in Perth to attain a 5 star NABERS Energy base building rating. Central Park has a 5.0 star NABERS Energy Base Building rating, 3.5 star NABERS Indoor Environment rating and 3.5 star NABERS Water rating.

Please visit Central Park at www.central-park.com.au for more information.

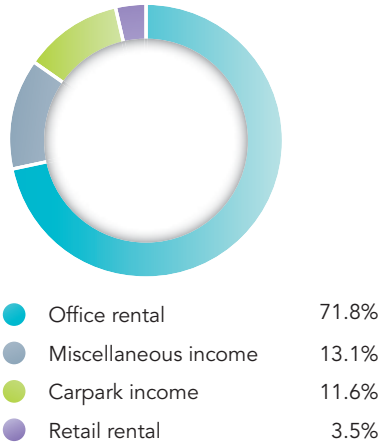
[1] Based on an exchange rate of A$1.00 = S$1.2347 being the exchange rate at the time of acquisition.

[2] Based on an exchange rate of A$1.00 = S$1.0418 as at 30 September 2016.

OPERATIONAL HIGHLIGHTS



GROSS REVENUE MIX



[1] The WALE is calculated on a gross rental income basis with respect to the unexpired lease terms of the existing tenants and is stated as at 30 September.

TOP 10 TENANTS

As at 30 September 2016	NLA (sq ft)	% of total NLA
Hamersley Iron Pty Ltd (Rio Tinto)	126,996	35.6
BHP Billiton Iron Ore Pty Ltd	47,384	13.3
Government Employees Superannuation Board (WA)	19,752	5.5
Westpac Banking Corporation	18,161	5.1
PF Lawyers Pty Ltd (DLA Piper)	14,210	4.0
IOOF Service Co Pty Ltd	11,434	3.2
Japan Australia LNG (MIMI) Pty Ltd	8,755	2.5
Servcorp (WA) Pty Ltd	8,454	2.4
Department of FACSIA	7,539	2.1
Jones Lang LaSalle (WA) Pty Ltd	7,110	2.0
Total	**269,795**	**75.7**

LEASE EXPIRY PROFILE

Period	FY2017	FY2018	FY2019	FY2020	FY2021 & beyond
Number of leases expiring	4	7	4	5	5
NLA (sq ft)	39,638	180,301	25,189	16,661	24,086
% of total NLA	11.1	50.6	7.1	4.7	6.8
% of total gross rental income	16.7	56.2	9.1	7.3	10.7

TRADE SECTOR MIX

	% of total gross rental income	
Category	30 September 2015	30 September 2016
Banking, Insurance & Financial Services	12.7	13.5
Consultancy / Business Services	2.0	2.1
Food and Beverage	1.6	1.8
Government and Government Linked	10.1	11.6
Legal	5.6	7.9
Mining / Resources	63.0	59.6
Others	1.3	–
Real Estate / Property Services	2.7	3.0
Retail	1.0	0.5
Total	**100.0**	**100.0**

ASSET PROFILES

CAROLINE CHISHOLM CENTRE, CANBERRA, AUSTRALIA

Address
Block 4 Section 13, Tuggeranong ACT 2900 Australia

Tenure
Leasehold 99 years commencing June 2002

Total NLA
433,182 sq ft

Office NLA
433,182 sq ft

Retail NLA
Nil

Number of Tenants
1

Car Park Lots
1,093

Acquisition price
A$191.8 million (S$244.4 million)[1]

Market valuation (30 September 2016)
A$227.5 million (S$237.0 million)[2]



Caroline Chisholm Centre is a five-storey Grade A contemporary office complex located within the core of the Tuggeranong Town Centre, one of the town centres within Canberra, Australia's capital city and the location of the Federal Parliament House.

The property is purpose designed as a cutting-edge energy efficient new generation building, with eco-friendly features such as grey and rainwater collection, solar panels and double glazed windows. It is also equipped with various amenities such as conference facilities, auditorium, amphitheatre, gymnasium and café.

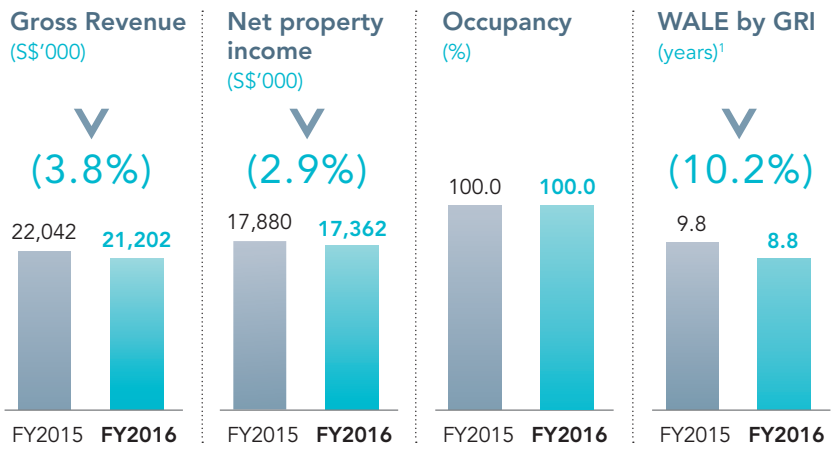
It is fully leased to the Commonwealth Government of Australia. The initial lease term is 18 years commencing 5 July 2007 with 3.0% annual rental increment. The lease structure and long WALE of approximately 8.8 years as at 30 September 2016 provides organic growth and stable income stream to the portfolio.

Caroline Chisholm Centre has a 5 star NABERS Energy base building rating.

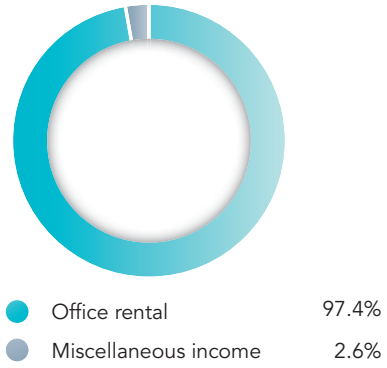
1 Based on the exchange rates of A$1.00 = S$1.2533 and A$1.00 = S$1.3028, being the exchange rates at the time of acquisitions as at 18 June 2007 and 13 April 2012, respectively.

2 Based on an exchange rate of A$1.00 = S$1.0418 as at 30 September 2016.

OPERATIONAL HIGHLIGHTS



GROSS REVENUE MIX



[1] The WALE is calculated on a gross rental income basis with respect to the unexpired lease terms of the existing tenants and is stated as at 30 September.

TENANT PROFILE

	NLA (sq ft)	% of total NLA
Commonwealth of Australia	433,182	100.0
Total	**433,182**	**100.0**

LEASE EXPIRY PROFILE

Period	FY2017	FY2018	FY2019	FY2020	FY2021 & beyond
Number of leases expiring	–	–	–	–	1
NLA (sq ft)	–	–	–	–	433,182
% of total NLA	–	–	–	–	100.0
% of total gross rental income	–	–	–	–	100.0

TRADE SECTOR MIX

	% of total gross rental income	
Category	30 September 2015	30 September 2016
Government and Government Linked	100.0	100.0
Total	**100.0**	**100.0**

ASSET PROFILES



357 COLLINS STREET, MELBOURNE, AUSTRALIA

Address
357 Collins Street, Melbourne Victoria 3000, Australia

Tenure
Freehold

Total NLA
343,616 sq ft

Office NLA
323,972 sq ft

Retail NLA
19,644 sq ft

Number of Tenants
34

Car Park Lots
41

Acquisition price (18 August 2015)
A$222.5 million (S$226.6 million)[1]

Market valuation (30 September 2016)
A$256.0 million (S$266.7 million)[2]

Strategically located in the heart of the Melbourne CBD, 357 Collins Street is a 25 storey freehold office building with Grade A specifications. The property occupies a central position in the financial precinct of the Melbourne CBD and Collins Street is regarded as a prime office location in the Melbourne CBD. 357 Collins Street is also close to Bourke Street Mall, Melbourne's retail heart.

357 Collins Street boasts good connectivity and accessibility with well-established pedestrian, vehicle and public transport access. It is well served by public transport infrastructure such as trams, and railway stations such as the Flinders Street Station, which serves the entire Melbourne metropolitan rail network and the Southern Cross Station, which is the terminus of the State's regional railway network, suburban rail services and coach terminal.

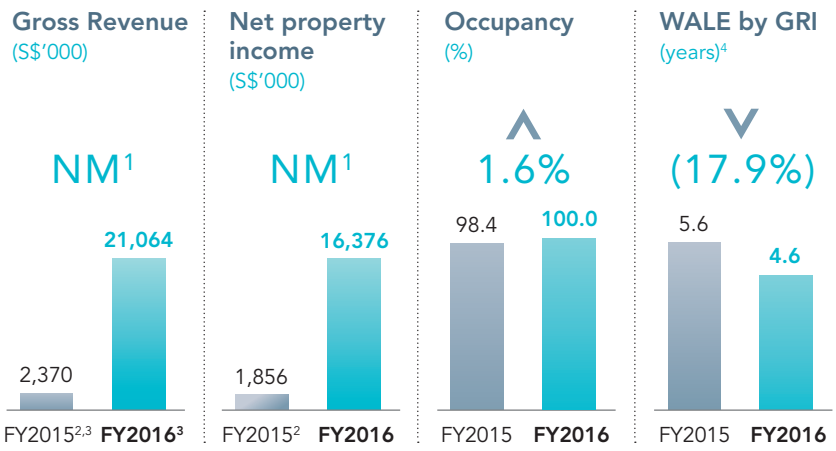
Major office tenants include the Commonwealth Bank of Australia, Service Stream Limited and Orange Business Services Australia Pty Ltd. Retail tenants include Thomas Pink, Henrietta's Chicken and O-Bento Japanese restaurant.

357 Collins Street has a 5.5 star NABERS Energy base building rating (with green power) and 4.5 star NABERS Water rating.

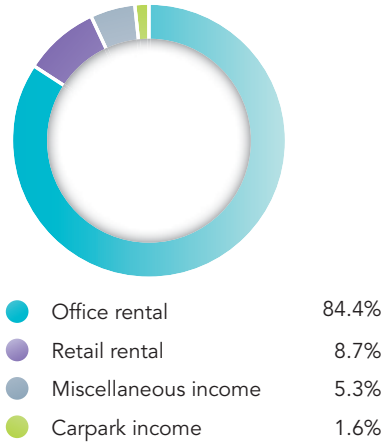
[1] Based on an exchange rate of A$1.00 = S$1.0186 being the exchange rate at the time of acquisition.

[2] Based on an exchange rate of A$1.00 = S$1.0418 as at 30 September 2016.

OPERATIONAL HIGHLIGHTS



GROSS REVENUE MIX



1 Not meaningful as the acquisition was completed on 18 August 2015.

2 Gross revenue and net property income for the period from 18 August 2015 being the date of completion of 357 Collins Street to 30 September 2015.

3 Included in gross revenue is reimbursement of rent-free periods of S$0.2 million and S$0.4 million for FY2015 and FY2016 respectively.

4 The WALE is calculated on a gross rental income basis with respect to the unexpired lease terms of the existing tenants and is stated as at 30 September.

TOP 10 TENANTS

As at 30 September 2016	NLA (sq ft)	% of total NLA
Commonwealth Bank of Australia	145,775	42.4
Service Stream Limited	81,354	23.7
Orange Business Services Australia Pty Ltd	11,528	3.4
Meridian Lawyers Limited	9,418	2.7
VAP Victoria Pty Ltd	9,354	2.7
Wilson HTM Services Pty Ltd	8,288	2.4
Infor Global Solutions (ANZ) Pty Limited	8,277	2.4
Meridian Energy Australia Pty Ltd	8,277	2.4
Oceana Gold Limited	7,406	2.2
Eureka International Trading Limited	6,093	1.8
Total	**295,770**	**86.1**

LEASE EXPIRY PROFILE

Period	FY2017	FY2018	FY2019	FY2020	FY2021 & beyond
Number of leases expiring	–	11	3	7	17
NLA (sq ft)	–	35,478	12,002	103,829	192,308
% of total NLA	–	10.3%	3.5%	30.2%	56.0%
% of total gross rental income	–	12.8%	3.9%	27.6%	55.7%

TRADE SECTOR MIX

Category	% of total gross rental income	
	30 September 2015	30 September 2016
Banking, Insurance & Financial Services	50.1	49.2
Consultancy / Business Services	3.1	3.1
Food and Beverage	8.0	8.6
IT Products & Services	5.9	5.8
Legal	2.9	2.8
Mining/Resources	3.9	3.8
Multimedia & Telecommunications	20.7	20.3
Others	2.5	2.6
Real Estate / Property Services	1.6	2.6
Retail	1.3	1.2
Total	**100.0**	**100.0**

RISK MANAGEMENT, SUSTAINABILITY REPORT & CORPORATE GOVERNANCE



RISK MANAGEMENT

ENTERPRISE-WIDE RISK MANAGEMENT

Enterprise-wide risk management (ERM) is an integral part of business activities of FCOT. The objective of enterprise-wide risk management is to identify key risks and put in place controls, and to allocate appropriate resources to proactively manage the identified risks. The Board of Directors is responsible for determining the overall risk strategy and ensuring that the Manager implements sound risk management and internal control practices. The Board of Directors is supported by the Audit, Risk and Compliance Committee (ARC Committee). The Manager maintains a risk management system to proactively manage risks to support the achievement of FCOT's business objectives.

Enterprise-wide risk reporting is facilitated through a web-based Corporate Risk Scorecard system which enables the reporting of risks and risk status on a common platform in a consistent and cohesive manner. The ERM framework covers key areas such as investment, financial management and operating activities. Risks are reported and monitored using a Risk Scorecard which captures risks, assessment of likelihood and impact mitigating measures, timeline for action items and risk ratings. Where applicable, Key Risk Indicators (KRIs) are established to monitor risks. The Risk Scorecard and KRIs are presented in the form of a Key Risk Dashboard and reviewed by the Management and ARC Committee on a regular basis.

The Board approves risk tolerance statements which set out out the nature and extent of significant risks which the Manager is willing to take in achieving its strategic objectives in respect of FCOT. The risk tolerance statements are reviewed periodically.

At the end of the financial year, an annual ERM validation exercise is held where Management provide assurance to the ARC Committee that the system of risk management is adequate and effective as at the end of the financial year to address risks in certain key areas which are considered relevant and material to the operations.

KEY RISKS IN FY2016

Investment Risk

All investment proposals are evaluated against a comprehensive set of investment criteria and due diligence is carried out to mitigate potential investment risks. The evaluation process for all investment activities includes consideration of the location, quality of tenants, building condition, environmental impact, competitive landscape, investment return, long-term sustainability and growth potential.

Regulatory Risks

To mitigate the risk of non-compliance with applicable laws and regulations and any changes thereof, processes are in place to monitor compliance with relevant policies and procedures, and staff are updated regularly on latest developments in relevant laws and regulations through training and attending talks and briefings.

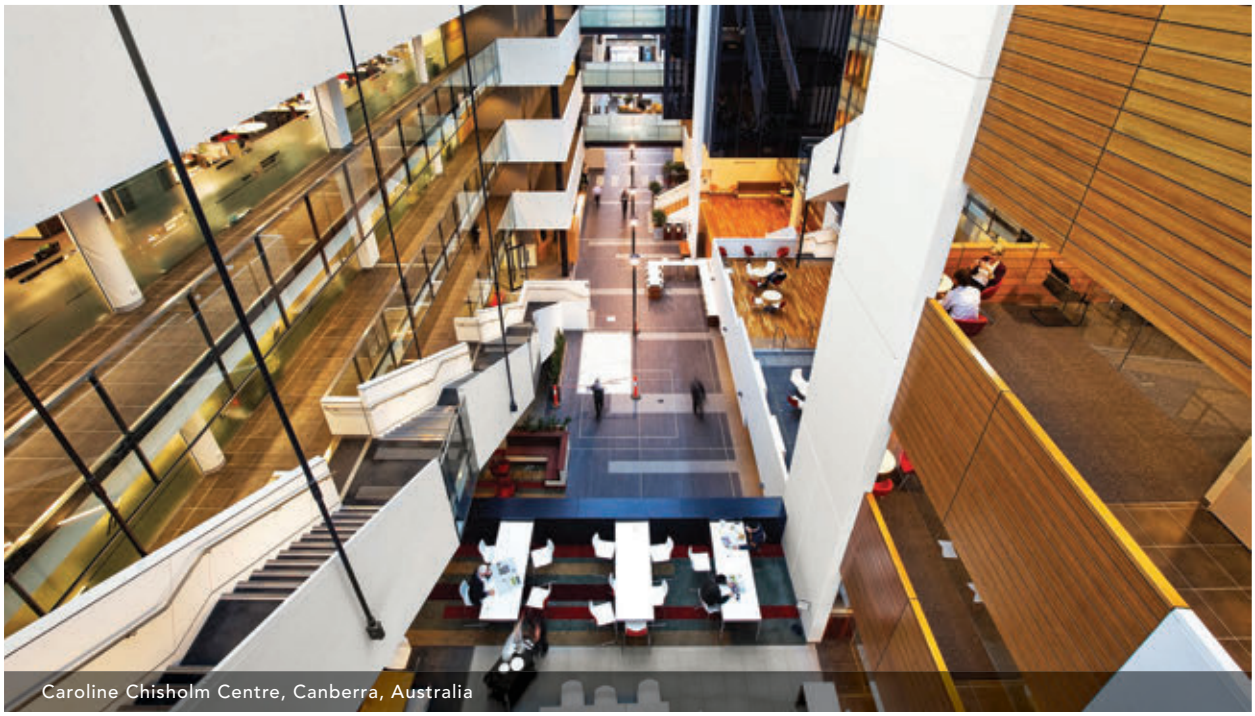
Interest Rate Risk

The Manager proactively manages interest rate risk by adopting a policy of fixing interest rates for a portion of its outstanding borrowings via the use of derivative financial instruments or other suitable financial products. Interest rate derivative instruments are used for the purpose of hedging interest rate risk and managing the portfolio of fixed and floating rate.

Funding and Liquidity Risks

The Manager actively manages the Trust's capital structure. It ensures that the gearing of the Trust is at a prudent level and adheres to the gearing ratio requirements under the relevant loan facility agreements and Property Funds Appendix of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. Refinancing risk is also monitored, taking into account the concentration of debt maturity profile and available sources of funding. The debt maturities of the loan facilities are spread out to mitigate financing risks. In addition, a sufficient level of working capital is maintained to meet the requirements of the Trust's operations.

RISK MANAGEMENT


Caroline Chisholm Centre, Canberra, Australia

Foreign Currency Risk

The Trust is exposed to foreign exchange risk as a result of its investments in Australia. It is the Trust's policy to hedge anticipated foreign currency income net of anticipated payments required in the same currency, from its overseas investments approximately six to nine months forward by using appropriate foreign currency financial instruments. FCOT uses these instruments solely for hedging actual underlying foreign exchange requirements in accordance with hedging limits set by the ARC Committee and Board and does not engage in trading of foreign exchange derivatives. A portion of the investment in overseas assets is hedged naturally to the extent that related borrowings are taken up in the relevant foreign currency. The net positions of the foreign exchange risk of investments in overseas assets are not hedged as such investments are long term in nature.

Operational Risks

FCOT has established and strictly adheres to a set of standard operating procedures designed to identify, monitor, manage and report operational risks associated with the day-to-day management and maintenance of the Trust's properties. These include actively managing lease renewals and new leases to minimise rental void, as well as monitoring rental arrears and property expenses. The Manager practises prudent lease management to prevent disproportionate levels of vacancy in any one year by staggering the lease terms of properties within its portfolio.

Insurances are in place to mitigate losses to assets and business due to unforeseen events. The operating procedures are also reviewed regularly and business continuity plans tested to ensure their continued relevance and effectiveness.

Credit Risk

Credit risk is the potential financial loss resulting from failure of tenants to fulfill their payment obligations. In order to mitigate credit risk, credit evaluations are performed before the lease agreements are entered into and security deposits are collected from tenants. Arrears from tenants are monitored on an ongoing basis.

Fraud Risk

Whistle blowing policy and purchasing/procurement approval process and procedures are in place to mitigate fraud risk. These are subject to regular internal audit reviews scheduled based on the internal audit work plans approved by the ARC Committee.

Human Capital Risk

The Manager has in place a career planning and development system and conducts regular remuneration and benefits benchmarking to attract and retain appropriate talent for the business. Regular training is also provided to upgrade the skills of the staff.

SUSTAINABILITY REPORT

for the financial year ended
30 September 2016

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121 GRI Content Index (G4 Core)



SUSTAINABILITY REPORT

Sustainability has always been part of FCOT's mission to be a fair and responsible landlord. As a landlord, we are able to create a better future by being responsible stewards of the environment. We strive to build a sustainable business for tomorrow to deliver long-term value to our stakeholders by upholding high standards of corporate governance and being responsible to the environment, while focusing on the employees, tenants and the community

GROWING SUSTAINABILITY AT FCOT

We are pleased to present our second Sustainability Report, demonstrating our on-going commitment towards continuous stakeholder engagement and greater transparency. One of our missions is to be a fair and responsible landlord adopting best practices in governance, social responsibility and sustainability. Our vision, mission and strategies guide our approach in creating and delivering value to our stakeholders.

As we continue to develop and improve further in our sustainability journey, we have taken progressive steps in improving our sustainability performance. We take a long-term approach towards sustainability, and as we continue to build on our sustainability efforts over the years, we trust that these will create long-term value for the Trust and the stakeholders.

We are encouraged that our inaugural sustainability report in FY2015 was shortlisted as the finalist for Asia's Best First Time Sustainability Report at the Asia Sustainability Reporting Awards 2016. While the reporting and environmental performance of our properties have improved and garnered recognition over the years, we will continue to strive to do better.

We strive to use our influence as landlord to incorporate sustainability into the management of our properties. In addition, we were amongst the Singapore REITs first movers to produce a sustainability report last year that is in accordance with the international guideline of sustainability reporting, the Global Reporting Initiative (GRI).

The results of our approach to sustainability are evident. In FY2016, FCOT recorded the seventh consecutive year of growth in DPU and distributable income since the completion of the recapitalisation exercise in 2009. We are pleased to report that the majority of our sustainability performance data showed an improvement in performance year-on-year, including reductions in energy use, greenhouse gas emissions, water and waste intensities and a repeat of last year's zero loss time injuries and zero incidents of safety-related non-compliance for the properties. We hope to continue to build on this performance.

When the Sustainable Development Goals (SDGs) came into effect on 1 January 2016, we assessed our performance against the relevant goals to explore opportunities for further improvements.

In FY2016, we began the ISO 14001:2015 and ISO 50001:2011 accreditation process for the Singapore properties. These accreditations are in addition to the existing Occupational Health and Safety Management System (OHSAS) 18001 and SS506 Part 1: 2009 certifications obtained for all our properties in Singapore.

In line with the FCL group's efforts on seeking continuous improvements in sustainability performance, in FY2016, three dedicated sub-committees were set up under the Sustainability Steering Committee, namely the Environment, Health and Safety and Innovation sub-committees.

Our report is prepared in accordance with GRI G4 Core requirements guidelines and we measure our performance in the 10 material aspects through a number of performance indicators. We hope that the sustainability report provides a good sense of our progress and achievements and our plans for the future.

Welcome your feedback and suggestions [G4-31]

We welcome your feedback as we seek to continuously improve our sustainability performance. Feedback on this report can be directed to fcot@fraserscentrepoint.com.

KEY HIGHLIGHTS FOR FY2016

RECOGNITION

- Finalist for Asia's Best First Time Sustainability Report at the Asia Sustainability Reporting Awards 2016
- FCOT is a constituent of the SGX Sustainability and Sustainability Enhanced Indices[1]

GOVERNANCE

- Zero known incidents of non-compliance with relevant codes, laws and regulations and voluntary codes

ENVIRONMENT

- 11.4% and 6.1% improvements in average building energy and water intensities in FY2016 respectively
- 100% BCA Green Mark Gold and NABERS certifications for the office properties in Singapore and Australia respectively[2]
- 100% Water Efficient Building certification by PUB for the properties in Singapore



PEOPLE

Health and safety

- 100% OHSAS 18001 and SS506 Part 1: 2009 certifications for the management of all Singapore properties
- 100% BizSafe Star certifications and BizSafe Partner Award for the management of all properties in Singapore
- Commenced the accreditation process for ISO 14001:2015 and ISO 50001:2011 for the Singapore properties
- Zero loss time injuries and workplace fatalities
- Zero incidents of safety-related non-compliance

Employees

- Employees of the Manager received an average 63.5 training hours per employee
- Average training hours in FY2016 exceeded target set in FY2015 by 58.8%

Community

- Majority of tenants were 'Satisfied' in a tenant survey conducted at the Singapore properties
- Revamped the retail arcade of Central Park to improve the tenant and visitor experience

1 Source: SGX Sustainability Indices as at November 2016.

2 Recertification for Alexandra Technopark is currently on-going.

SUSTAINABILITY REPORT

ABOUT THIS REPORT [G4-17]

The Sustainability Report covers the economic, social and governance (ESG) performances for all FCOT's properties in Singapore and Australia from 1 October 2015 to 30 September 2016 (Properties)[2]. In FY2016, the scope has been expanded to include the performance of 357 Collins Street as the acquisition of the property was completed on 18 August 2015. The performance of this property was excluded from the FY2015 Sustainability Report. Information on the employees refers to the Manager of the Trust, Frasers Centrepoint Asset Management (Commercial) Ltd[3].

The Manager has general powers of management over the Properties, although the day-to-day management functions are undertaken by the property managers. The Manager works closely with the property managers to improve and enhance the environmental performance of the properties. As at the date of this report, the property manager for the properties in Singapore is Frasers Centrepoint Property Management Services Pte Ltd. The property managers for Central Park and 357 Collins Street are Jones Lang LaSalle (WA) Pty Ltd and Frasers Property Management Services Pty Limited respectively. The facilities manager for Caroline Chisholm Centre is Brookfield Global Integrated Solutions Australia Pty Ltd.

The report is prepared in accordance with GRI, the international guideline for sustainability reporting. The report references GRI's G4 Core requirements and the Construction and Real Estate Sector disclosures. We intend to seek external assurance on our sustainability report in the future. We demonstrate how we followed each of the GRI principles in the table below.

This report should be read together with the financial and operational information set out in our Annual Report, and plays an integral role in providing sustainability information to stakeholders. A pdf version of the Sustainability Report is also available for download at our website www.fraserscommercialtrust.com.

GRI Principles	How FCOT demonstrates this
Stakeholder inclusiveness	We engage and communicate with our stakeholders on an ongoing basis. Our stakeholders are important to us and we strive to address their concerns and keep them informed of their interests.
Sustainability context	Sustainability is embedded in the Trust's mission, and in line with our objective to create value and deliver stable and sustainable distributions to Unitholders to achieve long term growth. We take references from national and global agendas, such as the Sustainable Singapore Blueprint and the Sustainable Development Goals (SDGs), to seek continuous improvements in sustainability performance. Please see pages 96 to 97 for mapping the SDGs with our sustainability priorities.
Materiality	The materiality assessment enabled us to identify issues which are key to FCOT and its stakeholders and to report these issues accordingly. Please refer to page 95.
• Completeness • Balance	This report covers the material issues identified and all the properties of FCOT, and is presented with a balanced and objective perspective. The reporting boundaries are set out above in the section About this Report.
• Comparability • Accuracy and reliability • Clarity	This report references GRI's G4 Core requirements and we also take into consideration of industry trends. The same performance metrics have also been used. These are to ensure the report is comparable, accurate, reliable and clear.
Timeliness	The information presented is in relation to FY2016, in line with the same time period of this Annual Report. The Annual Report is published within 4 months of the end of our financial year to provide timely information to stakeholders.

[2] The energy and water data in FY2015 have been restated in view of updates of data received.

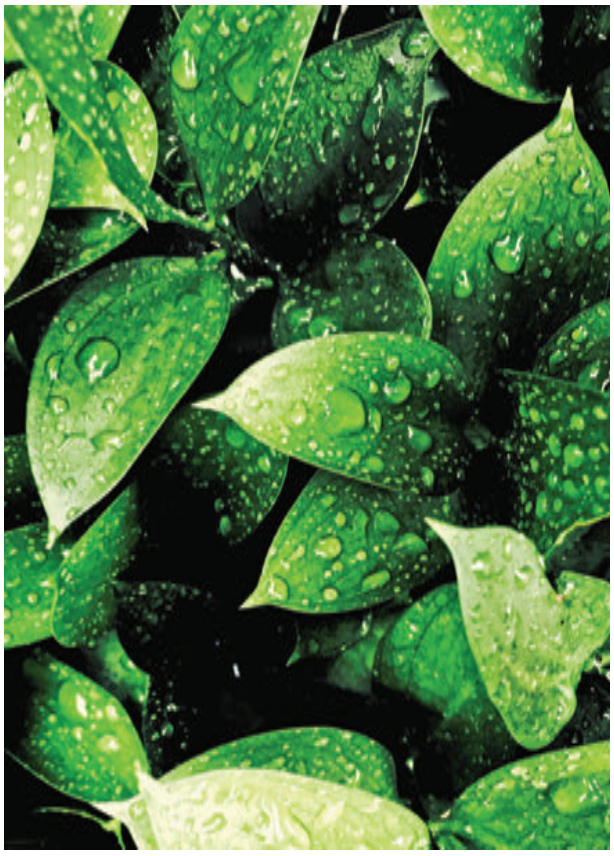
[3] FCOT does not have any employee and is managed by the Manager.

WHAT IS IMPORTANT TO US [G4-18, G4-19]

Our material factors

In our second Sustainability Report, FCOT reviewed its materiality assessment to determine if the material ESG issues reported in FY2015 continues to be relevant to our business and our stakeholders. During the assessment, we reviewed the important issues for our business and stakeholders and broader industry trends and have determined that these same material factors continue to be relevant for FY2016. These have also shaped our approach towards creating value for the Trust and stakeholders.

The materiality assessment was based on international standards for materiality, namely GRI and AA1000 Stakeholder Engagement Standard, as well as the application of sector-specific guidance from the Global Real Estate Sustainability Benchmark (GRESB) and the GRI G4 Construction & Real Estate Sector supplements. Material issues in the main categories of economic performance, governance, environment and people are key and have significant impact on our business, operations and stakeholders.



FCOT's top ten material issues

ECONOMIC PERFORMANCE

1. Economic and financial contribution to our business and our stakeholders (refer to Financial Highlights (pages 12 to 15), Letter to Unitholders (pages 16 to 22) and Financial Statements (pages 145 to 208)

GOVERNANCE

2. Anti-corruption
3. Ethical marketing

ENVIRONMENT

4. Energy use/ climate change
5. Environmental compliance
6. Water use/ conservation

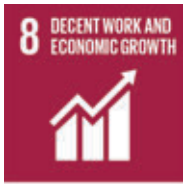
PEOPLE

7. Health and safety
8. Labour/management relations
9. Staff retention and development
10. Local communities

Except for labour/management relations and staff retention and development which are internally focused, the other key material issues impact the organisation internally and externally. [G4-20, G4-21]

What the SDGs mean to us

The SDGs is a set of 17 global goals that came into effect on 1 January 2016 which aims to reduce global inequalities and eradicate poverty, protect the planet and ensure prosperity for all, as part of the 2030 Agenda for Sustainable Development[4]. In line with our long-term commitment towards sustainability, we have mapped out FCOT's material issues against the relevant SDGs to assess the performance and to explore opportunities for further improvements. We noted that the material issues are aligned with 7 SDGs[5] as follows:

SDGs	FCOT's material issues	Alignment with SDGs
 Goal 3: Good health and wellbeing Ensuring healthy lives and promote well-being for all at all ages	Health and safety	• Provide a safe environment for stakeholders • Instil a culture of safety awareness through health and safety campaigns, practise prevention measures and implement workplace safety policy • Various wellness programme and activities for staff throughout the year • Provide welfare schemes such as health insurance coverage, dental and medical benefits
 Goal 7: Affordable and clean energy Ensure access to affordable, reliable, sustainable and modern energy for all	Energy use and greenhouse gas (GHG) emissions	• Target to reduce energy intensity by 15% by FY2025 from the baseline of FY2015 • Monitor energy consumption, implement initiatives to reduce carbon footprint • Upgrade older equipment or undertake asset enhancement initiatives to ensure better energy efficiency • Purchase Green Power and Gold Standard carbon credits to offset emissions • Use solar energy
 Goal 8: Decent work and economic growth Promote sustained inclusiveness and sustainable economic growth, full and productive employment and decent work for all	• Economic and financial contribution • Labour/ Management relations	• The FCOT Manager provides employment opportunities and adopts fair employment practices • FCOT adopts FCL's policies on labour, including Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) in Singapore, that is recruiting employees based on merit • The Manager is committed to grow the skills and knowledge of employees through various training and development programmes.

[4] Source: www.un.org

[5] The remaining 10 SDGs are less relevant to FCOT.

SDGs	FCOT's material issues	Alignment with SDGs
 Goal 9: Industry, innovation and infrastructure Built resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	Economic and financial contribution	We constantly look at new initiatives or measures to achieve greater efficiencies and enhance the experience of the tenants.
 Goal 10: Reduced inequalities Reduce inequality within and among countries	Labour/ Management relations	The remuneration of the FCOT Manager is based on merit and are aligned to TAFEP in Singapore, which include the pledge to reward employees fairly based on their ability, performance, contribution and experience.
 Goal 11: Sustainable cities and communities Make cities and human settlements inclusive, safe, resilient and sustainable	• Energy use and GHG emissions • Water use/ conservation • Waste management	Our initiatives to improve energy and water efficiencies, reduce emissions and waste management efforts contribute towards achieving this goal.
 Goal 17: Partnership for the goals Strengthen the means of implementation and revitalise the global partnership for sustainable development.	• Economic and financial contribution • Local communities	• We are aligned with the FCL group's policies and guidelines, and in February 2016, FCL became a signatory of United Nations Global Compact • We support global sustainability awareness. For example, we supported Earth Hour™ organised by the World Wide Fund for Nature by turning off all non-essential lighting • We work with various partners to give back to our communities, engaging them and supporting community projects

Engaging our stakeholders (G4-24 – G4-27)

During our regular interactions with our stakeholders, we gained valuable insights into key issues or interests pertinent to these stakeholders, and this has guided our approach on sustainability.

Our key stakeholders	Issues/ interests (examples)	Forms of engagement (examples)	Frequency of engagement
Investment community (Investors, Unitholders, analysts, media)	• Stable and sustainable distribution	• One-on-one meetings and site visits	• As and when requested
	• Operational and financial performance	• Local and overseas investor conferences and roadshows	• Refer to Investor Relations on pages 69 to 71
	• Business strategy and outlook	• Post-results briefings for analysts and investor luncheons	• At least twice a year
	• Timely and transparent reporting	• Annual General Meetings	• Once a year
	• Good corporate governance	• Website, SGX announcements, presentations, press releases	• Throughout the year
Tenants	• Clean, safe and pleasant environment	• Tenant engagement programmes and festive gifts	• Throughout the year
	• Reliable and efficient buildings	• Joint community programmes with tenants	• Throughout the year
	• Tenant engagement activities	• Tenant surveys	• Once a year in Singapore
		• Tenant meetings	• Throughout the year
Regulators and industry associations	• Compliance with rules and regulations, regulatory and industry trends	• Meetings, briefings and consultations	• Throughout the year
	• Government policies on SREITs or real estate sector	• Joining trade associations such as REITAS	• Throughout the year
Property Managers	• Key performance indicators for the property managers	• Regular meetings and discussions	• Throughout the year
	• Operational performance of the properties	• Emails and phone calls	• Throughout the year
Employees (See also People, pages 111 to 116)	• Friendly and safe working environment	• Performance appraisals	• Once a year
	• Fair and competitive employment policies	• Team bonding sessions	• Throughout the year
	• Staff development	• Orientation program for new staff	• Upon joining the Manager
		• Communication via the FCL intranet	• Throughout the year
		• Training	• Throughout the year
		• Employee activities such as Annual Dinner & Dance, Family Day, sports events and fitness programmes	• Throughout the year
Community (See also Local Communities, pages 117 to 120)	Nurturing and building relationships with the community	• Social and community events	• Throughout the year
		• Sustainability report	• Once a year



Influencing Our Supply Chain [G4-12]

As a REIT, our supply chain includes our property managers. When selecting our third party service providers, we consider their ESG performance and aim to choose providers with a similar outlook to sustainability as our own. We also work closely with our property managers to increase the efficiency of resources used in our properties, such as energy and water, and reduce waste sent to landfill or incineration. Our aim is to own and manage a balanced portfolio of quality commercial properties, whilst taking the environmental, governance and social impacts of those properties into account.

Partnerships and affiliations (G4-16)

The Manager engages various industry forums and trade organisations by participating in discussions or contributing as members of trade associations. The Manager is one of the pioneer members of the REIT Association of Singapore (REITAS). REITAS aims to promote and develop the Singapore REIT (SREIT) industry. Mr Low Chee Wah, the CEO of the Manager, is the Vice President of the Executive Committee and Chairman of the Professional Development Sub-committee of REITAS. The Professional Development Sub-committee assists member REITs to upgrade and enhance the professional skills and knowledge of their staff through courses, seminar, talks and workshop, including regular update on regulatory and compliance requirements.

The Manager is also aligned with the practices of FCL, which became a signatory to the United Nations Global Compact and joined as a gold member of the Global Compact Network of Singapore in FY2016, with commitment by FCL to enhance corporate social responsibility initiatives.

MANAGING SUSTAINABILITY [G4-34]

As a REIT sponsored by FCL, our approach to sustainability is guided by FCL's core values. The commitment towards sustainability is driven by the FCL group Sustainability Steering Committee (SSC), which is chaired by the FCL group CEO, Mr Panote Sirivadhanabhakdi[7]. The committee is made up of members from the senior management and CEOs of all the business units of FCL. The SSC spearheads the initiatives and strategies to drive sustainability in the business operations. Mr Low Chee Wah, CEO of the Manager, is FCOT's representative on the SSC.

The SSC meets quarterly to review performance against each of the key material issues. The SSC is supported by a Sustainability Working Committee (SWC), comprising members from the middle and senior management of various units of FCL. The SWC's main task is to monitor the sustainability performance against the key performance indicators (KPIs), implement action plan, and communication and reporting.

In FY2016, a further demonstration of efforts to deepen and integrate sustainability into the business and practices of the properties and employees, three new sub-committees were established, namely the Environmental, Health and Safety and Innovation sub-committees to drive the respective aspects of sustainability agendas that are of significant importance to the FCL group. This will enable a more comprehensive and effective implementation of sustainability initiatives on a group-wide basis. Ms Wang Mei Ling, Senior Manager, Investor Relations of the Manager is FCOT's representative on the SWC and Innovation sub-committee.

[7] Mr Panote Sirivadhanabhakdi was appointed as the Group CEO of FCL on 1 October 2016, following the retirement of Mr Lim Ee Seng as Group CEO of FCL on 1 October 2016.

SUSTAINABILITY REPORT

GOVERNANCE

The Manager believes that good corporate governance is important for the long-term sustainability of FCOT and the performance of the Manager. We strive to maintain high standards of integrity, accountability and responsible governance which will enhance the value of the Trust and Unitholders in the long-term. As a signatory to the 2016 Corporate Governance Statement of Support organised by SIAS, we pledged our commitment to uphold high standards in corporate governance.

Various corporate policies, programmes and standard operating procedures are in place to guide the Manager and employees in proper governance. On sustainability governance, we have commenced the accreditation process for ISO 14001: 2015 and ISO 50001: 2011 (Environment) for the Singapore properties. The management of all our properties in Singapore have been accredited with Occupational Health and Safety Management System (OHSAS) 18001 and SS506 Part 1: 2009 certifications.

The Manager is aligned with FCL's pledge when it became a signatory to the United Nations Global Compact, the world's largest corporate sustainability initiative, in February 2016. Together with more than 9,000 companies and 3,000 non-businesses worldwide, FCL volunteered to pledge on adhering to the ten principles within four broad areas – Human Rights, Labour, Environment and Anti-corruption.

The Manager is also guided by the principles and guidelines of the Code of Corporate Governance 2012 and other applicable laws and regulations, including those prescribed by SGX and the Monetary Authority of Singapore (MAS).

The Manager has in place an internal audit (IA) function established within the FCL group to independently examine and evaluate the activities of the Manager, focusing on the adequacy and effectiveness of internal controls, risk management and corporate governance processes. The FCL Group IA Department is independent of the activities that it audits. To safeguard the independence of internal audit, the Head of IA reports directly to the Chairman of the Audit, Risk & Compliance Committee. Audit findings and recommendations are provided to management for appropriate follow-up actions to be taken. For further details on our internal audit approach, please refer to pages 137 to 138 on Corporate Governance.

Enterprise-wide risk management (ERM)

The Manager has a risk management framework to ensure that robust risk management and mitigating controls are in place. Key risks, control measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Apart from the ERM process, key business risks are thoroughly assessed by management and each significant transaction is comprehensively analysed so that management understands the risks involved before it is embarked on. Further details on ERM can be found on pages 89 to 90 of the Annual Report.

UPHOLDING HIGH STANDARDS OF CORPORATE GOVERNANCE

The Board of the Manager is committed to upholding high standards of corporate governance, effective risk management and sound internal controls. Half of the Board consists of independent directors[a] and the directors have diverse backgrounds. This ensures independent judgement and a balanced Board. In line with good corporate governance practice, in September 2016, a Nominating and Remuneration Committee was formed. All these increase accountability and transparency which will instil confidence in our stakeholders.

[a] Mr Lim Ee Seng resigned from the Board as Non-Executive and Non-Independent Director on 1 October 2016 in line with his retirement as the Group CEO of Frasers Centrepoint Limited on 1 October 2016.



Anti-corruption, Fraud Prevention and Ethical Marketing [G4-PR7, G4-SO3, G4-SO5 and G4-58]
The Manager has a zero tolerance approach towards fraud and corruption. In FY2016, we are pleased to report that there were no known incidents of non-compliance with the relevant codes, laws and regulations and voluntary codes. We target to maintain zero incidences of non-compliance going forward.

We ensure that information provided and communication are accurate, transparent and timely. We adhere to the relevant rules and regulations such as the Singapore Code of Advertising Practice, listing rules and regulations set out by SGX and the MAS Securities and Futures Act. In FY2016, there were no known incidents of non-compliance with regulations and voluntary codes concerning marketing communications. We continue to target zero instances of non-compliance with regulations and voluntary codes concerning marketing communications.

The FCOT website (www.fraserscommercialtrust.com) features materials such as annual reports, investor presentations and press releases, financial information and information on the Board of Directors and management, and these provide stakeholders with equal and easy access to information. Material, market sensitive information and corporate actions which are filed with the Singapore Exchange are also posted on the FCOT website. Beginning from October 2016, FCOT provided a webcast presentation of FCOT's full year results on the day of the results briefing for greater accessibility and transparency. The Manager also attended conferences, conference calls, meetings and non-deal roadshows to meet investors and analysts.

Zero

Known incidents of non-compliance with relevant codes, laws and regulations and voluntary codes

Known incidents of non-compliance with regulations and voluntary codes concerning marketing communications

SUSTAINABILITY REPORT

A wide range of corporate policies, covering areas such as business conduct, insider dealing, risk management and fraud and standard operating procedures guide us in maintaining these high standards of governance.

Corporate Policies	Guidance on:	
Code of Business Conduct	Company values, ethics and conduct in relation to: • Compliance monitoring • Record keeping • Information confidentiality • Conflicts of interest • Insider trading • Relations with key stakeholder	Internal policy
Whistle-Blowing Policy	Provides a channel for stakeholders and other persons to report on any concerns, including: • improprieties in financial reporting • professional misconduct • irregularities or non-compliance with laws and regulations	Available on the FCOT website (www.fraserscommercialtrust.com)
Anti-Bribery Policy	Prevention and management of bribery and corruption	Internal policy
Competition Act Compliance Manual	Compliance with the Competition Act to protect and promote healthy competitive markets in Singapore.	Internal policy
Personal Data Protection Act Policy	Compliance with the Personal Data Protection (PDP) Act 2012 relating to the handling and processing of personal data, complaint handling procedures, and avenues for employees, customers, suppliers or other contact persons to report any concern that the policy may have been breached	Available on the FCOT website
Environment, Health and Safety Policy	Safeguard the health and safety of all relevant stakeholders and interested parties within its premises and providing an environmental friendly and safe place for them to work in and to conduct their business	Internal policy
Legal and Regulatory Compliance Manual	Provides guidance on compliance with relevant rules and regulations	Internal policy
Policy on Dealing in Units of FCOT and Reporting Procedures	Provides guidance with regard to dealings in FCOT units by directors, officers and employees	Internal policy
Policy for Prevention of Money Laundering and Countering the Financing of Terrorism	Provides guidance so that employees of the Manager are aware of their obligations and responsibilities and meet the obligations under the relevant Prevention of Money Laundering and Countering the Financing of Terrorism regulations	Internal policy
Policy on Outsourcing	Provides guidance with regard to adopting sound risk management practices on outsourcing of services	Internal policy
Treasury Policy	Provide guidance on the management of treasury activities	Internal policy

ENVIRONMENT

Our approach to sustainability is reflective of our vision to be a landlord-of-choice for businesses and a preferred investment choice among investors. To build a sustainable business for tomorrow and to deliver long-term value to stakeholders, our approach to sustainability are reducing the environmental footprint where possible, creating awareness and encouraging our stakeholders to reduce the environmental footprint while encouraging green practices.

We are in support of the Building and Construction Authority's (BCA) second Green Building Master Plan where at least 80% of the buildings in Singapore are to achieve the BCA Green Mark certification by 2030.

In line with the FCL group, we are supportive of the Sustainable Singapore Blueprint 2015 and Singapore's Intended Nationally Determined Contributions (INDC) submitted during the 2015 Paris Climate Conference of Parties 21 (COP 21).

COP 21 – SINGAPORE'S PLEDGE

Reduce its emission intensity by 36% from 2005 levels by 2030

Reduce its emissions by 16% below business-as-usual levels by 2020

Stabilise emissions with the aim of peaking around 2030



China Square Central, Singapore

MEASURES TAKEN TO IDENTIFY FURTHER OPPORTUNITIES FOR IMPROVEMENTS

Environmental performance is monitored continuously. Tracking the performance enables the Manager to identify opportunities to improve efficiency, reduce operational costs and lower intensities, which will have a positive impact on the overall performance of the Trust and benefit stakeholders in the long term. Our stakeholders such as tenants and employees will also enjoy a better working environment.

For example, at China Square Central, the air conditioning servicing contract includes a requirement for contractors to meet the minimum system efficiency set by the property manager. Monthly reports will be submitted to ensure that the minimum system efficiency is achieved.

SUSTAINABILITY REPORT

Green buildings

In Singapore, all office properties are certified Green Mark Gold by BCA. In Australia, all properties have National Australian Built Environment Rating System (NABERS) Energy base building rating of at least 5 star out of a maximum 6 star.

Property	Environmental accolades and accreditations
China Square Central	• Green Mark Gold Award, BCA • Water Efficient Building, Public Utilities Board (PUB) • Sustainable practices implemented by China Square Central's management office have been accredited by the Singapore Environment Council (SEC) under Project: Eco Office
55 Market Street	• Green Mark Gold Award, BCA • Water Efficient Building, PUB
Alexandra Technopark[7]	• Water Efficient Building, PUB • Sustainable practices implemented by Alexandra Technopark's management office have been accredited by the SEC under Project: Eco Office
Central Park	• First commercial building in Australia to achieve 4.5 star NABERS Energy rating • First premium office building in Perth to attain a 5.0 star NABERS Energy base building rating • 5.0 star NABERS Energy base building rating • 3.5 star NABERS Indoor Environment rating • 3.5 star NABERS Water rating
Caroline Chisholm Centre	• 5.0 star NABERS Energy base building rating
357 Collins Street	• 5.5 star NABERS Energy base building rating (with green power) • 4.5 star NABERS Water rating

Creating environmental awareness

We continue to participate in the annual Earth Hour™ organised by the World Wide Fund's for Nature (WWF) Earth Hour Global Movement and on 19 March 2016, all the Properties once again turned off all non-essential lighting as part of our continuous initiative to promote awareness towards a sustainable environment and conserve energy.



[7] Green Mark recertification by BCA is currently on-going.

MAKING A DIFFERENCE AT CENTRAL PARK

An iconic landmark in Perth, Central Park is a 47-storey Premium Grade office tower strategically located in the heart of the Central Business District. It was constructed to high specifications and surrounded by 5,000 sq m of landscaped parkland.

Central Park was the first commercial building in Australia to achieve a 4.5 star NABERS Energy rating and the first premium office building in Perth to attain a 5.0 star NABERS Energy base building rating. Currently, Central Park has a 5.0 star NABERS Energy base building rating, 3.5 star NABERS Indoor Environment rating and 3.5 star NABERS Water rating, attributed to the various features and initiatives which have been introduced in making Central Park a greener building over the years.

Energy saving initiatives	**Energy savings**
Installed pumps with variable speed drives	Around 125,000 kWh per annum
Replaced chiller with new high efficiency unit	Around 374,000 kWh per annum
Replaced car park lights with high efficiency single tube fittings and fitted motion sensors	Around 150,000 kWh per annum
Metering of power used to light the retail arcade post asset enhancement	Around 35,000 kWh per annum
Replaced the office lighting system on 10 floors with high efficiency T5 or light-emitting diode (LED) lights and installed motion sensor controls	Around 26,500 kWh per annum
Water saving initiatives	**Water savings**
• Toilet upgrading for 37 floors which have been refurbished and fitted with dual flush toilets, low water use urinals and AAA taps • Reduced water flow with tap restrictors in all base building taps • Installed AAA rated shower heads in all base building showers	In conjunction, water savings are estimated at 260 kilolitres per floor per annum
Improving indoor environment	**Impact**
• Incorporated carbon dioxide monitoring and control into building automation system (BAS) upgrade project to limit carbon dioxide levels to within specified guidelines • Set up additional temperature recording facility within the new BAS	Indoor air quality improvements have been noted in regular testing



Central Park, Perth, Australia

Energy use and GHG Emissions – [EN3, EN5, EN6, CRE1, EN16, EN18, EN19, CRE3]

To improve energy efficiency, FCOT continues to work closely with the property managers to monitor utilities consumption and develop initiatives to reduce electricity consumption. For example, the properties in Singapore go through energy audits every 3 years as mandated by BCA and this ensures that the buildings continue to be energy efficient. NABERS Energy rating is carried out annually at Central Park to monitor the energy performance of the building.

Throughout the years, many efforts to conserve energy and reduce carbon emissions have been undertaken at the Properties such as installing motion sensors and energy saving lighting systems such as LED lightings and T5 lights, vendors of the air conditioning and mechanical ventilation system (ACMV) are contractually obliged to achieve a good level of performance for the chillers and cooling tower for better management of energy consumption, escalators are operated at pre-determined hours to conserve energy, air-conditioning units are automatically programmed to be turned off during non-peak hours, incorporating solar photovoltaics system to provide renewable energy and purchasing carbon credits to offset emissions generated by base building operations.

As we continue to seek improvements in energy efficiency, several new initiatives were introduced to conserve energy in FY2016. For example:

- At China Square Central, the water chiller setpoint temperature was increased from 6.7 to 6.9 degrees Celcius while the change chiller system operated on one instead of two chillers during the weekends and public holidays. Although these changes were not substantial, but collectively, these measures resulted in approximately 8.4% savings in energy consumption in FY2016 compared to FY2015.
- At 55 Market Street, the lighting operational hours for certain corridors was set on a timer instead of operating 24 hours. This modification will be extended progressively to other floors.

SMALL BUT IMPACTFUL CHANGES AT CHINA SQUARE CENTRAL



8.4%

savings in energy consumption in FY2016

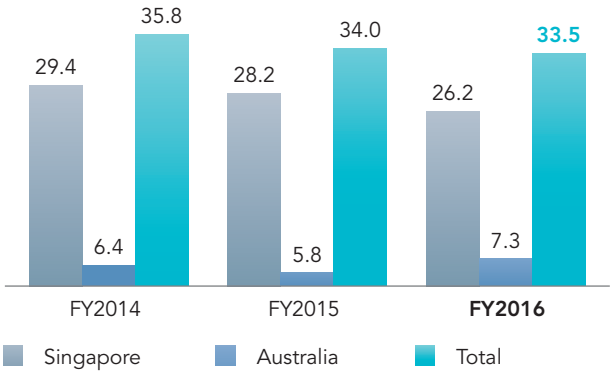
By increasing the water setpoint temperature by 0.2 degrees Celcius and operating on less chillers at China Square Central

In FY2016, building energy consumption for the Properties was 33.5 million kWh, a 1.5% reduction compared to FY2015[8], despite the addition of 357 Collins Street. This demonstrates that the approach and efforts in reducing energy consumption have been effective, and continuous efforts will be made for further improvements. In FY2016, building energy consumption for the properties in Singapore decreased by 7.1% to 26.2 million kWh, but increased by 25.9% to 7.3 million kWh for the properties in Australia due to the addition of 357 Collins Street. Consequently, average building energy intensity improved by 11.4% from 105.7 kWh/m^2 in FY2015 to 93.7 kWh/m^2 in FY2016.

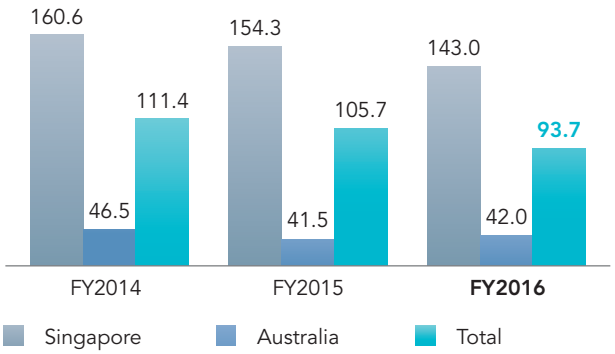
The majority of energy used is sourced from purchased electricity from non-renewable source. Central Park purchases 15.0% of its power as Green Power, which is predominantly generated by wind farms, enabling it to displace electricity usage with certified renewable energy.

[8] Energy consumption data for Australia have been re-stated in view of updates of data received.

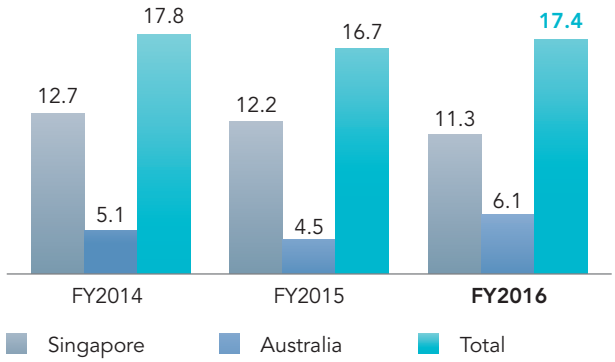
BUILDING ENERGY CONSUMPTION
(million kWh)



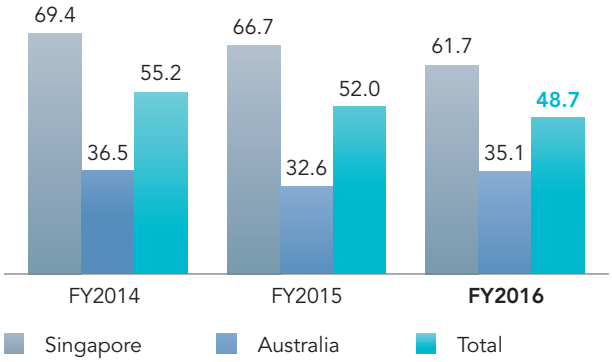
AVERAGE BUILDING ENERGY INTENSITY
(kWh/m²)



BUILDING GHG EMISSIONS
('000 tonnes of CO_2e)



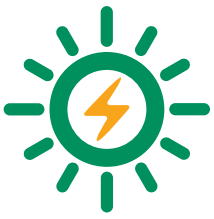
GHG EMISSIONS INTENSITY
(tonnes of CO_2e/m^2)



Notes:

- Energy consumption and GHG emissions are based on landlord's area and exclude tenants' area.
- Energy intensity was calculated by dividing consumption by building gross floor area.
- GHG emissions intensity was calculated by dividing GHG emissions by building gross floor area.
- In FY2016, the data was expanded to include 357 Collins Street. The data in FY2014 and FY2015 does not include 357 Collins Street as the acquisition was completed on 18 August 2015.
- Energy consumption data for Australia have been re-stated in view of updates of data received.
- All energy consumption is from purchased electricity only.
- The GHG emissions factors used in FY2016 are as follows: Singapore (0.43), Western Australia (0.72), ACT (0.84) and Victoria (1.09). Source: Singapore Energy Statistics 2016, Energy Market Authority and National Greenhouse Accounts Factors, Department of the Environment and Energy, Australia.
- Does not include the 14,600 kWh solar power generated at Central Park to power the management office only.

In FY2016, the total building greenhouse gas (GHG) emissions increased 4.2% to 17.4 thousand tonnes of CO_2e due to the addition of 357 Collins Street but intensity was 6.4% lower at 48.7 tonnes of CO_2e/m^2.



800 tonnes

Gold Standard[a] carbon credits were purchased in FY2016 at Central Park to offset emissions generated by base building operations, close to the carbon emissions produced

[a] Standard and certification body that ensures that projects delivered genuine emission reductions and long-term sustainable development.

To demonstrate our commitment to reducing energy use and GHG emissions, we have set a 10-year target with a 15% reduction from the base of FY2015, being the commencement of the sustainability reporting in accordance with GRI's G4 Core requirements.


Central Park, Perth, Australia

CARBON NEUTRAL PROGRAMME AT CENTRAL PARK

Central Park is committed to its goal of offsetting the carbon emissions generated by its operations.

In FY2016, 800 tonnes of Gold Standard carbon credits were purchased to offset emissions generated by base building operations, which was close to the carbon emissions produced. The carbon credits purchased are being generated in Western Australia by Carbon Neutral, formally known as Auscarbon, through the re-vegetation of marginal farmland. To minimise carbon emissions, Central Park also purchased 15.0% of its power as Green Power, which is predominantly generated by wind farms, enabling it to displace electricity usage with certified renewable energy.

Central Park's Carbon Neutral Programme involves the following:

- Quantifying the carbon footprint of the building operations based on the base building areas, carbon emissions generated by building services, waste generated by the building management and maintenance staff and travel records of the property manager
- Purchasing green power
- Purchasing carbon credits to negate the effects of carbon emitted

Over the last five years, the building achieved 29.0% savings in energy consumption.

Renewable energy [EN3]

Renewable energy is used where possible. The renewable energy initiatives at our Properties include a solar photovoltaics system for solar power at Central Park which generates an average 14,600 kWh per annum that provides sufficient renewable energy to power the management office. Central Park also purchased 15.0% of the power as Green Power, which is predominantly generated by wind farms. At Caroline Chisholm Centre, solar energy complements the use of gas as a source of energy for the hot water system.

Water use and conservation [EN8, CRE2]

Recognising that water is a scarce resource, we aim to conserve and reduce water use.

To reduce the overall water footprint, various measures were undertaken over the years, such as installing water-efficient fittings and adopting water-efficient flow flush/rates, using PUB's Water Efficiency Labelling Scheme (WELS) approved fittings, installing tap flow restrictors, low flow shower heads, low flush water closets and a park reticulation weather station. We strive to use recycled water for non-potable purposes. For example, at Alexandra Technopark, NEWater (treated used water) is used for non-potable purposes such as water for air-conditioning cooling towers, irrigation and firefighting (hydrants and sprinklers).

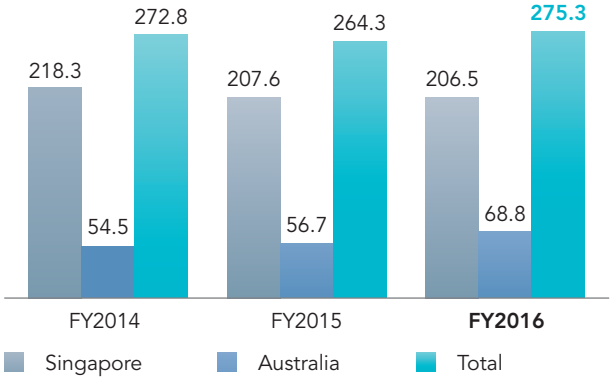
All our properties in Singapore have been certified Water Efficient Building by PUB. Most of our water comes from public utilities.

The building water consumption for the Properties in FY2016 was 275.3 thousand m^3, a 4.2% increase compared to FY2015[9]. This was mainly due to the inclusion of 357 Collins Street. The water consumption for the Singapore properties decreased by 0.5% in FY2016, with the various efforts taken to reduce water consumption over the years. In Australia, the water consumption for the properties increased by 21.3% in FY2016 mainly due to the addition of 357 Collins Street. The water intensity improved by 6.1% from 0.82 m^3/m^2 in FY2015 to 0.77 m^3/m^2 in FY2016.

To demonstrate our commitment to reducing water use we have set a 10-year target to reduce our water use by 15% on the base of FY2015.

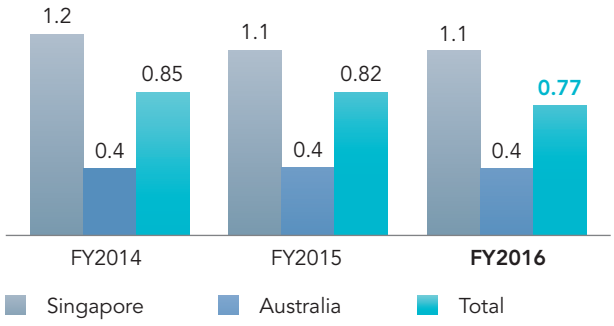
BUILDING WATER CONSUMPTION

('000 m^3)



AVERAGE BUILDING WATER INTENSITY

(m^3/m^2)



Notes:

- Water consumption is all metered.
- Water intensity was calculated by dividing consumption by building gross floor area.
- In FY2016, the data was expanded to include 357 Collins Street. The data in FY2014 and FY2015 does not include 357 Collins Street as the acquisition was completed on 18 August 2015. Water consumption data for Singapore and Australia have been re-stated in view of updates of data received.

[9] Water consumption data for Singapore and Australia have been re-stated in view of updates of data received.



Caroline Chisholm Centre, Canberra, Australia

CAROLINE CHISHOLM CENTRE'S DESIGN FEATURES TO PROMOTE WATER SAVINGS

With 5 star NABERS Energy base building rating, Caroline Chisholm Centre is a five-storey Grade A contemporary office complex. This award winning property is purpose designed as a cutting-edge energy efficient new generation building with various eco-friendly features. The commitment towards a sustained reduction in water consumption at Caroline Chisholm Centre has seen many features and initiatives being implemented over the years, including the following:

- Rain and grey water used to flush toilets, reducing the annual potable water consumption by over 1 megalitres per annum
- Latest generation of Zip Industry units used to ensure the most efficient production of chilled and hot water for the tea-point upgrading
- Grey water used to irrigate gardens
- Water efficient tap-ware, including 'Rada Sensor' shower controls used in the gymnasium
- 'Rada Pulse' controls used in urinals and hand basins

Waste management [EN23]

Waste minimisation and recycling

We aim to reduce waste and encourage recycling at the Properties. Besides the employees, we encourage the tenants to participate in such initiatives as we believe waste minimisation and recycling requires collective efforts. Waste disposal and recycling are monitored and this enables more effective management.

Recycling bins have also been placed at all the Properties to encourage recycling.

In FY2016, 1,429.1 tonnes of waste were generated, a 25.5% decrease compared to the 1,918.6 tonnes of waste generated in FY2015[10]. This was due to efforts undertaken in reducing waste and creating awareness on minimising waste. With the lower waste generated, waste intensity was also lower. In FY2016, the waste intensity of 1.4 kg/m^3 was 6.7% lower compared to 1.5 kg/m^3 in FY2015. We will seek to reduce waste intensity in the coming years.

In FY2016, 129,354 kg of waste[10] were sent for recycling, with the bulk of it being paper.

OUR APPROACH TO WASTE MANAGEMENT

Our approach to waste management is based on the concept of 'Reduce, Reuse and Recycle'. To support our tenants and employees in managing waste and encourage recycling, several initiatives were implemented and awareness campaigns were carried out in FY2016, including:

- 'Reduce, Reuse and Recycle' posters placed to educate and create awareness among employees and tenants on reducing waste
- Circulars sent to tenants to raise awareness on waste minimisation and recycling
- To minimise paper wastage, the printing default has been set to double-sided printing in black and white at the Manager's office and employees are encouraged to reduce printing
- Paper used by the Manager have labels from the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PESC), products under the Singapore Green Label Scheme which are produced based on sustainably managed forests and controlled sources



25.5%

Reduction in waste generated in FY2016

Environmental compliance [EN29]

Environmental compliance is a critical aspect of our business operations, and we make every effort to ensure that we comply with the relevant rules and regulations. As required by BCA in Singapore, existing properties that undergo major retrofitting are to align with the minimum environmental sustainability standard that is equivalent to the Green Mark Certified level. In FY2016, there were no incidents of breaches of regulations and no fines incurred.



[10] Waste generated/sent for recycling at China Square Central, Alexandra Technopark and Central Park.

PEOPLE

Our employees are the core of business and operations of the Manager. As an externally managed REIT, FCOT does not have any employees and is managed by the Manager, a wholly-owned subsidiary of FCL. The data on employees is in relation to that of the Manager. To attract and develop talent, we are committed to providing a safe and conducive work environment, safeguarding the health and safety of the employees, and providing equal opportunities.

Safety First [LA5, LA6]

The Manager is committed to providing a safe environment for its stakeholders and this is instilled through a culture of safety awareness, prevention and monitoring. Standard operating procedures are in place to respond to emergencies and incident management and we strive to instill best practices at the workplace.

The management of all our properties in Singapore have been accredited with Occupational Health and Safety Management System (OHSAS) 18001 and SS506 Part 1: 2009 certifications which are audited annually. Beyond this, they have also won recognition from the Workplace Safety & Health (WSH) Council and Ministry of Manpower by being awarded the BizSafe Star and BizSafe Partner Award in recognition of being proactive and committed in bringing companies on board the BizSafe programme.

The Singapore properties are currently undergoing accreditation for ISO 14001:2015 and ISO 50001:2011. ISO 14001:2015 guides companies in using an environmental management system to enhance environmental performance and comply with applicable laws and regulations. The ISO 50001: 2011 guides companies in using a systematic approach in achieving continuous improvement in energy performance. With these certifications, we can provide reassurance to our management, employees and external stakeholders that environmental impact is being measured and improved. With the system in place, we would reap financial savings through improved efficiencies and reduced costs, boost stakeholder confidence through strategic communication and ensure compliance with current and future laws and regulations.



Hoardings with directional signages, China Square Central, Singapore

WORKING WITH OUR PARTNERS TO PROMOTE SAFETY

Recognising that safety is a joint responsibility, we work closely with our vendors or business partners to ensure safety is paramount during construction works. For example, at China Square Central, 6 and 9 metre high hoardings have been erected around the Hotel[11] construction area, which exceeds the minimum 2 metre requirement set out by BCA. Directional signages have also been placed for the convenience of the tenants and public.

Key technical staff of the property manager also undergo training on safe work practices regularly. To ensure safety at the properties, daily checks are carried out, for example, on lighting, toilet, mechanical and engineering services and water and electrical meter readings are checked for anomalies.

As part of the initiatives taken to improve employee well-being and health, the inaugural FCL Health and Safety month was held in August 2016 where various activities and awareness programmes were carried out. All the properties in Singapore participated in this programme and various activities were carried out to promote awareness and instill a culture prioritising health and safety.

There were no incidents of safety-related non-compliance for the Properties and there were no lost time injuries[12] and no fatalities reported in FY2016. We target no incidents of safety-related non-compliance for the Properties again in the forthcoming year.

[11] Refer to Circular to Unitholders dated 3 June 2015 for details.

[12] Health and Safety data reported is in line with Singapore's Ministry of Manpower requirements, the lost time being more than 3 consecutive days of medical leave due to injury.

FCL HEALTH AND SAFETY MONTH 2016



The inaugural FCL Health and Safety Month was held in August 2016 with the aim of reinforcing the importance of health and safety culture, as well as to raise awareness on health and safety issues among the staff. The theme of "See Something, Do Something", aims to raise awareness, encourage staff to take ownership of safety around them, while taking steps to stay healthy.

A series of health and safety related activities were carried out globally during the month, including the 'FCL Global Running Challenge', 'FCL Health and Safety Carnival' and events such as safety inspection and talks, fire drills, first-aid demonstrations and fitness sessions.

To further enhance the health and safety culture among staff, the FCL group will dedicate August as the FCL Health and Safety Month annually.

Some of the activities carried out during the Health and Safety Month at FCOT's properties include the following:



China Square Central
- Held briefing on security and safety at workplace for cleaners



55 Market Street
- Additional checks carried out at common corridors and staircase to ensure no obstruction which will pose fire hazards



Alexandra Technopark
- Conducted health and safety workshop
- Training for proper donning of the personal protective equipment for the company emergency response team (CERT)

Enhancing staff well-being

The Manager strives to provide a positive working environment with opportunities for personal and professional development and a healthy work-life balance. The FCL group Corporate Wellness Committee planned a year-round programme around team building, personal development and health. This programme was premised on the motto "Make Wellness Part of Your Life: Regular Exercise. Eating Right. Staying Positive". Furthermore, during the inaugural FCL Health and Safety Month in August 2016, the staff are engaged through a series of health and safety related events and activities to improve their understanding and awareness of health and safety. For the last 3 years, FCL also has provided bursary awards to staff, supporting them financially for their children's education.

Various social events, sport activities and fitness programmes were held in FY2016 such as the Annual Staff Dinner and Dance, Family Day at Gardens By The Bay in Singapore, health screenings, healthy cooking classes, sports and fitness classes such as Zumba and bowling tournament for the benefit of the staff.

Supporting strong family bonding

Nurturing family bonding is key in work-life harmony. The employees of the Manager were granted earlier release to spend quality time with their families during the Eat With Your Family Day. Admission tickets to Gardens By The Bay in Singapore were given to employees and their family members to enjoy a good day of fun and bonding. During the festive seasons, the employees of the Manager also enjoyed festive goodies given by the FCL group Human Resource team (HR).

Labour / Management relations [LA1, LA2, LA4]

Our employees are our asset, and attracting, retaining and developing talent are important for the long term sustainability of the business. Good labour-management relations contribute to business success, staff well-being and, ultimately, to community cohesion.

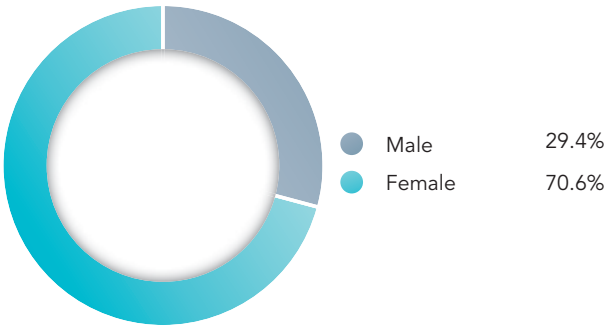
The Manager aligns its employment policies with those of the FCL group, including policies on fair and equal employment based on meritocracy which is incorporated in the Code of Business Conduct. FCL is a signatory to the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) in Singapore and is committed to adopting fair employment practices and principles as guided by TAFEP. Besides, we draw guidance on good practices from the Singapore National Employer Federation (SNEF), of which FCL is a member. We strive to embrace fair, responsible and progressive employment practices.

We have maintained a healthy, diverse workforce, in terms of age, gender and skill sets. Having a diverse talent pool encourages growth, innovation and inclusivity, all of which contribute positively to business performance and the community.

As of 30 September 2016, the Manager[12] has 17 employees, all located in Singapore. Compared to a year ago, the workforce increased by 1 person. There are no temporary or part-time employees in the Manager's workforce. The majority of our employees are in the 30-49 years age group, which constitute 70.6% of the Manager's workforce. 82.4% of the employees are executives and 70.6% of the employees are females.

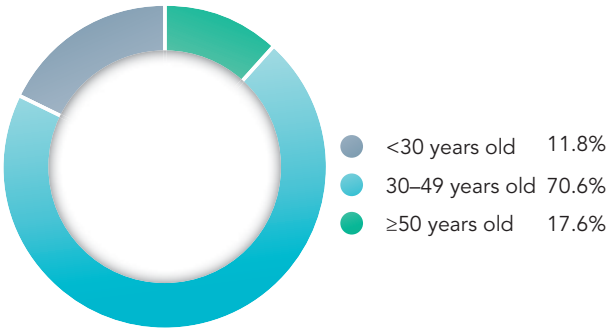
GENDER DIVERSITY

(as of 30 September 2016)



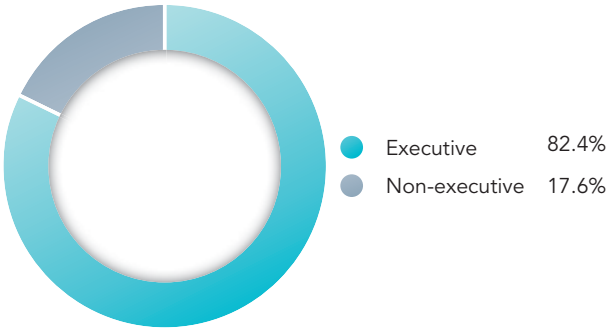
AGE DIVERSITY

(as of 30 September 2016)



EMPLOYEE DIVERSITY BY TYPE

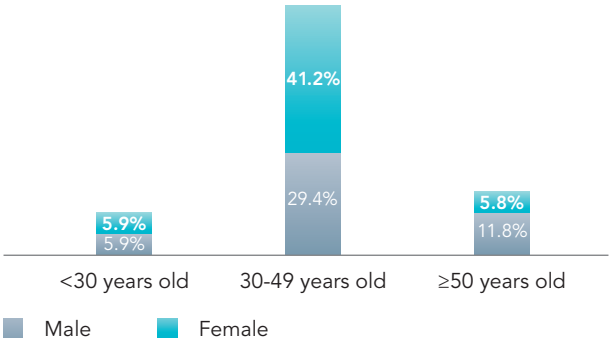
(as of 30 September 2016)



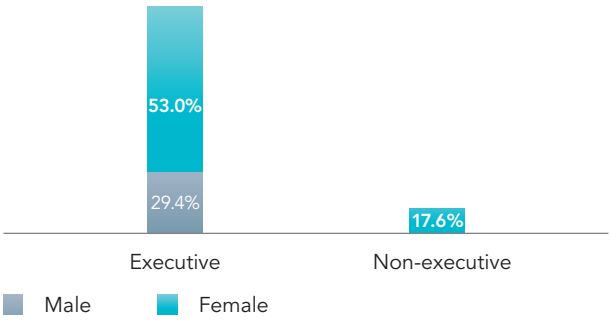
[12] FCOT does not have any employee and is managed by the Manager, Frasers Centrepoint Asset Management (Commercial) Ltd. The data reported is in relation to the Manager.

SUSTAINABILITY REPORT

AGE DIVERSITY BY GENDER
(as of 30 September 2016)



EMPLOYEE TYPE BY GENDER
(as of 30 September 2016)



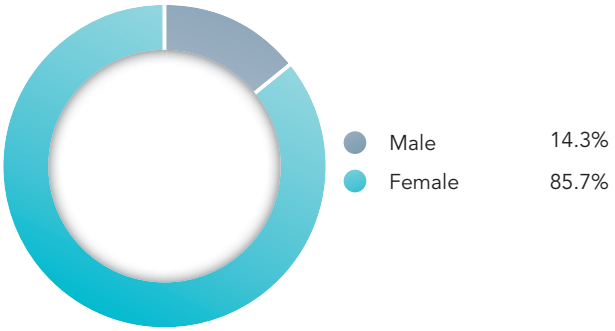
Staff retention and development [LA1, LA9, LA11, S04]

The Manager recognises the importance of staff continuity and being an employer of choice to attract talent. The Manager appreciates the importance of providing an environment where its employees are able to maximise their performance and reach their full potential both personally and professionally.

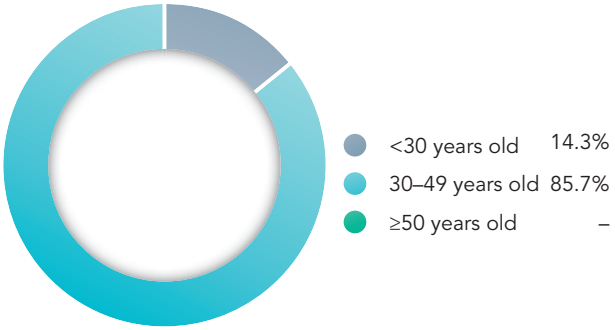
Employees enjoy a range of benefits and welfare that are competitive in the industry. These include retirement plans (where applicable), parental leave and medical insurance, in addition to basic salaries, bonuses and share plan schemes for eligible employees. The remuneration packages are benchmarked to the market to stay competitive. Besides, we support employees to stay in their jobs post retirement, in accordance with the Tripartite Guidelines in Singapore.

As of 30 September 2016, the Manager has 17 employees. The number of employees increased by 1 employee compared to a year ago, with a hiring rate of 41.2% exceeding the turnover rate of 35.3%. The high turnover and hiring rates are attributed to the small headcount of the Manager.

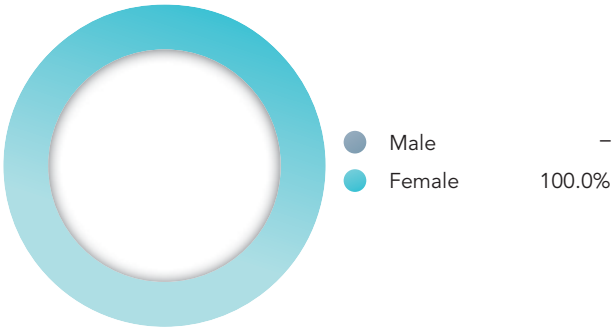
NEW HIRES BY GENDER
(FY2016)



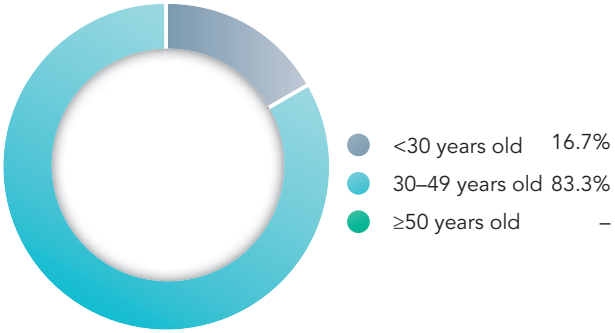
NEW HIRES BY AGE GROUP
(FY2016)



EMPLOYEE TURNOVER BY GENDER
(FY2016)



EMPLOYEE TURNOVER BY AGE GROUP
(FY2016)



Building Capabilities and Developing Our People

The Manager is committed towards the development of its employees to build capabilities and enhance competencies. 2.0% of the Manager's annual payroll is allocated for training and learning and development. All Singaporean employees are also given two days of learning leave to attend a SkillsFuture course as part of the FCL group's new SkillsFuture Learning leave policy. This is in support of the Singapore government's initiative to encourage skills development for Singaporeans.

As part of the Manager's commitment towards the development of its employees, employees are also given time-off to take relevant courses or professional certifications. The HR learning directory which is available on the FCL group intranet features training courses ranging from general skills and stress management, to job specific skills. The holders of Capital Markets Services (CMS) licenses are to keep abreast of developments in the industry and update their skills and knowledge to comply with the Manager's Policy for Continuing Education. Employees may also raise a request for training to the HR department or their supervisor.

In its second year, the annual Leadership Excellence and Development Programme (LEAD) aims to nurture middle management employees. Over a course of six months, three middle managers of FCOT went through a series of customised leadership modules which sharpened their mindset and strengthened their commitment to the FCL group. Besides enhancing the management skills of participants, it also provided participants with a platform to interact with fellow managers, exchange ideas and share knowledge.

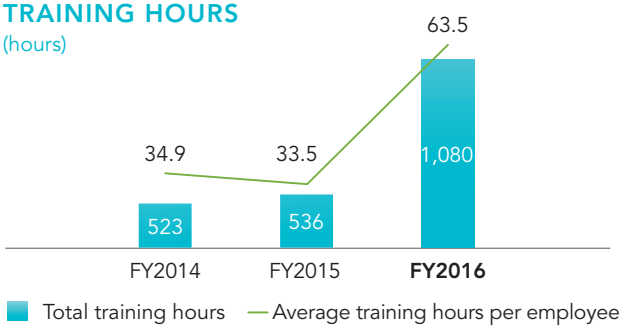
In FY2016, a new series of leadership talks were held for all senior management of the FCL group, which were conducted by external business leaders and experts. At this learning platform, the latest business practices, trends and thought leadership were shared. The senior management had the opportunity to interact with these experienced leaders on various topics such as global mega trends, technology trends and its effects on businesses and companies, corporate governance trends and challenges, and cultural diversities.

To ensure continuous development, our annual staff performance appraisal includes a career development section which requires supervisors to identify learning requirements to address the employees' development requirements. The performance appraisal is an important platform for employees to communicate their career aspirations and needs, and the feedback on employee performance helps the employees to identify any gaps and improvements in their performances.

It is also vital that our employees are kept up-to-date with our policies and procedures. All new employees are provided the Code of Business Conduct and updates are also made available to all staff through the FCL group intranet. In FY2016, training courses on Changes to Companies Act and Prevention of Money Laundering and Financing of Terrorism was conducted for all executive employees of the FCL group.

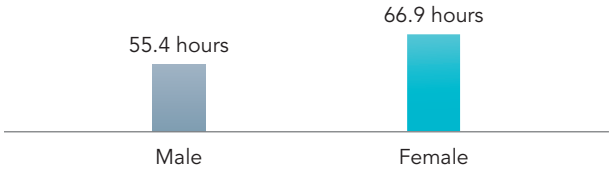
TRAINING HOURS

(hours)



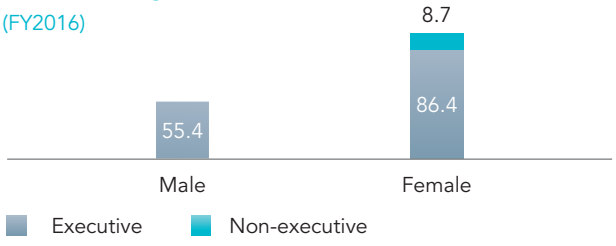
AVERAGE TRAINING HOURS BY GENDER

(FY2016)



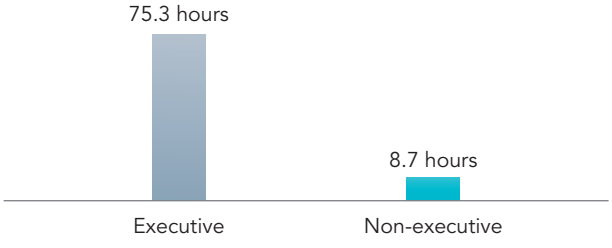
AVERAGE TRAINING HOURS BY GENDER AND EMPLOYEE TYPE

(FY2016)



AVERAGE TRAINING HOURS BY EMPLOYEE TYPE

(FY2016)



SUSTAINABILITY REPORT

In FY2016, the employees of the Manager received an average 63.5 hours[13] of training per employee, significantly exceeding the target of 40.0 hours of training per employee set a year ago. The significant increase in training hours in FY2016 was mainly due to the additional training conducted for employees for the implementation of a new accounting software. The male and female employees received an average training of 55.4 hours and 66.9 hours per employee, respectively, a significant increase of 154.1% and 78.9% compared to FY2015. Executive employees received an average training of 75.3 hours per employee, up 97.6% compared to FY2015. For non-executive employees, the average training hours of 13.0 hours in FY2016 was 3.0% lower compared to FY2015. Moving forward, we will continue to target 40.0 hours of training per employee and allocate 2.0% of the Manager's annual payroll for training and learning and development.

Tenant focus

Customer satisfaction surveys are conducted annually for the properties in Singapore. The survey findings are important to us as we strive to continuously monitor and improve the tenant experience.
In the tenant survey that was conducted in FY2016 at our Singapore properties, the majority of the response was in the "Satisfied" range. In FY2016, the Properties have a healthy tenant retention rate of 86.7%.

Asset enhancements are also undertaken to refresh our properties and improve the tenant experience. In FY2016, the retail arcade at Central Park was revamped. As part of the Commercial Project[14] at China Square Central, new retail and commercial spaces with better frontage and visibility will be created. The on-going construction of the Hotel[14] at China Square Central is expected to boost and rejuvenate the asset in the long-term.

[13] Excluding the additional training conducted for the implementation of a new accounting software, the employees of the Manager received an average 41.6 hours of training per employee.

[14] Refer to Circular to Unitholders dated 3 June 2015 for details.

IMPROVING THE TENANT AND VISITOR EXPERIENCE AT CENTRAL PARK

To better serve the needs and improve the tenant and visitor experience, the retail arcade at Central Park was revamped in FY2016 and a new identity was created with a refreshed and contemporary look. Tenants and visitors now enjoy the following new features:

- Modern outdoor sitting area
- Full height glass shopfront
- Brighter and more spacious feel with higher ceiling

Before



After



Local communities [G4-SO1]

We believe in giving back to the communities who have supported us in our growth by making positive contributions

We strive to improve ties, build long-term relationships and engage the local communities through various initiatives and investments either in terms of time or resource. Our community initiatives are focused on various areas such as community investments, community engagements and corporate giving. We collaborate with tenants, non-profit organisations and charities, and the properties hosted these charity, community and tenant events. Collectively, more than A$850,000 was raised in these events.



Pink Ribbon Day, Central Park, Perth, Australia



Step Up for MS, Central Park, Perth, Australia

Charity events

Pink Ribbon Day

This is the tenth consecutive year that Central Park has hosted the Pink Ribbon Day in support of the Cancer Council of Western Australia. Pink Ribbon Day aims to raise awareness about breast and gynaecological cancers and raise funds for research, education and patient support programmes. With the support from both tenants and the public, the event was a success with a total of A$15,000 raised from merchandise sales.

Daffodil Day

Central Park once again hosted the sale of daffodils on Daffodil Day. Thanks to the generous support from the tenants and public, this year over A$47,000 was raised and these funds would support cancer research, run education programmes and provide support for families.

Step Up for MS

For the tenth consecutive year, Step Up for MS, one of the iconic events for the Multiple Sclerosis Society (MS Society) of Western Australia, was held at Central Park. This unique vertical challenge provided a fun and rewarding climb by the participants to the top of Central Park and raised funds and awareness of the MS Society, a non-profit organisation providing support and services to those affected with multiple sclerosis. More than A$90,000 was raised this year and the Central Park management team donated A$10,000 in support of the MS Society.

SUSTAINABILITY REPORT



Central Park Plunge, Central Park, Perth, Australia

Central Park Plunge

Central Park Plunge now in its second year is one of Perth's newest events which provided an opportunity for 300 participants to abseil 220 metres from Central Park, and is Australia's tallest urban abseil event. Organised by Zenith Events and held over a three-day period, this event was held in support of the Ronald McDonald House, The Fiona Wood Foundation, Kids' Camp and Anglicare Western Australia. The event was a great success and raised funds in excess of $460,000, significantly higher than the A$350,000 target set.



Australia's Biggest Morning Tea, Central Park, Perth, Australia

Australia's Biggest Morning Tea

The Central Park management team hosted Australia's Biggest Morning Tea, one of Cancer Council Western Australia's leading fundraising events in Australia. Tenants baked and donated cupcakes as part of a "Central Park Bake Off" and the winner received a prize donated by a retail tenant at Central Park. Both the tenants and the Central Park management team came in full support of this worthy cause, and cakes and coffee were donated and sales proceeds of A$1,885 raised.

Community events

Colours of Our Country

The 11th annual Colours of Our Country art exhibition was held at the lobby of Central Park and was the largest exhibition to date, showcasing more than 300 works by 44 of Western Australia's Pilbara-based Aboriginal artists. Presented by Rio Tinto, the art exhibition featured artists from several regional arts centres, including Yinjaa Barni Art, Roebourne Art Group, Cheeditha Art Group and Bornugorndi Artefacts. The exhibition deepened the public's cultural awareness and understanding through the works and stories of the artists. Approximately 234 artworks were sold and A$230,000 was raised, exceeding the A$218,265 raised in the previous year.

As We Are

For the fourth consecutive year, Central Park hosted the As We Are art exhibition featuring the works of disabled artists from Perth. This inspiring exhibition provided a good exposure to the artists and they had the biggest opening night to date with the largest number of attendees. The event successfully raised A$9,000 from artworks sold.

REITs Race

In conjunction with the MyFirstStock Carnival, SGX and the REIT Association of Singapore jointly organised the first REITs Race in Singapore as part of efforts to raise awareness of REITs among investors and the public. Competing teams completed tasks and quizzes that tested their understanding of the REIT business model and key financial ratios, while learning what to look out for when investing in a SGX-listed REIT. It was a fun and educational day for the participants, and FCOT supported this event by sponsoring the first prize and the teams also made a pit stop at China Square Central, one of the properties which was featured as part of this race.

Singapore Children's Society visit to China Square Central

Jointly organised by the management team at China Square Central and several tenants, the Singapore Children's Society had a fun filled day at China Square Central as they were treated to dance classes and meals jointly sponsored by the tenants. A total of 20 boys and girls from ages 8 to 11 years old enjoyed the hip-hop dance classes and photo taking sessions at the photo booth specially set up for this event.



Colours of our Country, Central Park, Perth, Australia



Participants in the REITs Race, China Square Central, Singapore



Singapore Children's Society visit to China Square Central, Singapore

Tenant events

Photographer of the Year

Now in its sixth year, this event was held at the lobby of Central Park where a photography competition was held for the tenants of Central Park. This event also featured Tony Hewitt, an internationally acclaimed and award-winning photographer who presented his annual photography seminar much to the delight of participants and tenants. The management team at Central Park hosted this event to engage and to foster closer ties with tenants. The photographs were displayed for three weeks, and an awards night was held to announce the winners.



Photographer of the Year, Central Park, Perth, Australia

Wine Tastings, Farmers Markets, Festive gifts

As part of the Central Park management team's efforts to foster a greater sense of community, tenant events such as free wine and beer tasting were provided every second Thursday of the month at the lobby of Central Park. Farmers markets were also held in the park once a month and tenants enjoyed the local produce sold by the retailers. These tenant events brought about greater camaraderie among the tenants. In Singapore, tenants were delighted with the festive gifts such as mooncakes during the Mid-Autumn festival and oranges during Chinese New Year.

Family Day

The Central Park management team hosted the inaugural Family Day in the Park during the school holidays which allowed family members to bond and enjoy some quality time together. Family members of the tenants were entertained and they also got an opportunity to observe their family members at work.



Family Day, Central Park, Perth, Australia

GRI CONTENT INDEX (G4 CORE)

General Standard Disclosures

	Standard disclosure title	Reference
	Strategy and analysis	
G4-1	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	Letter to Unitholders , p. 16 – 22
	Organisational profile	
G4-3	Name of the organisation.	About Frasers Commercial Trust, p. 3
G4-4	Primary brands, products, and services.	About Frasers Commercial Trust, p. 3
G4-5	Location of the organisation's headquarters.	Corporate information (inside back cover)
G4-6	Number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	About Frasers Commercial Trust, p. 3
G4-7	Nature of ownership and legal form.	About Frasers Commercial Trust, p. 3, Corporate Structure, p.23
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	About Frasers Commercial Trust, p. 3 Overview of Properties, p. 72 – 73 Asset Profile, p. 76 – 87
G4-9	Scale of the organisation	About Frasers Commercial Trust, p. 3, Labour/ Management relations, p. 113 – 114
G4-10	a. total number of employees by employment contract and gender. b. total number of permanent employees by employment type and gender. c. total workforce by employees and supervised workers and by gender. d. total workforce by region and gender. e. Report whether a substantial portion of the organisation's work is performed by workers who are legally recognised as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	Labour / Management relations, p. 113 – 114 No substantial work is performed by workers who are legally recognised as self-employed. There is no significant variation in employment numbers.
G4-11	Employees covered by collective bargaining agreements.	There are no collective bargaining agreements in place.
G4-12	The organisation's supply chain.	Influencing our supply chain, p. 99

G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	Expanded the report scope to include 357 Collins Street as the acquisition was completed on 18 August 2015.
G4-14	Whether and how the precautionary approach or principle is addressed by the organisation.	FCOT does not use the precautionary approach when managing risk, however, our management approach is risk-based, and underpinned by our internal audit framework.
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	What is important to us, p. 95 Governance, p. 100 – 102 Environment, p. 103 – 110 People, p. 111 – 120
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organisations	About this report, p. 94 What the SDGs means to us, p. 96 – 97 Engaging our stakeholders, p. 98
	Identified material aspects and boundaries	
G4-17	All entities included or not included in organisation's financial statements	About this report, p. 94
G4-18	Process for defining Report Content	Our material factors, p. 95 Engaging our stakeholders, p. 98
G4-19	The material Aspects identified in the process for defining report content	Our material factors, p. 95
G4-20	For each material Aspect, Aspect Boundary within the organisation	All the 10 identified material issues impact both inside and outside the organisation, with the exception of Labour/Management Relations and Staff Retention and Development, which are internally focused.
G4-21	Aspect Boundary outside the organisation	All the 10 identified material issues impact both inside and outside the organisation, with the exception of Labour/Management Relations and Staff Retention and Development, which are internally focused.
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Restatements on (1) energy and water consumption and intensities data for Australian properties; (2) water consumption and intensities data for Singapore properties due to updates on data received
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	No significant changes.
	Stakeholder engagement	
G4-24	Stakeholder groups engaged by the organisation	Engaging our stakeholders, p. 98
G4-25	Basis for identification and selection of stakeholders with whom to engage	We have selected these stakeholders based on their interest in our business. Engaging our stakeholders, p. 98

G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Engaging our stakeholders, p. 98
G4-27	Key topics and concerns raised through stakeholder engagement, and how the organisation has responded	Engaging our stakeholders, p. 98
	Report profile	
G4-28	Reporting period for information provided	About this report, p. 94
G4-29	Date of most recent previous report	The previous sustainability report was included in the 2015 Annual Report of FCOT.
G4-30	Reporting cycle	About this report, p. 94
G4-31	Contact point for questions regarding the report or its contents	We welcome your feedback and suggestions, p. 94
G4-32	Report on 'In accordance' option, GRI Content Index, reference to External Assurance	About this report, p. 94
G4-33	Policy and current practice with regard to seeking external assurance for the report	About this report, p. 94
	Governance	
G4-34	Governance structure of the organisation	Corporate and Organisational Structure, p. 23 Board of Directors, p. 32 – 35 Management Team, p. 36 – 37 Governance, p. 100 – 102 Corporate Governance, p. 127 – 141
G4-58	Internal and external mechanisms for reporting concerns about ethical and lawful behavior, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Governance, p. 100–102 Anti-corruption, fraud prevention and ethical marketing, p. 101
Specific Standard Disclosures		
	Category: Economic	
	Aspect: Economic Performance	
G4-DMZ	Generic Disclosures on Management Approach	About Frasers Commercial Trust, p. 3 – 5
G4-EC1	Direct economic value generated and distributed	About Frasers Commercial Trust, p. 4 – 5 Financial Highlights, p. 12 – 15 Financial Review, p. 47 – 52 Financial Statements, p. 145 – 208
G4-EC3	Coverage of the organisation's defined benefit plan obligations	Labour / Management Relations and Staff retention and development, p. 113 – 114 All employees of the Manager are covered by Singapore's mandatory social security savings plan, the Central Provident Fund (CPF).

	Category: Environmental	
	Aspect: Energy	
G4-DMA	Generic Disclosures on Management Approach	About Frasers Commercial Trust, p. 4 – 5 Environment, p. 103 – 110
G4-EN3	Energy consumption within the organisation	Energy Use and GHG Emissions, p. 106 – 108 The solar photovoltaics system for solar power at Central Park generates an average 14,600 kWh per annum.
G4-EN5	Energy intensity	Energy Use and GHG Emissions, p. 106 – 107
G4-EN6	Reduction of energy consumption	Energy Use and GHG Emissions, p. 106 – 107
G4-CRE1	Building energy intensity	Energy Use and GHG Emissions, p. 106 – 107
	Aspect: Water	
G4-DMA	Generic Disclosures on Management Approach	About Frasers Commercial Trust, p. 4 – 5 Environment, p. 103 – 110 Water use and conservation, p. 108 – 109
G4-EN8	Total water withdrawal by source	Water use and conservation, p. 108 – 109
G4-CRE2	Building water intensity	Water use and conservation, p. 108 – 109
	Aspect: Emissions	
G4-DMA	Generic Disclosures on Management Approach	About Frasers Commercial Trust, p. 4 – 5 Environment, p. 103 – 110 Energy Use and GHG Emissions, p. 106 – 107
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Energy Use and GHG Emissions, p. 106 – 107 Main emissions source is electricity, therefore, carbon dioxide is the only gas included
G4-EN18	Greenhouse gas (GHG) emissions intensity	Energy Use and GHG Emissions, p. 106 – 107
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Energy Use and GHG Emissions, p. 106 – 107
G4-CRE3	Greenhouse gas (GHG) emissions intensity from buildings	Energy Use and GHG Emissions, p. 106 – 107
	Aspect: Effluents And Waste	
G4-DMA	Generic Disclosures on Management approach	Environment, p. 103 – 110
G4-EN23	Total weight of waste by type and disposal method	Waste management, p. 110

	Aspect: Compliance	
G4-DMA	Generic Disclosures on Management Approach	Enterprise-wide risk management, p. 100 Governance, p. 100 – 102 Environment, p. 103 – 110
G4-EN29	Non-monetary sanctions for non-compliance with environmental laws and regulations	Environment Compliance, p. 110 There were no fines for non-compliance with environmental laws and regulations.
	Category: Social	
	Sub-Category: Labour Practices And Decent Work	
	Aspect: Employment	
G4-DMA	Generic Disclosures on Management Approach	People, p. 111 – 116
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	People, p. 114
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Not applicable. Temporary or part time employees are not a significant part of FCOT's workforce.
	Aspect: Labour/Management Relations	
G4-DMA	Generic Disclosures on Management Approach	People, p. 111 – 116
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements. this is currently not covered in group-wide collective agreements	Labour/Management Relations, p. 113 – 114 This is currently not covered in group wide collective agreements. The notice period varies.
	Aspect: Occupational Health And Safety	
G4-DMA	Generic Disclosures on Management Approach	People, p. 111 – 116
G4-LA5	Workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Managing sustainability, p. 99
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	People, p. 111 – 112 There were no incidences of occupational diseases.
G4-CRE6	Percentage of the organisation operating in verified compliance with an internationally recognized health and safety management system.	Safety first, p. 111 – 112 The Singapore properties are currently under-going accreditation for ISO 14001: 2015 and ISO 50001: 2011
	Aspect: Training And Education	
G4-DMA	Generic Disclosures on Management Approach	Building capabilities and developing our people, p. 115 – 116
G4-LA9	Training per year per employee by gender, and by employee category	Building capabilities and developing our people, p. 115 – 116

G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Building capabilities and developing our people, p. 115 – 116
G4-LA11	Employees receiving regular performance and career development reviews, by gender and by employee category	Building capabilities and developing our people, p. 115 – 116 100% of employees of the Manager receive annual performance appraisals
	Sub-Category: Society	
	Aspect: Local Communities	
G4-DMA	Generic Disclosures on Management Approach	Local Communities, p. 117 – 120
G4-SO1	Operations with implemented local community engagement, impact assessments, and development programs	Local Communities, p. 117 – 120
	Aspect: Anti-Corruption	
G4-DMA	Generic Disclosures on Management Approach	Governance, p. 100 – 102
G4-SO3	Operations assessed for risks related to corruption and the significant risks identified	Enterprise-wide Risk Management, p. 100 Anti-corruption, fraud prevention and ethical marketing, p. 101 Our anti-corruption and fraud prevention policies are relevant and apply to all our operations.
G4-SO5	Confirmed incidents of corruption and actions taken	Anti-corruption, fraud prevention and ethical marketing, p. 101 No confirmed incidents.
	Sub-Category: Product Responsibility	
	Aspect: Marketing Communication	
G4-DMA	Generic Disclosures on Management Approach	Anti-corruption, fraud prevention and ethical marketing, p. 101
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes	Anti-corruption, fraud prevention and ethical marketing, p. 101

CORPORATE GOVERNANCE

INTRODUCTION

Frasers Centrepoint Asset Management (Commercial) Ltd. (the "**Manager**"), as manager of Frasers Commercial Trust ("**FCOT**"), is committed to high standards of corporate governance in the business and operations of the Manager, FCOT and their respective subsidiaries so as to protect the interest of, and enhance the value of Unitholders' investments in, FCOT.

FCOT is a real estate investment trust ("**REIT**") listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the Manager is a wholly-owned subsidiary of Frasers Centrepoint Limited ("**FCL**").

The Manager's commitment to high standards of corporate governance is spearheaded by a highly-qualified Board of Directors of the Manager (the "**Board**"), and supported by an experienced and a qualified Management team (the "**Management**").

The Manager has general powers of management over the assets of FCOT. The Manager's key responsibility is to manage FCOT's assets and liabilities for the benefit of Unitholders with a focus to deliver a stable and sustainable distribution to Unitholders and where appropriate, enhance the values of existing properties and increase the property portfolio over time.

The other functions and responsibilities of the Manager include preparing annual asset plans and undertaking regular individual asset performance analysis and market research analysis, managing finance functions relating to FCOT (which includes capital management, treasury, co-ordination and preparation of consolidated budgets) and supervising property managers who perform the day-to-day property management functions for FCOT's properties, namely (i) China Square Central, 55 Market Street and Alexandra Technopark in Singapore and (ii) Central Park, Caroline Chisholm Centre and 357 Collins Street in Australia.

The Manager holds a Capital Markets Services Licence ("**CMS Licence**") issued by the Monetary Authority of Singapore ("**MAS**") to carry out REIT management activities as required under the licensing regime for REIT managers that came into effect on 1 August 2008.

The Manager ensures that the business of FCOT is carried on and conducted in a proper and efficient manner adhering to the principles and guidelines of the Code of Corporate Governance 2012 (the "**CG Code**") and other applicable laws and regulations, including the listing rules of SGX-ST, the Code on Collective Investment Schemes (the "**Code on CIS**") and the Securities and Futures Act (the "**SFA**").

This corporate governance report ("**CG Report**") provides an insight on the Manager's corporate governance framework and practices in compliance with the principles and guidelines of the CG Code. As FCOT is a listed REIT, not all principles of the CG Code may be applicable to FCOT and the Manager. Any deviations from the CG Code are explained.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The composition of the Board as at 30 September 2016 is as follows:

Dr Chua Yong Hai	Chairman, Non-Executive	Independent
Low Chee Wah[1]	Chief Executive Officer	Non-Independent
Chay Wai Chuen	Non-Executive	Independent
Chia Khong Shoong	Non-Executive	Non-Independent
Lim Ee Seng[2]	Non-Executive	Non-Independent
Tan Guong Ching	Non-Executive	Independent
Christopher Tang Kok Kai	Non-Executive	Non-Independent

[1] The Manager had as part of succession planning identified a successor for Mr Low Chee Wah, who will be stepping down as Chief Executive Officer of the Manager on 1 January 2017 and remain as a Non-Executive Director on the Board. Mr Jack Lam Juck Ngai has been appointed as the Chief Executive Officer-Designate of the Manager on 8 November 2016 prior to him assuming the role of Chief Executive Officer on 1 January 2017.

[2] Mr Lim Ee Seng resigned from the Board on 1 October 2016 in line with his retirement as the Group Chief Executive Officer of FCL on 1 October 2016.

CORPORATE GOVERNANCE

The Board oversees the business affairs of FCOT and the Manager, and assumes responsibility for their strategic direction and plans. In carrying out its responsibilities, the Board is involved strategically in the establishment of performance objectives for both FCOT and the Manager, financial planning, budget creation and monitoring, material operational initiatives, investment and asset enhancement initiatives, financial and operational performance reviews, the establishment of risk management practices and risk monitoring, and establishment and monitoring of corporate governance and compliance practices.

The Board meets at least once every quarter and on such other occasions that necessitate their involvement. If a Director is unable to attend a meeting, he will still receive all the papers and materials for discussion at that meeting for review. He will advise the Chairman or Audit, Risk and Compliance Committee ("**ARC Committee**") Chairman or CEO on his views and comments on the matters to be discussed to be conveyed to other members at the meeting. If required, time is set aside after scheduled Board meetings for discussions amongst the members of the Board without the presence of Management, in line with the guidelines of the CG Code. In addition to the meetings, the members of the Board have access to the Management throughout the financial year, thereby allowing the Board continuous strategic oversight over the activities of FCOT.

The Board is assisted in its corporate governance, compliance and risk management responsibilities by the ARC Committee. In addition, the Nominating and Remuneration Committee ("**NRC**") was also established on 16 September 2016 to assist the Board in its nominating and remuneration responsibilities, as guided by the CG Code. Separate committees will be considered if required to assist the Board in carrying out its role more effectively.

Newly-appointed members of the Board will be required to undergo orientation to familiarise themselves with FCOT's business, strategic plans and objectives, the regulatory environment in which FCOT operates and the Manager's corporate governance practices. No new members were appointed to the Board during the financial year ended 30 September 2016 ("**FY2016**").

The Board is regularly updated on new laws affecting FCOT's business, as well as changes in applicable regulations. The Company Secretary facilitates such orientation and assists with the professional development of the Board and its members. During FY2016, the Board was briefed and updated on the introduction of sustainability reporting requirements by the SGX-ST, changes in tax regulations in the jurisdictions that FCOT operates in, changes in the financial reporting standards and changes to the auditors' report.

In addition to talks conducted by relevant professionals, members of the Board are encouraged to attend relevant courses and seminars so as to keep themselves updated on developments and changes in FCOT's operating environment, and to be members of the Singapore Institute of Directors ("**SID**") and for them to receive journal updates and training from SID to stay abreast of relevant developments in financial, legal and regulatory requirements, and the business environment and outlook.

The number of Board and ARC Committee meetings held for FY2016, as well as the attendance of each Board member at these meetings, are set out below:

Meetings held during the financial year ended 30 September 2016	Board Meetings* 4	ARC Committee Meetings 5
Attendees		
Dr Chua Yong Hai	4	5
Low Chee Wah	4	NA
Chay Wai Chuen	4	5
Chia Khong Shoong	4	NA
Lim Ee Seng	4	NA
Tan Guong Ching	4	5
Christopher Tang Kok Kai**	4	2

* Excludes other meetings attended by Directors with Management. The NRC was established on 16 September 2016 and the first NRC meeting was held after FY2016.

** Mr Christopher Tang Kok Kai resigned as a Member of the ARC Committee on 15 December 2015, in compliance with the new regulatory requirements relating to the composition of audit committees of REIT managers which took effect on 1 January 2016.

To ensure that business and operational efficacy is maintained without compromising the standard of corporate governance, a Manual of Authority (the "**MOA**") approved by the Board is implemented. The MOA sets out the levels of authorisation and their respective approval limits for a range of transactions, including but not limited to investments, asset enhancement initiatives, and operating and capital expenditures. Transactions and matters which require the Board's approval are clearly set out in the MOA.

Principle 2: Board Composition and Guidance

As at 30 September 2016, the Board comprises seven members, of whom three are Independent Non-Executive Directors. The CEO is the only Executive Director on the Board. The rest of the Board members are Non-Executive Directors.

The Board is of the view that the current size and composition of the Board is appropriate for the scope and nature of the operations of the Manager and FCOT and facilitates effective decision-making. In line with the CG Code, the Board, with the assistance of the NRC, undertook a review of the structure, size and composition of the Board, and following the review, is of the view that the Board's present composition and balance between Executive, Non-Executive and Independent Directors, is appropriate and allows for a balanced exchange of views, robust deliberations and debates among members, and effective oversight over Management. The current composition gives the Board the ability to consider and make decisions objectively and independently on issues relating to FCOT and the Manager. Under the current composition, no one individual or group dominates the Board's decisions or its process. With respect to its size, the Board is of the view that the same is not so large as to be unwieldy, meets the requirements of the business of the Manager and FCOT, and is sufficient to avoid undue disruptions from changes to its composition, especially in the event of exigencies. The composition of the Board shall be reviewed regularly to ensure that the Board has the appropriate size and mix of expertise and experience. There is a strong and independent element on the Board.

Directors exercise their judgment independently and objectively in the interest of FCOT and the Manager. The Board reviews and assesses annually the independence of its directors based on the definitions and guidelines of independence set out in the CG Code and the proposed Regulations 13D to 13G of the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10), Chapter 289. In its review for FY2016, the NRC has endorsed in its recommendation to the Board that the following directors are independent for FY2016:

Dr Chua Yong Hai	Independent
Chay Wai Chuen	Independent
Tan Guong Ching	Independent

As part of its review, the NRC has taken into consideration, *inter alia*, the following:

(i) each Independent Director's declaration of independence, which includes questions relating to his relationship with FCOT, the Manager, the Trustee, and FCOT's sponsor, FCL, whereby, all have declared that there were no relationships or instances that would otherwise deem him not to be independent; and
(ii) that Dr Chua Yong Hai and Mr Tan Guong Ching had served on the Board for more than 9 years.

Notwithstanding their length of service, the NRC, following its rigorous review, had recommended to the Board that Dr Chua Yong Hai and Mr Tan Guong Ching, had continued to demonstrate their ability to exercise strong objective judgement, acting in the best interests of the Manager and FCOT at all times. They had and continue to remain independent in the expression of their views and in their participation in the deliberations and decision making of the Board, the ARC Committee and the NRC.

Having considered the above factors and weighing the need to refresh board membership, the Board (with Dr Chua Yong Hai and Mr Tan Guong Ching abstaining with respect to the assessment of their own independence) determined that Dr Chua Yong Hai and Mr Tan Guong Ching were independent, notwithstanding that each of them has served on the Board for more than 9 years.

CORPORATE GOVERNANCE

With the background, skills, experience and core competencies of its members, the Board collectively has the critical skills and expertise needed to guide in the strategic direction and planning of the business of FCOT. The diversity of skills, expertise and experience of its members bring to the Board independent and objective perspective thereby enabling balanced and well-considered decisions to be made. Particulars of Directors are set out on pages 32 to 35.

Principle 3: Chairman and Chief Executive Officer

The roles of the Chairman and the CEO are separate to ensure an appropriate balance of power and authority and the levels of authority and the approval limits under the MOA reflects such a separation. This separation of roles promotes greater accountability of Management and allows the Board to exercise its independence in its oversight of and deliberations with Management. The Chairman, who is an independent and a non-executive director, is not related to the CEO. There is no business relationship between him and the CEO.

The Chairman leads the Board and ensures its effectiveness by, among other things, steering effective, productive and comprehensive discussions amongst Board members and the Management team on strategic, business and other key issues pertinent to the business and operations of FCOT and the Manager. With the full support of the Board, the Company Secretary and Management, the Chairman spearheads the Manager's drive to promote, attain and maintain high standards of corporate governance and transparency.

The CEO has full executive responsibilities over the business direction and operations of the Manager, and is responsible for the execution of the Board's adopted strategies and policies. The CEO leads the Management team in the management of FCOT and is accountable to the Board for the conduct and performance of the Management team.

Principle 4: Board Membership

The Board established the NRC on 16 September 2016 to assist the Board in its nominating function, responsibilities and role. Prior to its establishment, the functions of a nominating committee were undertaken by the Board. The NRC comprises four Directors, being Mr Tan Guong Ching, Dr Chua Yong Hai, Mr Chay Wai Chuen and Mr Christopher Tang Kok Kai, all of whom are non-executive and the majority of whom (including its Chairman, Mr Tan Guong Ching) are independent.

The NRC has written terms of reference setting out its scope and authority in performing the functions of a nominating committee, which include the following:

- make recommendations to the Board on all Board appointments, re-appointments and the composition of the Board and on relevant matters relating to the appointment and re-appointment of directors;
- regularly review the Board structure, size, composition and the independence of the Board to ensure that the Board has the appropriate mix of expertise and experience, and recommend to the Board such adjustments as it may deem necessary;
- ensure that at all times, there should be a strong and independent element on the Board;
- put in place board succession plans for the Board's approval and make recommendations on relevant matters relating to the review of board succession plans for directors, in particular, the Chairman and for the CEO;
- identify candidates, review and approve nominations for directors, alternate directors and membership of Board committees (including the ARC Committee and the NRC), as well as appraise the qualifications and experience of any proposed new appointments to the Board and to recommend to the Board whether the nomination should be supported;
- review, on an annual basis and as and when circumstances require, whether or not a director is independent, bearing in mind the circumstances set forth in the CG Code and any other salient factors.

The composition of the Board is determined using the following principles:

- at least one-third of the Board should comprise independent directors, and at least half of the Board should comprise independent directors if the Chairman and the CEO is the same person, the Chairman and the CEO are immediate family members, the Chairman is part of the management team or the Chairman is not an independent director; and

- the Board and its committees should comprise directors who as a group provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Manager, and they should also provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge.

The NRC bears the responsibility for the identification, review and appointment of suitable candidates to join the Board as its members, taking into consideration (a) such candidate's skill, experience and ability to perform, (b) the needs of the Board, (c) such candidate's other commitments and (d) the independence of the candidate from FCOT and the Manager. Directors of the Manager are not subject to periodic retirement by rotation.

The Board proactively seeks to maintain an appropriate balance of expertise, skills and attributes among the Directors, and this is reflected in the diversity of backgrounds and competencies of the current Directors. Such competencies include banking, finance, accounting and other relevant industry knowledge, entrepreneurial and management experience, and familiarity with regulatory requirements and risk management. This benefits Management as it allows them to tap on the broad range of views and perspectives and the breadth of experience of the Directors.

The CG Code requires listed companies to fix the maximum number of Board representations on other listed companies that their directors may hold and to disclose this in their annual report. In determining whether each Director is able to devote sufficient time to discharge his duties, the Board has taken cognizance of the CG Code requirement, but is of the view that its assessment should not be restricted to the number of board representations of each Director – and their respective principal commitments – per se. Holistically, the contributions by the Directors to and during meetings of the Board and the ARC Committee as well as their attendance at such meetings should also be taken into account. Details of such directorships and other principal commitments of the Directors are disclosed on pages 32 to 35.

All appointments and resignations of Board members are approved by the Board. With the establishment of the NRC, the NRC shall be instrumental in assisting in the review of all Board appointments, re-appointments and the composition of the Board, its recommendations of which shall be taken into consideration by the Board in its decision.

Principle 5: Board Performance

The Board, with the assistance of the NRC, has implemented a process to evaluate and assess the performance of the Board and the ARC Committee, and their decision-making processes. The NRC has appointed Ernst & Young LLP to assist in its evaluation and assessment process. Members of the Board are required to assess the Board's performance, which includes areas such as the Board's composition and processes, effectiveness in its management of FCOT's performance, and such other areas which the Board is of the view that improvements are required.

The findings of the evaluation and assessment are reviewed by the Board with a view to improving its overall effectiveness in fulfilling its role and meeting its responsibility to unitholders. The Board is committed to ensure that collectively as a Board, and individually its members, both contribute effectively to such improvement, and is of the view that the evaluation and assessment framework would assist to meet such commitment.

Principle 6: Access to Information

It is the Management's commitment that the Board and the ARC Committee are provided with complete, timely and adequate information, both prior to Board meetings and ARC Committee meetings and on an ongoing basis so as to allow the Board and the ARC Committee to discharge their duties. Prior to each Board meeting and ARC Committee meeting, papers on matters to be discussed are sent to Board members and ARC Committee members ahead of such meetings, so that such matters may be considered and discussed thoroughly and fully, prior to the making of any decision. Management may be requested to attend Board meetings so as to be at hand to answer any questions or contribute to any discussions. Presentations are made by Management at the Board meetings to facilitate deliberations and discussions.

CORPORATE GOVERNANCE

For matters which require the Board's decision outside such meetings, board papers will be circulated through the Company Secretary for the Board's consideration, with discussions and clarifications taking place between members of the Board and Management, before approval is granted.

Directors at their discretion may seek and obtain independent professional advice, where necessary, in the furtherance of their duties.

Directors have separate and independent access to the Company Secretary, who attends all Board meetings and advises the Board on relevant corporate governance issues. The Company Secretary ensures compliance with Board procedures and relevant rules and regulations. Under the direction of the Chairman, the Company Secretary is responsible for ensuring good information flow between the Board and Management. Direct communication between the CEO, the Chairman and members of the Board is encouraged by the Board, and the Board may at its discretion communicate with Management if they so wish.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and Mix of Remuneration
Principle 9: Disclosure on Remuneration
The remuneration of Directors, the CEO and employees of the Manager are paid by the Manager and not by FCOT.

On 16 September 2016, the Board established the NRC to assist the Board in its remuneration function, responsibilities and role. The NRC comprises four Directors, being Mr Tan Guong Ching, Dr Chua Yong Hai, Mr Chay Wai Chuen and Mr Christopher Tang Kok Kai, all of whom are non-executive and the majority of whom (including its Chairman, Mr Tan Guong Ching) are independent.

The NRC has written terms of reference setting out its scope and authority in performing the functions of a remuneration committee, which include the following matters:

- review the remuneration framework for the Board and the key executive officers of the Manager;
- review the disclosures in FCOT's annual report on the Manager's remuneration policies, level and mix of remuneration, and the procedure for setting remuneration; and
- ensure that the remuneration of executive directors of the Manager shall not be linked in any way to FCOT's gross revenue.

The NRC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and key management personnel of the Manager ("**Key Management Personnel**"). The NRC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximise Unitholder value. The NRC will recommend a framework of remuneration (which covers all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind) and the specific remuneration packages for each Director (including the CEO) to the Board for endorsement. The NRC will also review the remuneration of the Key Management Personnel of the Manager.

As stated above, the NRC was established only recently on 16 September 2016. In this regard, for FY2016, the level and mix of remuneration and benefits, policies and practices of the FCL group, which includes the Manager, were reviewed by FCL's Remuneration Committee (the "**FCL RC**"). In undertaking such reviews, the FCL RC takes into consideration the performance of the Manager as part of the FCL group, and the performance of individual employees. The FCL RC also reviewed and approved the framework for salary reviews, performance bonuses and incentives for the Key Management Personnel of the Manager as part of the FCL group-wide review.

From the financial year beginning from 1 October 2016 onwards, the NRC, in performing the functions of a remuneration committee, and in accordance with the NRC's written terms of reference, will support the Board in determining and reviewing the remuneration policies and practices of the Manager. In this regard and following the new directions and guidelines from the MAS on the remuneration of directors and

Key Management Personnel of the Manager, the Board, with the assistance of the NRC, is in the midst of reviewing the remuneration objectives, policies and procedures applicable to the Manager, with a view to aligning them with the substance and spirit of such directions and guidelines from the MAS.

Policies in respect of Directors' Remuneration
The remuneration of Non-Executive Directors takes into account their respective responsibilities, including attendance and time spent at Board meetings and Board Committee meetings. Non-Executive Directors are paid a basic fee and attendance fees for attending Board meetings. Non-Executive Directors who perform services through Board Committees are paid additional fees for such services. The CEO, Mr Low Chee Wah, who is the only Executive Director on the Board, does not receive Directors' fees. No Director decides his own fees. Non-Executive Directors' fees are reviewed periodically to benchmark such fees against the amounts paid by other major listed REITs in Singapore.

The Directors' fees for FY2016 are shown in the table below.

Director	FY 2016
Dr Chua Yong Hai (Chairman) (Member of ARC Committee and NRC)	SGD 115,458
Chay Wai Chuen (Chairman of ARC Committee and Member of NRC)	SGD 80,458
Chia Khong Shoong	SGD 46,000[1]
Lim Ee Seng	SGD 46,000[1]
Tan Guong Ching (Chairman of NRC and Member of ARC Committee)	SGD 75,667
Christopher Tang Kok Kai (Member of ARC Committee (up to 14 December 2015) and Member of NRC)	SGD 52,282[1]

[1] Directors' fees are paid to FCL Management Services Pte. Ltd.

Remuneration Policy for Management
The Managers' remuneration framework comprises (i) a fixed pay component; and (ii) a variable component comprising short-term and long-term incentives. The variable component is linked to and determined based on both: (a) FCOT's performance and contribution to the FCL group; and (b) an annual appraisal of each individual employee against performance indicators including adherence to core values, competencies, key result areas, performance rating, and potential of the relevant employee. The mix of fixed and variable remuneration components is considered appropriate for the Manager and for each individual employee's role.

The level and mix of remuneration and the remuneration benefits, policies and practices of the Manager, where appropriate, including the long-term incentives will be reviewed by the NRC. The NRC will ensure that competitive remuneration policies and practices are in place to draw and motivate high-performing executives so as to drive FCOT's businesses to greater growth, efficiency and profitability.

In its deliberation, the NRC will take into consideration industry practices and benchmarks against relevant industry players to ensure that its remuneration and employment conditions are competitive and may, if it considers necessary, engage independence remuneration consultant(s).

The NRC will exercise broad discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of Unitholders and promote the long-term success of FCOT. The NRC will ensure that the overall level of remuneration is not considered to be at a level which is likely to promote behaviour contrary to the Manager's or FCOT's risk profile.

Performance Indicators for Key Management Personnel
As set out above, the Manager's variable remuneration component comprise short-term and long-term incentives which takes into account both individual performance, FCOT's performance and FCOT's contribution to the FCL group.

The Manager has put in place a framework for determining the short-term incentives of the Key Management Personnel, where both FCOT's financial performance and non-financial performance will be taken into consideration. The financial performance indicators in which the Key Management Personnel will be

evaluated on comprise (i) FCOT's net portfolio property income, (ii) Unitholder distribution, (iii) distribution per Unit and (iv) relative REIT unit price performance. These performance indicators are quantitative and objective measures of the Manager's performance. The non-financial performance indicators in which the Key Management Personnel will be evaluated on include (i) FCOT's business initiatives, (ii) strategic perspective, (iii) corporate sustainability and (iv) branding of FCOT. These qualitative performance indicators will align the Key Management Personnel's performance with FCOT's strategic objectives for the financial year.

Long-term incentives in the form of FCL share awards were granted to Key Management Personnel for FY2016. To align the interests of Key Management Personnel with the long-term interests of Unitholders, the grant of FCL share awards were based on various performance indicators, including individual performance based on the annual appraisal of the individual employees, FCOT's performance, FCOT's contribution to the FCL group and the performance of the Manager as part of the FCL group.

From the financial year beginning from 1 October 2016 onwards, the NRC will review the short-term and long-term incentives in the Key Management Personnel's remuneration package to ensure its compliance with the substance and spirit of the directions and guidelines from the MAS.

Currently, the Manager does not have claw-back provisions which allow it to reclaim incentive components of remuneration from its key executive personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss.

Pursuant to MAS' "Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management", REIT managers are required to disclose (i) the remuneration of the CEO and each individual director on a named basis, and (ii) the remuneration of at least the top five executive officers (which shall not include the CEO and executive officers who are directors), on a named basis, in bands of S$250,000. The Board has assessed and decided against the disclosure of the remuneration of the CEO and executive officers on a named basis, whether in exact quantum or in bands of S$250,000, as well as the disclosure of the total remuneration paid to the top five key executive officers (who are not directors or the CEO), and believes that the interests of the Unitholders will not be prejudiced as a result of such non-disclosure, for the following reasons:

(i) competition for talent in the REIT management industry is very keen and the Manager has, in the interests of Unitholders, opted not to disclose the remuneration of its CEO and top five executive officers as this may give rise to recruitment and talent retention issues as well as the risk of unnecessary key management turnover;
(ii) the composition of the current management team has been quite stable and to ensure the continuity of business and operations of FCOT, it is important that the Manager continues to retain its team of competent and committed staff;
(iii) due to the confidentiality and sensitivity of staff remuneration matters, the Manager is of the view that such disclosure could be prejudicial to the interests of Unitholders; and
(iv) there is full and frank disclosure of the total amount of fees paid to the Manager set out in the Financial Statements at page 190 and Interested Person Transactions at pages 212 to 213 of this Annual Report.

There were no employees of the Manager who are immediate family members of a Director or the CEO during FY2016.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Manager prepares the financial statements of FCOT in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 Reporting Framework for Unit Trusts ("**RAP 7**") issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the Code on CIS issued by the MAS and the provisions of the Trust Deed. RAP 7 requires the accounting principles to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards prescribed by the Accounting Standards Council. The Board, with the support of Management, is responsible for providing a balanced and understandable assessment of FCOT's performance, position and prospects.

Financial reports are provided to the Board on a monthly basis. Quarterly and annual financial reports and other material information are disseminated to Unitholders through announcements released via SGXNET, and where applicable, media releases and analysts' briefings. Such financial reports are reviewed by the Board before dissemination.

Principle 11: Risk Management and Internal Controls

The Manager has established a sound system of risk management and internal controls comprising procedures and processes to safeguard FCOT's assets and Unitholders' interests. The ARC Committee reviews and reports to the Board on the adequacy and effectiveness of such controls, including financial, compliance, operational and information technology controls, and risk management procedures and systems, taking into consideration the recommendations of both internal and external auditors.

Internal Controls

The ARC Committee, through the assistance of internal and external auditors, reviews and reports to the Board on the adequacy and effectiveness of the Manager's system of controls, including financial, compliance, operational and information technology controls. In assessing the effectiveness of internal controls, the ARC Committee ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

Risk Management

The Board, through the ARC Committee, reviews the adequacy and effectiveness of the Manager's risk management framework to ensure that robust risk management and mitigating controls are in place. The Manager has adopted an enterprise-wide risk management ("**ERM**") framework to enhance its risk management capabilities. Key risks, control measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Financial and operational key risk indicators are in place to track key risk exposures. Apart from the ERM process, key business risks are thoroughly assessed by Management and each significant transaction is comprehensively analysed so that Management understands the risks involved before it is embarked upon. An outline of the Manager's ERM framework and progress report is set out on pages 89 to 90.

Periodic updates are provided to the ARC Committee on FCOT's and the Manager's risk profile. These updates would involve an assessment of FCOT's and the Manager's key risks by risk categories, its current status, the effectiveness of any mitigating measures taken, and the action plans undertaken by Management to manage such risks.

In addition to the ERM framework, a comfort matrix of key risks, by which relevant material financial, compliance and operational (including information technology) risks of FCOT and the Manager have been documented to assist the Board to assess the adequacy and effectiveness of the existing internal controls. The comfort matrix is prepared with reference to the strategies, policies, processes, systems and reporting processes connected with the management of such key risks and presented to the Board and the ARC Committee. Risk tolerance statements setting out the nature and extent of significant risks which the Manager is willing to take in achieving its strategic objectives have been formalised and adopted.

The Board has received assurance from the CEO and the Financial Controller of the Manager that as at 30 September 2016:

(a) the financial records of FCOT have been properly maintained and the financial statements for FY2016 give a true and fair view of FCOT's operations and finances;
(b) the system of internal controls in place for FCOT is adequate and effective as at 30 September 2016 to address financial, operational, compliance and information technology risks which the Manager considers relevant and material to FCOT's operations; and
(c) the risk management system in place for FCOT is adequate and effective as at 30 September 2016 to address risks which the Manager considers relevant and material to FCOT's operations.

CORPORATE GOVERNANCE

Opinion of the Board on Internal Controls and Risk Management Framework

Based on the internal controls established and maintained by the Manager, work performed by internal and external auditors, reviews performed by Management and the ARC Committee and assurance from the CEO and the Financial Controller of the Manager, the Board, with the concurrence of the ARC Committee, is of the opinion that the internal controls in place for FCOT, were adequate and effective as at 30 September 2016 to address financial, operational, compliance and information technology risks, which the Manager considers relevant and material to FCOT's operations.

Based on the risk management framework established and assurance from the CEO and the Financial Controller of the Manager, the Board is of the view that the risk management system in place for FCOT was adequate and effective as at 30 September 2016 to address risks which the Manager considers relevant and material to FCOT's operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Manager will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives.

In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

Principle 12: Audit Committee

The ARC Committee is governed by written terms of reference defining its scope of authority and in accordance with such terms, is authorised to investigate any matter in connection with FCOT and the Manager. The ARC Committee has full access to, and has the full cooperation of, Management, with full authority and discretion to invite any Director or employee of the Manager to attend its meetings. The ARC Committee is able to call upon the Manager's resources to enable it to discharge its functions effectively.

The ARC Committee's responsibilities include:

- reviewing and monitoring the effectiveness of the Manager's internal controls, including financial, compliance and risk management controls and procedures;
- monitoring the integrity of financial information, including all quarterly and full year financial reports and audit reports;
- ensuring that procedures are in place for compliance with applicable rules and legislation, such as the Listing Manual, the Code on CIS including the Property Funds Appendix, and the SFA;
- reviewing the adequacy, independence, effectiveness, objectivity and fees of external auditors and recommending to the Board any replacement, appointment or reappointment of such external auditors;
- reviewing the adequacy and effectiveness of the internal audit function, including its resources, audit plans and the scope and effectiveness of the internal audit procedures; and
- reviewing interested person transactions to ascertain compliance with internal procedures and provisions of applicable laws and regulations.

In performing its functions, the ARC Committee meets with the internal and external auditors and reviews the internal and external audit plans for FCOT and the Manager and the assistance given by Management to the auditors. All audit findings and recommendations are presented to the ARC Committee for discussion. In addition, updates on changes in accounting standards and treatment are prepared by external auditors and circulated to members of the ARC Committee periodically.

As at 30 September 2016, the ARC Committee comprises three Directors, all of whom are Independent Non-Executive Directors:

Chay Wai Chuen	Chairman
Dr Chua Yong Hai	Member
Tan Guong Ching	Member

The separation of the roles of the Chairman of the Board and the Chairman of the ARC Committee ensures greater independence of the ARC Committee in the discharge of its duties. This is also with a view to increasing its effectiveness in assisting the Board in the discharge of its statutory and other responsibilities in the areas of internal controls, financial and accounting matters, compliance and risk management.

Members of the ARC Committee collectively possess the accounting and related financial management, expertise and experience required for the ARC Committee to discharge its responsibilities and assist the Board in its oversight over Management in the design, implementation and monitoring of risk management and internal control systems.

External Auditors

KPMG LLP ("**KPMG**") was appointed pursuant to the approval of the Unitholders on 20 January 2016 as external auditors of FCOT in place of the retiring auditors, Ernst and Young LLP. The Manager confirms that FCOT complies with Rules 712 and 715 of the Listing Manual in relation to the appointment of KPMG as the external auditors of FCOT. The ARC Committee has conducted a review of all non-audit services provided by KPMG during the financial period. The ARC Committee is satisfied that given the nature and extent of non-audit services provided and the fees for such services, neither the independence nor the objectivity of KPMG is put at risk. For details of the fees paid to KPMG, please refer to Note 19 to the Financial Statements. KPMG has attended the ARC Committee meetings every quarter for FY2016, and where appropriate, has met with the ARC Committee without the presence of Management to discuss their findings, if any.

It is proposed that at the forthcoming FCOT Annual General Meeting, KPMG be re-appointed as the external auditors of FCOT and that the Manager be authorised to fix their remuneration.

Whistle Blowing Policy

A Whistle-Blowing Policy is in place to provide an avenue through which employees and any other persons may report in good faith and in confidence any concerns in financial and other matters, and for independent investigation of such matters and appropriate follow-up action. All whistle-blower complaints will be reviewed by the ARC Committee to ensure that investigations and follow-up actions are carried out, if needed.

Principle 13: Internal Audit

The Manager has in place an internal audit function ("**IA**") established within the FCL Group to independently examine an evaluate the activities of the REIT Manager, focusing on the adequacy and effectiveness of internal controls, risk management and corporate governance processes.

The FCL Group IA Department is independent of the activities that it audits. The Head of Group IA, who is a Certified Fraud Examiner and a Fellow of The Institute of Singapore Certified Accountants (ISCA), CPA Australia and ACCA, reports directly to the Chairman of the Audit, Risk & Compliance ("ARC") Committee. The Head of Group IA and the IA staff are members of the Institute of Internal Auditors, Singapore and the FCL Group IA has adopted and complied with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors, Inc. To ensure that the internal audits are effectively performed, it recruits and employs suitably qualified staff with the requisite skills and experience. Such staff are also given relevant training and development opportunities to update their technical knowledge and auditing skills. All IA staff received relevant technical training and attended seminars organised by the Institute of Internal Auditors, Singapore or other professional bodies.

The FCL Group IA operates within the framework stated in the Terms of Reference as contained in the Internal Audit Charter approved by the ARC Committee. It adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned to key risks of FCOT. Based on risk assessments performed, greater

focus and appropriate review intervals are set for higher risk activities and material internal controls. The audit scope also included review of compliance with the policies, procedures and regulatory responsibilities of FCOT and the Manager.

During the year, Group IA conducted its audit reviews based on the approved Internal Audit Plan. All audit reports detailing audit findings and recommendations are provided to Management who would respond on the actions to be taken. Each quarter, Group IA would submit to the ARC Committee a report on the status of the Audit Plan and on audit findings and actions taken by Management on such findings. Key findings are highlighted at the ARC Committee meetings for discussion and follow-up action. The ARC Committee monitors the timely and proper implementation of appropriate follow-up measures to be undertaken by Management.

The ARC Committee is satisfied that for FY2016, the internal audit function is adequately resourced and has appropriate standing within FCOT and the Manager to perform its functions effectively.

UNITHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Unitholder Rights

The Manager believes in treating all Unitholders fairly and equitably. It aspires to keep all Unitholders and other stakeholders and analysts in Singapore and beyond informed of FCOT's activities, including changes (if any) in FCOT's business which are likely to materially affect the price or value of its Units, in a timely and consistent manner.

Unitholders are also given the opportunity to participate effectively and vote at general meetings of FCOT, where relevant rules and procedures governing such meetings (for instance, how to vote) are clearly communicated.

Principle 15: Communication with Unitholders

The Manager is committed to regular, effective and fair communication with its Unitholders. It has a dedicated investor relations team which handles communications with investors, the investment community, analysts and the media.

In FY2016, the Manager participated in 35 conferences, conference calls, meetings and non-deal roadshows and met with more than 130 investors and analysts in Bangkok, Hong Kong, Kuala Lumpur, Seoul, Singapore and Tokyo. These are excellent avenues for the Manager to keep investors updated on the latest performances, developments, strategies and outlook for FCOT. At the same time, the Manager is also able to understand the matters which are key to investors.

Briefings for analysts and luncheon for investors are generally held in conjunction with the release of FCOT's half-year and full-year financial results. To ensure transparency, press releases and presentation slides are released to SGX-ST via SGXNET, and posted on FCOT's website at www.fraserscommercialtrust.com. Both announcements through FCOT's website and the SGXNET are the principal media of communication with Unitholders. Beginning from October 2016, FCOT provided a webcast of the presentation of FCOT's full year results on the day of the results briefing for greater accessibility and transparency. Going forward, this will be provided for the half-year and annual results.

FCOT is also a signatory to the 2016 Corporate Governance Statement of Support organised by SIAS where FCOT has pledged its commitment to uphold high standards in corporate governance.

Principle 16: Conduct of Unitholder Meetings

A copy of the FCOT Annual Report is sent to all Unitholders. In compliance with the Code on CIS, an AGM is held after the close of each financial year allowing the Manager to present its report and interact with investors. At the AGM held during the year, Unitholders were invited to vote on each of the resolutions by poll, using an electronic voting system. This allowed all Unitholders present or represented at the meeting to vote on a per Unit, one vote basis. The voting result was screened at the meeting and announced to the SGX-ST after the meeting. As and when an EGM is convened, a circular will be sent to each Unitholder. The circular contains details of the matters proposed for Unitholders' consideration and approval.

Board members and Management are in attendance at Unitholders' meetings where Unitholders are given the opportunity to raise questions and clarify any issues they may have relating to the resolutions to be passed. The external auditors are also present to address queries about the conduct of audit and the preparation and content of the auditors' report.

Dealings in Units

The Manager has adopted a Dealing Policy on securities trading which provides guidance with regard to dealings in the FCOT units by its Directors, officers and employees. Directors, officers and employees are prohibited from dealing in FCOT units:

- in line with the Listing Rule 1207(19)(c) on Dealings in Securities, two weeks before the date of announcement of quarterly financial statements and one month before the date of announcement of full-year results ("**Prohibition Period**"); and
- at any time while in possession of unpublished material or price sensitive information.

Directors, officers and employees are also directed to refrain from dealing in FCOT units on short-term considerations.

Prior to the commencement of the Prohibition Period, Directors, officers and employees will be reminded not to trade during this period or whenever they are in possession of unpublished price sensitive information. Outside of the Prohibition Period, any trades must be reported to the Board within 48 hours. Every quarter, each Director, officer or employee is required to complete and submit a declaration form to the Compliance Officer to report any trades he/she has made in FCOT units in the previous quarter and confirm that no trades were made during the Prohibition Period. A quarterly report will be provided to the ARC Committee. Any non-compliance with the Dealing Policy such as trading within the Prohibition Period will be reported to the ARC Committee for its review and instructions.

In compliance with the Dealing Policy in relation to the Manager, prior Board approval is required before the Manager deals or trades in any FCOT units. The Manager has undertaken that it will not deal in FCOT units:

a) during the period commencing one month before the public announcement of FCOT's annual results and (where applicable) property valuations and two weeks before the public announcement of FCOT's quarterly results, or
b) whenever it is in possession of unpublished material price sensitive information.

The Manager has also given an undertaking to the MAS that it will announce to the SGX-ST the particulars of its holdings in FCOT units and any changes thereto within two business days after the date on which it acquires or disposes of any FCOT units, as the case may be.

Conflicts of Interest

Procedures put in place to address potential conflicts of interest (including in relation to Directors, officers and employees) which may arise in managing FCOT include:

- The Manager is to be dedicated to managing FCOT and will not directly or indirectly manage other Reits, without first obtaining approval from MAS.
- All executive officers are to be employed by the Manager.
- All resolutions in writing of Directors in relation to matters concerning FCOT must be approved by a majority of the Directors, including at least one Independent Director.
- At least one-third of the Board shall comprise Independent Directors.
- On matters where FCL, its subsidiaries or shareholders have an interest (directly or indirectly), directors nominated by them shall abstain from voting. In such matters, the quorum must comprise a majority of Independent Directors and exclude nominee Directors of FCL and/or its subsidiaries.
- An interested Director is required to disclose his interest in any proposed transaction with FCOT and is required to abstain from voting on resolutions approving the transaction.

In addition, FCOT has been granted a right of first refusal by FCL over completed income producing properties located in the Asia Pacific region used for commercial purposes (comprising primarily office and/or business space).

Interested Person Transactions

There is no general mandate obtained for interested person transactions ("**IPTs**" and each an "**IPT**"). All IPTs are undertaken on normal commercial terms and the Board, with the assistance of the ARC Committee, ensures that such IPTs are not prejudicial to the interests of FCOT and the minority Unitholders. This may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining one or more valuations from independent professional valuers (in accordance with the Code on CIS).

All IPTs are entered in a register maintained by the Manager. The internal audit plan includes a half-yearly review of all IPTs recorded in the register. The review includes the examination of the nature of the IPTs and its supporting documents or such other data deemed necessary by the ARC Committee. The ARC Committee reviews the internal audit reports to ascertain that internal procedures and the relevant provisions of the Listing Manual and the Code on CIS are complied with by Management in its dealings on IPTs. British and Malayan Trustees Limited, in its capacity as trustee of FCOT (the "**Trustee**"), has the right to review any such relevant internal audit reports to ascertain that the requirements under the Code on CIS have been complied with.

Directors interested in a proposed IPT to be entered into by FCOT are required to abstain from any deliberations or decisions in relation to that IPT.

Any IPT proposed to be entered into between FCOT and an interested person, would require the Trustee to satisfy itself that such IPT is conducted on normal commercial terms, is not prejudicial to the interests of FCOT and its Unitholders, and is in accordance with all applicable requirements of the Code on CIS and the Listing Manual.

ADDITIONAL DISCLOSURE ON FEES PAYABLE TO THE MANAGER

Pursuant to the Trust Deed, the Manager is entitled to receive the following fees:

Type of Fee	Computation and Form of Payment	Rationale and Purpose
Base Fee	Pursuant to Clauses 15.2(a)(1) and 15.3 of the Trust Deed, the Manager is entitled to receive a Base Fee at the rate of not more than 0.5% per annum of the Value of FCOT's Assets which comprise Real Estate. The Base Fee is payable calendar quarterly in arrears, in the form of cash and/or Units as the Manager may elect.	The base fee is payable to the Manager for managing FCOT's business in accordance with the Trust Deed for the benefit of Unitholders, which includes setting the strategic direction of FCOT in accordance with its stated investment strategies, as well as for related costs and expenses of the Manager including operational and administrative overheads. The base fee is calculated at a fixed percentage of real estate asset value as the scope of the Manager's duties is commensurate with the size of FCOT's asset portfolio.
Performance Fee	Pursuant to Clauses 15.2(a)(2) and 15.4 of the Trust Deed, the Manager is entitled to receive a Performance Fee at the rate of 3.5% per annum of the Net Real Estate Income less the Base Fee for the relevant financial year. The Performance Fee is payable in the form of cash and/or Units as the Manager may elect. With effect from 1 October 2016, the Performance Fee shall be paid annually, in compliance with the Property Funds Appendix.	The performance fee, which is based on Net Real Estate Income, aligns the interests of the Manager with Unitholders as the Manager is incentivised to proactively focus on improving rentals and optimising the operating costs and expenses of FCOT's properties. Linking the Performance Fee to Net Real Estate Income will also motivate the Manager to ensure the long-term sustainability of the assets instead of taking on excessive short-term risks to the detriment of Unitholders.
Acquisition Fee	Pursuant to Clauses 15.2(a)(3) and 15.5 of the Trust Deed, the Manager is entitled to receive an Acquisition Fee of not more than 1.0% of the acquisition price of any Real Estate purchased by the Trustee for FCOT (pro-rated if applicable to the proportion of the interest of FCOT in the asset acquired). Subject to the Property Funds Appendix, the Acquisition Fee is payable as soon as practicable after completion of the acquisition in the form of cash and/or Units as the Manager may elect.	The Acquisition Fee and Divestment Fee seek to motivate and compensate the Manager for the time, cost and effort spent (in the case of an acquisition) in sourcing, evaluating and executing potential opportunities to acquire new properties to further grow FCOT's asset portfolio or, (in the case of a divestment) in rebalancing and unlocking the underlying value of the existing properties. The Manager provides these services over and above the provision of ongoing management services with the aim of enhancing long-term returns, income sustainability and achieving the investment objectives of FCOT. The Acquisition Fee is higher than the Divestment Fee because there is additional work required to be undertaken in terms of sourcing, evaluating and conducting due diligence for an acquisition, as compared to a divestment.
Divestment Fee	Pursuant to Clauses 15.2(a)(4) and 15.5 of the Trust Deed, the Manager is entitled to receive a Divestment Fee of not more than 0.5% of the sale price of any Real Estate sold or divested by the Trustee (pro-rated if applicable to the proportion of the interest of FCOT in the asset sold). Subject to the Property Funds Appendix, the Divestment Fee is payable as soon as practicable after completion of the sale or disposal in the form of cash and/or Units as the Manager may elect.	

CORPORATE GOVERNANCE

GUIDELINES FOR DISCLOSURE

	Guideline	Questions	How has the Company complied
1.	General	Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	Please refer to the disclosures and references in this table for the specific deviations from the Code.
2.		In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	The Manager has adopted alternative corporate governance practices which reflect the fact that the Manager itself is not a listed entity but that the entity which it manages, Frasers Commercial Trust ("FCOT"), is listed and managed externally by the Manager.
Board Responsibility			
3.	Guideline 1.5	What are the types of material transactions which require approval from the Board?	Please refer to page 129 of this Annual Report.
Members of the Board			
4.	Guideline 2.6	What is the Board's policy with regard to diversity in identifying director nominees?	Please refer to pages 129 – 131 of this Annual Report.
5.		Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	Please refer to pages 129 – 131 of this Annual Report.
6.		What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	Please refer to pages 129 – 131 of this Annual Report.
7.	Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors	Please refer to pages 129 – 131 of this Annual Report. No new directors were appointed or re-elected in the financial period. Directors of the Manager are not subject to periodic retirement by rotation.
8.	Guideline 1.6	Are new directors given formal training? If not, please explain why	Yes. Please refer to page 128 of this Annual Report.
9.		What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	Please refer to page 128 of this Annual Report.
10.	Guideline 4.4	What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	No maximum number has been prescribed.
11.		If a maximum number has not been determined, what are the reasons?	Please refer to page 131 of this Annual Report.
12.		What are the specific considerations in deciding on the capacity of directors?	Please refer to page 131 of this Annual Report.
Board Evaluation			
13.	Guideline 5.1	What was the process upon which the Board reached the conclusion on its performance for the financial year?	Please refer to page 131 of this Annual Report.
14.		Has the Board met its performance objectives?	Yes. Please refer to page 131 of this Annual Report.

Independence of Directors			
15.	Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company	Yes. Please refer to pages 129 – 130 of this Annual Report.
16.	Guideline 2.3	Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.	None.
17.		What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
18.	Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	Yes. Dr Chua Yong Hai and Mr Tan Guong Ching have served on the Board for more than nine years from the respective dates of their first appointment. Please refer to page 129 of this Annual Report for the Board's reasons for considering them independent.
Disclosure on Remuneration			
19.	Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance related income/ bonuses, benefits –in-kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	The fees paid to all the directors for the financial year have been disclosed. Please refer to pages 133 – 134 of this Annual Report.
20.	Guideline 9.3	Has the Company disclosed each Key Management Personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Please refer to pages 133 – 134 of this Annual Report.
21.		Please disclose the aggregate remuneration paid to the top Key Management Personnel (who are not directors or the CEO).	Please refer to pages 133 – 134 of this Annual Report.
22.	Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	No.

23.	Guideline 9.6	Please describe how the remuneration received by executive directors and Key Management Personnel has been determined by the performance criteria.	Please refer to pages 133 – 134 of this Annual Report.
24.		What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	Please refer to pages 133 – 134 of this Annual Report.
25.		Were all of these performance conditions met? If not, what were the reasons?	Please refer to pages 133 – 134 of this Annual Report.
Risk Management and Internal Controls			
26.	Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	Please refer to pages 131 – 132 of this Annual Report.
27.	Guideline 13.1	Does the Company have an internal audit function? If not, please explain why	Yes. Please refer to pages 137 – 138 of this Annual Report.
28.	Guideline 11.3	In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	Please refer to pages 135 – 136 of this Annual Report.
29.		In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Please refer to page 135 of this Annual Report.
30.	Guideline 12.6	Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year	Please refer to page 190 of this Annual Report.
31.		If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors	Please refer to page 137 of this Annual Report.
Communication with Shareholders			
32.	Guideline 15.4	Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	Yes. Please refer to pages 138 – 139 of this Annual Report.
33.		Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Yes. Please refer to pages 138 – 139 of this Annual Report.
34.	Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not applicable. Please refer to the "Distribution Statements" on pages 154 – 155 of this Annual Report.

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REPORT OF THE TRUSTEE

British and Malayan Trustees Limited (the "Trustee") is under a duty to take into custody and hold the assets of Frasers Commercial Trust (the "Trust") and its subsidiaries (collectively, the "Group") in trust for the holders of the Units ("Unitholders") in the Trust (the "Units"). In accordance with, among other things, the Securities and Futures Act (Cap. 289), its subsidiary legislation, the Code on Collective Investment Schemes and the Listing Manual (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of Frasers Centrepoint Asset Management (Commercial) Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 12 September 2005 (as amended by the amending and restating deeds on 23 February 2006, 20 March 2006 and 27 July 2010, and supplemental deeds of amendments dated 30 April 2007, 31 March 2009, 29 July 2009, 26 August 2009, 25 November 2009, 28 January 2010, 20 January 2011, 22 August 2012 and 16 December 2015) between the Trustee and the Manager (the "Trust Deed") in each annual accounting period and report thereon to Unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of Statement of Recommended Accounting Practice 7 Reporting Framework for Unit Trusts issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the financial year covered by these financial statements, set out on pages 152 to 208, comprising the Balance Sheets and Portfolio Statements of the Group and the Trust as at 30 September 2016, the Statements of Total Return, Distribution Statements and Statements of Movements in Unitholders' Funds of the Group and the Trust, and the Consolidated Cash Flow Statement of the Group for the financial year then ended, and a summary of the significant accounting policies and other explanatory notes, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee,
British and Malayan Trustees Limited

James William Cox
Chief Executive Officer and Director

Colin Lee Yung Shih
Director

Singapore

28 November 2016

STATEMENT BY THE MANAGER

In the opinion of the directors of Frasers Centrepoint Asset Management (Commercial) Ltd., the accompanying financial statements, set out on pages 152 to 208, comprising the Balance Sheets and Portfolio Statements of Frasers Commercial Trust (the "Trust") and its subsidiaries (collectively, the "Group") as at 30 September 2016, the Statements of Total Return, Distribution Statements and Statements of Movements in Unitholders' Funds of the Group and the Trust, and the Consolidated Cash Flow Statement of the Group for the financial year then ended, and a summary of the significant accounting policies and other explanatory notes are drawn up so as to present fairly, in all material respects, the financial positions of the Group and of the Trust as at 30 September 2016, the total return, movements in Unitholders' funds of the Group and of the Trust and cash flows of the Group for the financial year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 Reporting Framework for Unit Trusts issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed.

At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Frasers Centrepoint Asset Management (Commercial) Ltd.

Dr Chua Yong Hai
Chairman and Director

Low Chee Wah
Chief Executive Officer and Director

Singapore

28 November 2016

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS
FRASERS COMMERCIAL TRUST
(CONSTITUTED UNDER A TRUST DEED IN THE REPUBLIC OF SINGAPORE)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Frasers Commercial Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated balance sheet and consolidated portfolio statement of the Group and the balance sheet and portfolio statement of the Trust as at 30 September 2016, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated cash flow statement of the Group and the statement of total return, distribution statement and statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 152 to 208.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet, statement of total return, distribution statement and statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 30 September 2016 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the total return, distributable income and movements in unitholders' funds of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Portfolio Statement and Note 3 to the financial statements)

Risk

The Group and the Trust own 3 investment properties located in Singapore and 3 investment properties located in Australia, which comprise primarily office and business space buildings with retail and carparks. As at 30 September 2016, the investment properties, with carrying amount of $2.0 billion, represent the single largest asset category on the balance sheets of the Group and the Trust.

The investment properties are stated at their fair values based on independent external valuations. The valuation process is considered a key audit matter because it involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. Any changes in the key assumptions applied could result in a material impact to the financial statements.

Our response

We assessed the Group's processes for the selection of the external valuers, the determination of the scope of work of the valuers, and the review and acceptance of the valuation reports issued by the external valuers.

We evaluated the qualifications and competence of the external valuers and held discussions with the valuers to understand their valuation methods and assumptions used.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We tested the integrity of inputs of the projected cash flows used in the valuation to supporting leases and other documents. We challenged the capitalisation and discount rates used in the valuations by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers. We also considered the adequacy of the disclosures in the financial statements.

Our findings

The Group has a structured process in appointing and instructing valuers, and in reviewing and accepting their valuations. The valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work.

The approach to the methodologies and in deriving the assumptions in the valuation is supported by market practices and data, and the disclosures in the financial statements are in compliance with RAP 7.

Other matter

The financial statements for the year ended 30 September 2015 were audited by another auditor who expressed an unmodified opinion on those financial statements on 30 November 2015.

Other Information

The management of Frasers Centrepoint Asset Management (Commercial) Ltd., the Manager of the Trust (the "Manager"), is responsible for the other information. The other information comprises About Frasers Commercial Trust - Our Vision, Mission and Strategies, Financial Highlights, Letter to Unitholders, Corporate Structure, Organisation Structure, Key Events, Celebrating a Decade of Achievements, Board of Directors, Management Team, Operational Review, Financial Review, Market Overview, Investor Relations, Overview of Properties, Portfolio Details, China Square Central, Singapore, 55 Market Street, Singapore, Alexandra Technopark, Singapore, Central Park, Perth, Australia, Caroline Chisholm Centre, Canberra, Australia, 357 Collins Street, Melbourne, Australia, Risk Management, Sustainability Report, Corporate Governance, Report of the Trustee, Statement by the Manager, Interested Person Transactions, Notice of Annual General Meeting and Proxy Form which we obtained prior to the date of this auditors' report, and the Unitholders' Statistics (the "Report") which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Manager and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors of the Manager for the financial statements

The management of the Manager of the Trust is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the management of the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management of the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management of the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the directors of the Manager include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of the Manager.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the management of the Manager and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matter. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Karen Lee Shu Pei.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

28 November 2016

BALANCE SHEETS

AS AT 30 SEPTEMBER 2016

	Note	Group 2016 S$'000	Group 2015 S$'000	Trust 2016 S$'000	Trust 2015 S$'000
Non-current assets					
Investment properties	3	1,989,287	1,954,820	1,209,500	1,209,000
Subsidiaries	4	–	–	318,892	324,391
Loan to a subsidiary	6	–	–	90,646	87,104
Fixed assets	7	81	61	81	61
Deferred taxation	8	348	330	–	–
Total non-current assets		1,989,716	1,955,211	1,619,119	1,620,556
Current assets					
Trade and other receivables	9	2,922	4,233	73,868	72,394
Prepayments		5,233	4,585	110	72
Derivative financial instruments	10	–	8,179	–	8,179
Cash and cash equivalents	11	71,487	62,233	65,193	57,685
Total current assets		79,642	79,230	139,171	138,330
Total assets		2,069,358	2,034,441	1,758,290	1,758,886
Less:					
Non-current liabilities					
Interest-bearing borrowings	12	562,829	731,867	345,050	523,002
Security deposits		7,736	9,007	7,736	9,007
Deferred taxation	8	51,076	47,290	–	–
Total non-current liabilities		621,641	788,164	352,786	532,009
Current liabilities					
Interest-bearing borrowings	12	179,462	–	179,462	–
Trade and other payables	13	23,302	29,739	16,865	25,524
Derivative financial instruments	10	7,434	2,476	3,794	–
Security deposits		5,340	3,967	5,340	3,967
Provision for taxation		3,763	3,224	–	–
Total current liabilities		219,301	39,406	205,461	29,491
Total liabilities		840,942	827,570	558,247	561,500
Net assets		1,228,416	1,206,871	1,200,043	1,197,386
Represented by:					
Unitholders' funds		1,228,416	1,206,871	1,200,043	1,197,386
Units issued at end of financial year ('000)	14	794,298	782,704	794,298	782,704
Unitholders' funds per Unit (S$)		1.55	1.54	1.51	1.53

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF TOTAL RETURN

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

	Note	Group 2016 S$'000	Group 2015 S$'000	Trust 2016 S$'000	Trust 2015 S$'000
Gross revenue	16	156,497	142,187	112,753	108,095
Property operating expenses	17	(40,883)	(40,319)	(24,369)	(26,425)
Net property income		115,614	101,868	88,384	81,670
Interest income	18	633	406	7,360	7,420
Trust expenses	19	(15,301)	(14,775)	(15,063)	(14,504)
Finance expenses	20	(24,763)	(22,068)	(15,758)	(14,565)
Net income		76,183	65,431	64,923	60,021
Exchange differences		1,923	(2,546)	7,162	(28,149)
Net change in fair value of investment properties	3	(690)	5,387	(556)	37,153
Net change in fair value of derivative financial instruments		(785)	1,029	(785)	386
Other expense	21	–	–	–	(2,880)
Realised (loss)/gain on derivative financial instruments		(551)	695	(551)	766
Total return before income tax		76,080	69,996	70,193	67,297
Taxation	22	(4,839)	5,202	–	–
Total return for the financial year		71,241	75,198	70,193	67,297
Earnings per Unit (cents)					
Basic	23	9.04	10.79		
Diluted	23	9.04	10.79		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

DISTRIBUTION STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Income available for distribution at beginning of the financial year	12,589	14,986	12,589	14,986
Total return for the financial year	71,241	75,198	70,193	67,297
Net effect of non-tax deductible/(taxable) items and other adjustments (Note A)	6,366	(7,393)	7,414	508
Distributable income for the financial year (Note B)	77,607	67,805	77,607	67,805
Income available for distribution	90,196	82,791	90,196	82,791
Distributions declared during the financial year to:				
Unitholders (Note C)	(70,711)	(70,202)	(70,711)	(70,202)
Income available for distribution at end of the financial year	19,485	12,589	19,485	12,589
Number of Units entitled to distribution ('000)	794,298	783,416	794,298	783,416
Distribution per Unit (cents) (Note 32)	2.45	1.61	2.45	1.61

Note A - Net effect of non-tax deductible/(taxable) items and other adjustments

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Amortisation and expensing of borrowing costs	2,188	2,041	1,777	1,693
Deferred taxation	1,810	(8,306)	–	–
Effects of recognising accounting income on a straight-line basis over the lease term	(1,820)	(1,002)	(114)	(121)
Management fees paid/payable in Units	2,475	2,748	2,475	2,748
Net change in fair value of investment properties	690	(5,387)	556	(37,153)
Net change in fair value of derivative financial instruments	785	(1,029)	785	(386)
Trustee fees	607	570	607	570
Unrealised exchange (gain)/loss	(2,171)	2,540	(7,406)	25,197
Other adjustments	1,802	432	8,734	7,960
	6,366	(7,393)	7,414	508

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

DISTRIBUTION STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

Note B – Distributable income for the financial year

	Group and Trust	
	2016 S$'000	2015 S$'000
Attributable to:		
Unitholders		
- from operations	71,915	66,932
- from capital returns	5,692	873
	77,607	67,805

Note C – Distributions declared to Unitholders during the financial year

	Group and Trust			
	2016		2015	
	Distribution rate cents	Amount S$'000	Distribution rate cents	Amount S$'000
- 1 July 2014 to 30 September 2014	–	–	2.2145	14,986
- 1 October 2014 to 31 December 2014	–	–	2.4608	16,712
- 1 January 2015 to 31 March 2015	–	–	2.3754	16,189
- 1 April 2015 to 30 June 2015	–	–	2.3510	16,082
- 1 July 2015 to 2 August 2015	–	–	0.9112	6,233
- 1 July 2015 to 30 September 2015	1.6069	12,589	–	–
- 1 October 2015 to 31 December 2015	2.5100	19,702	–	–
- 1 January 2016 to 31 March 2016	2.4526	19,348	–	–
- 1 April 2016 to 30 June 2016	2.4101	19,072	–	–
		70,711		70,202

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Balance at beginning of the financial year	1,206,871	1,091,315	1,197,386	1,038,399
Operations				
Changes in net assets attributable to Unitholders' funds resulting from operations	71,241	75,198	70,193	67,297
Foreign currency translation reserve				
Movement for the financial year	19,004	(48,855)	–	–
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(12,351)	5,164	(11,187)	7,641
Unitholders' transactions				
Issuance of Units	14,676	156,436	14,676	156,436
Issue expenses	(314)	(2,265)	(314)	(2,265)
Conversion of Series A Convertible Perpetual Preferred Units to Units	–	80	–	80
	14,362	154,251	14,362	154,251
Distributions to Unitholders	(70,711)	(70,202)	(70,711)	(70,202)
Change in Unitholders' funds resulting from Unitholders' transactions	(56,349)	84,049	(56,349)	84,049
Balance at end of the financial year	1,228,416	1,206,871	1,200,043	1,197,386

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

By Geography
Group

Location	Description of property	Acquisition date	Term of lease	Remaining term of lease (years)	Existing use	Carrying amount as at 2016 S$'000	Carrying amount as at 2015 S$'000	Percentage of net assets as at 2016 %	Percentage of net assets as at 2015 %
Singapore									
18, 20 & 22 Cross Street, China Square Central, Singapore 048423/2/1 ("China Square Central")	15-storey office tower and retail podium with basement carpark and heritage shophouses	30/3/2006	Leasehold	79	Commercial	562,500	570,000	45.8	47.2
Alexandra Technopark 438A & 438B Alexandra Road, Singapore 119967/8 ("Alexandra Technopark")	High-tech business space development comprising an 8-storey and a 9-storey air-conditioned buildings with basement carpark	26/8/2009	Leasehold	91	Business space	508,000	503,000	41.4	41.7
55 Market Street, Singapore 048941 ("55 Market Street")	16-storey office and retail building	22/11/2006	Leasehold	808	Commercial	139,000	136,000	11.3	11.3
Australia									
Central Park 152-158 St Georges Terrace, Perth, Western Australia, 6000 ("Central Park")[1]	47-storey office tower with retail and basement carpark	30/3/2006	Freehold	NA	Commercial	276,077	290,319	22.5	24.1
Caroline Chisholm Centre Block 4 Section 13, Tuggeranong, ACT 2900 Australia ("Caroline Chisholm Centre")	5-storey office complex with carpark	18/6/2007 and 13/4/2012	Leasehold	85	Commercial	237,009	215,237	19.3	17.8
357 Collins Street, Melbourne, Victoria 3000 Australia ("357 Collins Street")	25-storey office and retail building with a basement carpark	18/8/2015	Freehold	NA	Commercial	266,701	240,264	21.7	19.9
Portfolio of investment properties, at valuation						1,989,287	1,954,820	162.0	162.0
Other assets and liabilities (net)						(760,871)	(747,949)	(62.0)	(62.0)
Net assets						1,228,416	1,206,871	100.0	100.0

(1) The Group has a 50% effective interest in Central Park.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

By Geography
Trust

Location	Description of property	Acquisition date	Term of lease	Remaining term of lease (years)	Existing use	Carrying amount as at 2016 S$'000	Carrying amount as at 2015 S$'000	Percentage of net assets as at 2016 %	Percentage of net assets as at 2015 %
Singapore									
China Square Central	15-storey office tower and retail podium with basement carpark and heritage shophouses	30/3/2006	Leasehold	79	Commercial	562,500	570,000	46.9	47.6
Alexandra Technopark	High-tech business space development comprising an 8-storey and a 9-storey air-conditioned buildings with basement carpark	26/8/2009	Leasehold	91	Business space	508,000	503,000	42.3	42.0
55 Market Street	16-storey office and retail building	22/11/2006	Leasehold	808	Commercial	139,000	136,000	11.6	11.4
Portfolio of investment properties, at valuation						1,209,500	1,209,000	100.8	101.0
Other assets and liabilities (net)						(9,457)	(11,614)	(0.8)	(1.0)
Net assets						1,200,043	1,197,386	100.0	100.0

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

	Group	
	2016 S$'000	2015 S$'000
Cash flow from operating activities		
Total return before income tax	76,080	69,996
Adjustments for:		
Amortisation of leasing fees capitalised	890	745
Depreciation of fixed assets	26	24
Fixed assets written off	13	–
Effects of recognising accounting income on a straight-line basis over the lease term	(1,820)	(1,002)
Finance expenses	24,763	22,068
Interest income	(633)	(406)
Management fees paid/payable in Units	2,475	2,748
Divestment fee paid in Units	–	224
Net change in fair value of investment properties	690	(5,387)
Net change in fair value of derivative financial instruments	785	(1,029)
Realised loss/(gain) on derivative financial instruments	551	(695)
Operating cash flow before working capital changes	103,820	87,286
Changes in working capital:		
Trade and other receivables	672	(221)
Trade and other payables	334	1,755
Cash generated from operations	104,826	88,820
Income tax paid	(3,040)	(246)
Net cash generated from operating activities	101,786	88,574
Cash flow from investing activities		
Acquisition of an investment property	–	(239,652)
Proceeds from China Square Central hotel transaction (Note 3(b))	–	44,800
Capital expenditure on investment properties	(2,946)	(1,986)
Payment for leasing costs capitalised during the year	(954)	(803)
Purchase of fixed assets	(59)	(14)
Interest received	639	369
Net cash used in investing activities	(3,320)	(197,286)
Cash flow from financing activities		
Distributions paid	(65,697)	(53,897)
Interest expenses paid	(22,835)	(19,722)
Issue expenses paid	(314)	(2,266)
Proceeds from private placement of Units	–	142,080
Proceeds from borrowings	100,000	116,395
Payment of transaction costs on borrowings	–	(700)
Repayment of borrowings	(100,000)	(58,400)
Realisation of derivative financial instruments	(551)	695
Net cash (used in)/generated from financing activities	(89,397)	124,185

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

	Group	
	2016 S$'000	2015 S$'000
Net increase in cash and cash equivalents	9,069	15,473
Cash and cash equivalents at beginning of the financial year	62,233	47,372
Effects of changes in exchange rates on opening cash and cash equivalents	185	(612)
Cash and cash equivalents at end of the financial year (Note 11)	71,487	62,233

Significant non-cash transactions

The following were the significant non-cash transactions:

(i) Management fees paid/payable in Units

1,923,180 (2015: 1,921,830) Units were issued and issuable in satisfaction of management fees payable in Units during the financial year, amounting to a value of S$2,475,000 (2015: S$2,748,000).

(ii) Distributions paid

Pursuant to the Distribution Reinvestment Plan implemented during the financial year, 8,959,390 (2015: 6,971,162) Units were issued, amounting to S$11,247,000 (2015: S$10,072,000).

(iii) Divestment fee paid in Units

In 2015, 159,181 Units were issued as payment of divestment fee payable to the Manager in relation to the China Square Central hotel transaction (Note 3(b)), amounting to S$224,000.

(iv) Acquisition fee paid in Units

In 2015, 1,610,563 Units were issued as payment of acquisition fee payable to the Manager in relation to the acquisition of 357 Collins Street, amounting to S$2,266,000.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

The following Notes form an integral part of the Financial Statements:

1. GENERAL

Frasers Commercial Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to a trust deed dated 12 September 2005 between Frasers Centrepoint Asset Management (Commercial) Ltd. (the "Manager") and British and Malayan Trustees Limited (the "Trustee"), subsequently amended by amending and restating deeds dated 23 February 2006, 20 March 2006 and 27 July 2010, and further amended by supplemental deed of amendments dated 30 April 2007, 31 March 2009, 29 July 2009, 26 August 2009, 25 November 2009, 28 January 2010, 20 January 2011, 22 August 2012 and 16 December 2015 (collectively, the "Trust Deed") and sponsored by Frasers Centrepoint Limited. The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the "Group") in trust for the holders of Units in the Trust ("Unitholders").

The Trust was formally admitted to the official list of the Singapore Exchange Securities Trading Limited on 30 March 2006 and was included under the Central Provident Fund Investment Scheme on 30 March 2006.

The principal activities of the Group and the Trust 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 Unitholders' funds per Unit.

Frasers Commercial Trust is regarded as a subsidiary of Frasers Centrepoint Limited for financial reporting purposes. The ultimate holding company of the Trust is TCC Assets Limited, a company incorporated in the British Virgin Islands.

The financial statements were authorised for issue by the Manager and the Trustee on 28 November 2016.

The Group has entered into several service agreements in relation to the management of the Group and its property operations. The fee structures in respect of the services are as follows:

(a) Trustee fees

The Trustee is entitled to receive a fee at the rate of 0.03% per annum of the gross asset value of the Group, subject to a minimum of $36,000 per annum, excluding out-of-pocket expenses and Goods and Services Tax ("GST"). The fee is paid quarterly in arrears in accordance with the Trust Deed.

1. GENERAL (CONT'D)

(b) Manager's fees

(i) Management fees

The Manager is entitled to management fees comprising a base fee and performance fee as follows:

- Base fees

  The Manager is entitled to receive a base fee of 0.5% per annum of the value of the real estate assets of the Group; and

- Performance fees

  The Manager is entitled to receive a performance fee calculated at the rate of 3.5% per annum of the performance fee amount (being the net real estate asset income less the base fee).

The base fees and performance fees accrue daily and are payable quarterly in arrears. The Manager may, at its election, be paid base fees and/or performance fees in cash, in Units or a combination of both. The price of Units issued is determined based on the volume weighted average price of Units for the ten business days preceding the end of the relevant periods in which the fees are accrued for. During the financial year, the Manager opted to receive 18.2% (2015: 22.5%) of the base fees and performance fees in the form of Units in the Trust. The remaining 81.8% (2015: 77.5%) was paid/payable in cash.

(ii) Acquisition and divestment fees

The Manager is entitled to receive an acquisition fee of not more than 1.0% of the acquisition price of acquisition of properties and a divestment fee of not more than 0.5% of the sale price on disposals of properties.

Acquisition and divestment fees are payable as soon as practicable after the completion of the relevant acquisition or divestment.

The Manager may, at its election and subject to applicable requirements under the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS"), be paid acquisition and/or divestment fees in cash, in Units or a combination of both. The price of Units issued is determined based on the volume weighted average price of Units for the ten business days preceding the end of the relevant periods in which the fees are accrued for. The Manager had also received 100.0% of the acquisition fees and 100.0% of the divestment fees in the form of Units in the Trust in 2015. There were no acquisition and divestment fees payable in 2016.

1. GENERAL (CONT'D)

(c) Property management fees

Under the property management agreement entered into with Frasers Centrepoint Property Management (Commercial) Pte Ltd ("FCPM Commercial"), FCPM Commercial was entitled to receive a property management fee of 3.0% per annum of all revenue of the real estate assets. This property management agreement expired on 22 February 2016.

A property management agreement was entered into with Frasers Centrepoint Property Management Services Pte Ltd ("FCPM Services"), a related company of the Manager for a period of 5 years commencing from 23 February 2016 in respect of China Square Central, Alexandra Technopark and 55 Market Street (the "Singapore Properties"). Under this property management agreement, FCPM Services is entitled to receive a property management fee of 3.0% per annum of the gross revenue of the Singapore Properties, leasing commissions and employee costs reimbursement.

FCPM Commercial and FCPM Services may, at their election, be paid property management fees in cash, in Units or a combination of both. The price of Units issued is determined based on the volume weighted average price of Units for the ten business days preceding the end of the relevant periods in which the fees are accrued for. During the financial year, FCPM Commercial and FCPM Services had elected for 100.0% (2015; 100.0%) of the fees payable under the respective property management agreements to be settled in cash.

In Australia, the property managers of Central Park and 357 Collins Street are entitled to fixed property management fees with annual increases, leasing commissions and employee costs reimbursement. The property manager of Caroline Chisholm Centre is entitled to fixed property management fees with annual increases. The property manager of 357 Collins Street is Frasers Property Management Services Pty Limited, a related company of the Manager. The property managers of Central Park and Caroline Chisholm Centre are not related parties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 Reporting Framework for Unit Trusts ("RAP 7") issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the CIS Code issued by the MAS and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("S$"), which is the functional currency of the Trust. All financial information has been rounded to the nearest thousand, unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

(a) Significant accounting judgements and estimates

The preparation of financial information in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

(i) Note 3 – Valuation of investment properties

(ii) Note 10 – Valuation of derivative financial instruments

2.2 New standards and interpretations not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 October 2015, and have not been applied in preparing these financial statements. For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group and the Trust in future financial periods, the Group will assess the transition options and the potential impact on its financial statements, and to implement these standards. The Group does not plan to adopt these standards early.

(a) Applicable to financial statements for financial year beginning on or after 1 October 2018

(i) FRS 115 Revenue from Contracts with Customers ("FRS 115")

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 Revenue, FRS 11 Construction Contracts, INT FRS 113 Customer Loyalty Programmes, INT FRS 115 Agreements for the Construction of Real Estate, INT FRS 118 Transfers of Assets from Customers and INT FRS 31 Revenue – Barter Transactions Involving Advertising Services.

FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New standards and interpretations not yet effective (cont'd)

(a) Applicable to financial statements for financial year beginning on or after 1 October 2018 (cont'd)

(ii) FRS 109 Financial instruments ("FRS 109")

FRS 109 replaces most of the existing guidance in FRS 39 Financial Instruments: Recognition and Measurement ("FRS 39"). It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 October 2018.

(b) Applicable to financial statements for financial year beginning on or after 1 October 2019

(i) FRS 116 Leases ("FRS 116")

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 Leases ("FRS 17"). Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 Determining whether an Arrangement contains a Lease; INT FRS 15 Operating Leases – Incentives; and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 is also applied.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary, if any, are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Investment in subsidiaries are stated in the Trust's balance sheet at cost less accumulated impairment losses.

(b) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the statement of total return. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date the control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(c) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement. To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation.

The Group recognises in relation to its interest in a joint operation,

(i) its assets, including its share of any assets held jointly;
(ii) its liabilities, including its share of any liabilities incurred jointly;
(iii) its revenue from the sale of its share of the output arising from the joint operation;
(iv) its share of the revenue from the sale of the output by the joint operation; and
(v) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interests in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

2.5 Foreign currencies

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Trust and subsidiaries at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the dates of the transactions. Foreign currency differences arising on translation are recognised in the statement of total return.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Foreign currencies (cont'd)

(b) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments, if any, arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in Unitholders' funds. When a foreign operation is disposed of such that control or joint control is lost, the cumulative amount of foreign currency differences relating to that foreign operation is reclassified to statement of total return as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to the statement of total return.

(c) Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Trust's net investment in a foreign operation are recognised in the Trust's statement of total return. Such exchange differences are reclassified to Unitholders' funds in the consolidated financial statements. When the net investment is disposed of, the cumulative amount in Unitholders' funds is transferred to the statement of total return as an adjustment to total return arising on disposal.

2.6 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost, including transaction costs, on initial recognition and subsequently at fair value with any change therein recognised in the statement of total return.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. Fair value is determined at each balance sheet date in accordance with the Trust Deed. In addition, the investment properties are valued by independent professional valuers at least once a year, in accordance with the CIS Code issued by the MAS.

Subsequent expenditure relating to investment properties that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Investment properties are derecognised when either they have been disposed of or when no future economic benefit is expected from their disposal. Any gains or losses on the disposal are recognised in the statement of total return.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Fixed assets

Fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes directly attributable costs of bringing the asset to a working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for repair and maintenance are charged to the statement of total return.

The gain or loss on disposal of an item of fixed asset (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of total return.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in the statement of total return on a straight-line basis over the estimated useful lives of the fixed assets. The principal annual rates of depreciation are as follows:

(i)	Furniture and fittings	20%
(ii)	Equipment	20%
(iii)	Computers	20%

The depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

2.8 Financial instruments

(a) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the financial instrument.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial instruments (cont'd)

(b) Non-derivative financial liabilities

All financial liabilities are recognised initially on the date that the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(c) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivative financial instruments are recognised initially at fair value and are subsequently re-measured at their fair value. The changes in fair value of any derivative instruments that do not qualify for hedge accounting or are not designated in a hedge relationship that qualifies for hedge accounting are recognised immediately in the statement of total return.

The Group applies hedge accounting for certain hedging relationships, which qualifies for hedge accounting. For the purpose of hedge accounting, these hedges are classified as cash flow hedges. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such hedges are expected to be highly effective in achieving offsetting changes in cash flow and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument is recognised directly in the hedging reserve, while any ineffective portion is recognised immediately in the statement of total return. Amounts recognised in the hedging reserve are transferred to the statement of total return when the hedged transaction affects the statement of total return, such as when the hedged financial income or financial expense is recognised. If the forecast transaction is no longer expected to occur, amounts previously recognised in hedging reserve are transferred to the statement of total return. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in hedging reserve remain in hedging reserve until the forecast transaction occurs.

(d) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Impairment

(a) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash generating unit exceeds its estimated recoverable amount.

The recoverable amount of an asset or cash generating unit is the greater of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating unit.

Impairment losses are recognised in the statement of total return. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(b) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be measured reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Impairment (cont'd)

(b) Non-derivative financial assets (cont'd)

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for the Manager's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in the statement of total return and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of total return.

2.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 Unitholders' funds

Unitholders' funds represent the residual interest in the Group's net assets upon termination and are classified as equity.

Expenses incurred in the issuance and placement of Units are deducted directly against Unitholders' funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Revenue recognition

(a) Rental income from operating leases

Rental income from investment properties is recognised in the statement of total return on a straight-line basis over the term of the lease. Lease incentives granted are recognised on a straight-line basis over the term of the lease.

(b) Interest income

Interest income is recognised as it accrues in the statement of total return, using the effective interest method.

(c) Dividend and distribution income

Dividend income is recognised in the statement of total return on the date when the right to receive payment is established.

(d) Other property income

Other property income comprises mainly outgoing recoverables and is recognised when the services are rendered.

2.13 Finance costs

Finance costs comprise interest expenses on borrowings and expenses incurred in connection with the arrangement of debt facilities.

Interest expenses on borrowings are recognised in the statement of total return using the effective interest method. Expenses incurred in connection with the arrangement of debt facilities are recognised in the statement of total return on an effective interest basis over the period for which the debt facilities are granted.

2.14 Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in the statement of total return except to the extent that it relates to items recognised directly in Unitholders' funds.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payables in respect of previous years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Income taxes (cont'd)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and

- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax on temporary differences arising from investment properties measured at fair value is measured at the tax rates that are expected to be applied, based on a rebuttable presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The following set out the Tax Rulings currently applicable to the Group:

(1) Tax Ruling from the Inland Revenue Authority of Singapore ("IRAS") dated 13 October 2005 which confirms the Singapore tax consequences for the Trust and Unitholders in relation to the income arising from the Trust's properties ("Tax Ruling 1").

(2) Tax Ruling from the Ministry of Finance ("MOF") dated 9 December 2005 and 2 February 2006 which confirms the Singapore tax consequences for certain foreign income derived from Central Park in Australia ("Tax Ruling 2").

(3) Tax Ruling obtained from IRAS dated 16 February 2007, and further updated on 3 April 2007, 7 January 2011 and 16 February 2012, which confirms the Singapore tax consequences of certain foreign income derived from Caroline Chisholm Centre in Australia ("Tax Ruling 3").

(4) Tax Ruling obtained from IRAS dated 26 June 2015 which confirms the Singapore tax consequences of certain foreign income derived from 357 Collins Street in Australia ("Tax Ruling 4").

Subject to full compliance with the terms and conditions of the above Tax Rulings, the taxation of the Trust and that of the Unitholders is described below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Income taxes (cont'd)

(a) Tax Ruling 1

Tax Ruling 1 grants tax transparency treatment on the Trust's taxable income from properties ("Taxable Income") that is distributed to the Unitholders. Subject to meeting the terms and conditions of Tax Ruling 1, the Trust will not be assessed tax on the Taxable Income. Instead, the Trust will deduct income tax at the prevailing corporate tax rate, currently at 17.0% (2015: 17.0%), from the distributions made to Unitholders that are made out of the Taxable Income of the Trust, except:

(i) where the beneficial owners are individuals and the Units are not held through a partnership in Singapore or qualifying Unitholders, the Trust will make the distributions to such Unitholders without deducting any income tax; and

(ii) where the beneficial owners are foreign non-individual investors or where the Units are held by nominee Unitholders who can demonstrate that the Units are held for beneficial owners who are foreign non-individual investors, the Trust will deduct/withhold tax at the reduced rate of 10.0% from the distribution made during the period from 18 February 2005 to 31 March 2020 (both dates inclusive).

A qualifying Unitholder is an Unitholder who is:

(i) a Singapore-incorporated company which is a tax resident in Singapore;

(ii) a body of persons, other than a company or a partnership or persons acting in the capacity of a trustee, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association); or

(iii) a Singapore branch of a foreign company which receives distributions from the Trust on or after 1 January 2015.

A foreign non-individual Unitholder is one who is not a resident of Singapore for income tax purposes and:

(i) who does not have a permanent establishment in Singapore; or

(ii) who carries on any operation in Singapore through a permanent establishment in Singapore where the funds used to acquire the Units are not obtained from that operation in Singapore.

Under Tax Ruling 1, the Trust will distribute at least 90.0% of its Taxable Income, comprising substantially income from the letting of real estate properties in Singapore and incidental property related service income and income from management or holding of real estate properties. For the remaining amount of Taxable Income of the Trust not distributed, tax will be assessed on and collected from the Trust on such remaining amount (referred to as "Retained Taxable Income").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Income taxes (cont'd)

(a) Tax Ruling 1 (cont'd)

In the event where a distribution is subsequently made out of such Retained Taxable Income, the Trust will not have to make a further deduction of income tax from the distribution.

In the event that there are subsequent adjustments to the Taxable Income when the actual Taxable Income of the Trust is finally agreed with IRAS, such adjustments are taken up as an adjustment to the Taxable Income for the next distribution following the agreement with IRAS.

The above tax transparency ruling does not apply to gains from the sale of real estate properties in Singapore and other income not constituting Taxable Income. Tax on such gains or profits will be assessed, in accordance with Section 10(1)(a) of the Income Tax Act, and collected from the Trust. Consequently, if such after-tax gains or profits are distributed, the Trust will not have to make a further deduction of income tax from the distribution. Where the gains are agreed with IRAS to be capital gains, it will not be assessed to tax and the Trust may distribute the capital gains without tax being deducted at source.

(b) Tax Ruling 2

Tax Ruling 2 grants tax exemption in Singapore, subject to satisfying certain conditions, under Section 13(12) of the Singapore Income Tax Act in respect of foreign sourced dividends which are paid out of income derived from Central Park in Australia. As the income is exempt from Singapore income tax, the Trust may distribute such income, after deduction of its tax-deductible expenses, to Unitholders without tax deduction at source.

(c) Tax Ruling 3

Tax Ruling 3 grants income tax exemption in Singapore, subject to satisfying certain conditions, under Section 13(12) of the Singapore Income Tax Act on certain foreign income receivable from Caroline Chisholm Centre in Australia. The foreign income to which income tax exemption is granted under Tax Ruling 3 includes foreign sourced dividends and foreign sourced interest income which are paid out of income derived from Caroline Chisholm Centre in Australia. As the income is exempt from Singapore income tax, the Trust may distribute such income, after deduction of its tax-deductible expenses, to Unitholders without tax deduction at source.

(d) Tax Ruling 4

Tax Ruling 4 grants income tax exemption in Singapore, subject to satisfying certain conditions, under Section 13(12) of the Income Tax Act on certain foreign income receivable from 357 Collins Street in Australia. The foreign income to which income tax exemption is granted under Tax Ruling 4 includes foreign sourced dividends and foreign sourced interest income which are paid out of income derived from 357 Collins Street in Australia. As the income is exempt from Singapore income tax, the Trust may distribute such income, after deduction of its tax-deductible expenses, to Unitholders without tax deduction at source.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Earnings per Unit ("EPU")

The Group presents basic and diluted EPU data for its Units. Basic EPU is calculated by dividing the total return attributable to Unitholders of the Group by the weighted average number of Units outstanding during the year. Diluted EPU is determined by adjusting the total return attributable to Unitholders and the weighted average number of Units outstanding for the effects of all dilutive potential Units, if any.

2.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

Management has determined the operating segments based on the reports reviewed by Chief Operating Decision Makers ("CODMs") that are used to make strategic decisions.

CODMs include Chief Executive Officer, Financial Controller, Asset Managers and Investment Manager. CODMs review the Group's internal reporting in order to assess performance and operations of the Group. Management has determined the operating segments based on these assessments. The CODMs consider the business segment from a geographic perspective as it is based on the Group's management and internal reporting structure.

Segment results and assets include items directly attributable to a segment as well as those that are allocated on a reasonable basis. Unallocated items mainly comprise interest income, trust expenses, finance expenses and assets that are not attributable to any segment.

Segment capital expenditure is the total costs incurred on investment properties during the financial year.

2.17 Distribution policy

The Trust has a policy to distribute at least 90.0% of its taxable income (other than gains from the sale of real estate properties that are determined by IRAS to be trading gains) and tax-exempt income, with the actual level of distribution to be determined at the discretion of the Manager.

Distributions are made on a quarterly basis, with the amount calculated as at 31 December, 31 March, 30 June and 30 September each year for the three-month financial period ending on each of the said dates. In accordance with the provisions of the Trust Deed, the Manager is required to pay distributions within 60 days of the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

3. INVESTMENT PROPERTIES

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
At beginning of the financial year	1,954,820	1,824,870	1,209,000	1,216,200
Acquisition of an investment property (Note 3(a))	–	241,918	–	–
Capital expenditure	2,946	108,343	1,079	106,500
Leasing fees capitalised – net (Note 3(c))	64	58	(136)	183
Effects of recognising accounting income on a straight-line basis over the lease term	1,820	1,002	113	121
China Square Central hotel transaction (Note 3(b))	–	44,800	–	44,800
Revaluation of investment properties	(690)	(39,413)	(556)	(7,647)
Net change in fair value	(690)	5,387	(556)	37,153
Grant of leasehold interest with hotel development rights (Note 3(b))	–	(151,157)	–	(151,157)
Foreign currency translation differences	30,327	(75,601)	–	–
At end of the financial year	1,989,287	1,954,820	1,209,500	1,209,000

(a) On 18 August 2015, the Group completed the acquisition of 357 Collins Street, Melbourne, Australia from Australand Property Holdings (Collins St No. 1) Pty Limited (in its capacity as trustee of APT (Collins St No. 1) Trust) for a total cost of S$241,918,000 (including transaction costs).

(b) The fair value gain of S$44,800,000 for the China Square Central hotel transaction in 2015 was recognised in respect of the additional 16,000 square metres of gross floor area (for hotel use only) granted by Urban Redevelopment Authority of Singapore in respect of China Square Central upon the fulfilment of certain terms and conditions, including the payment of differential premium and stamp duty (the "Differential Premium Payment Amounts").

Included in capital expenditure in 2015 was the Differential Premium Payment Amounts of S$106,357,000 paid by Frasers Hospitality China Square Trustee Pte. Ltd. (in its capacity as trustee-manager of Frasers Hospitality China Square Trust) ("FHCS Trustee") in July 2015, pursuant to the terms of a Conditional Agreement entered into by the Trust and FHCS Trustee on 27 April 2015, concerning the entry, subject to the fulfilment of certain terms and conditions, into a Building Agreement for, among others, the grant of a long lease with hotel development rights at China Square Central.

On 18 August 2015, upon fulfilment of the terms and conditions of the Conditional Agreement, the Trust entered into the Building Agreement with FHCS Trustee and received the cash consideration of S$44,800,000. Consequently, the Differential Premium Payment Amounts and fair value gain attributable to the hotel development rights of S$151,157,000 was derecognised.

3. INVESTMENT PROPERTIES (CONT'D)

(c) The movement for leasing fees capitalised are as follows:

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
At beginning of the financial year	1,677	1,684	1,267	1,084
Additions	954	803	624	803
Amortisation	(890)	(745)	(760)	(620)
Leasing fees capitalised - net	64	58	(136)	183
Foreign currency translation differences	(3)	(65)	–	–
At end of the financial year	1,738	1,677	1,131	1,267

(d) The fair values of investment properties are determined by the following independent property valuers as at 30 September 2016:

China Square Central	: Savills Valuation and Professional Services (S) Pte Ltd (2015: Colliers International Consultancy & Valuation Singapore Pte Ltd)
55 Market Street	: Savills Valuation and Professional Services (S) Pte Ltd (2015: Savills Valuation and Professional Services (S) Pte Ltd)
Alexandra Technopark	: Savills Valuation and Professional Services (S) Pte Ltd (2015: Savills Valuation and Professional Services (S) Pte Ltd)
Central Park	: Jones Lang LaSalle Advisory Services Pty Limited (2015: Knight Frank Australia Pty Ltd)
Caroline Chisholm Centre	: Colliers International, Australia (2015: Colliers International, Australia)
357 Collins Street	: Colliers International, Australia (2015: Jones Lang LaSalle Advisory Services Pty Limited)

In accordance with the CIS Code, the Group rotates the valuers at least every two years. In relying on the valuation reports, the Manager exercised its judgement and was satisfied that the independent valuers had appropriate professional qualifications and recent experience in the location and category of the properties being valued, and the valuation estimates were reflective of the current market conditions. Key valuation inputs were reported to the Board of the Manager.

3. INVESTMENT PROPERTIES (CONT'D)

(e) In determining the fair values, the valuers considered valuation techniques including, income capitalisation method, discounted cash flow analysis and direct comparison method. Details of valuation techniques and inputs used are disclosed in Note 28(c).

(f) As at 30 September 2015 and 30 September 2016, the investment properties of the Group, with the exception of 357 Collins Street, are subject to negative pledge and no investment properties of the Group was pledged as security for the Group's borrowings.

4. SUBSIDIARIES

	Trust	
	2016 S$'000	2015 S$'000
Unquoted equity shares, at cost	108,169	121,933
Redeemable preference shares, at cost	210,723	216,222
	318,892	338,155
Less: Allowance for impairment losses of:		
- unquoted equity shares	–	(13,764)
	318,892	324,391

(a) Allowance for impairment losses

The movement in allowance for impairment losses on investment in subsidiaries during the financial year is as follows:

	Trust	
	2016 S$'000	2015 S$'000
At beginning of the financial year	13,764	20,966
Written off	(13,764)	(7,202)
At end of the financial year	–	13,764

The allowance for impairment losses represents the write down of the carrying values of investments in certain subsidiaries to their recoverable amounts. The recoverable amounts were estimated based on the fair values of the underlying net assets held by these subsidiaries.

4. SUBSIDIARIES (CONT'D)

(b) Details of subsidiaries

	Principal Activities	Effective equity held by the Group 2016 %	2015 %
Direct subsidiaries			
Incorporated in Singapore			
Frasers Commercial Sub No. 1 Pte. Ltd. [1]	Investment holding	100	100
Frasers Commercial Sub No. 2 Pte. Ltd. [1]	Investment holding	100	100
Frasers Commercial Sub No. 3 Pte. Ltd. [1]	Investment holding	100	100
Frasers Commercial Sub No. 4 Pte. Ltd. [1]	Investment holding	100	100
FCOT Treasury Pte. Ltd. [1]	Investment holding	100	100
Frasers Commercial Investments No. 2 Pte. Ltd. [2]	Investment holding	–	100
Incorporated in Cayman Islands			
Frasers Commercial Investments No. 3 Pty Ltd [3]	Investment holding	100	100
Frasers Commercial Investments No. 4 Pty Ltd [3]	Investment holding	100	100
Indirect subsidiaries			
Incorporated in Singapore			
Frasers Commercial Investments No. 1 Pte. Ltd. [1]	Investment holding	100	100
Incorporated/constitued in Australia			
Central Park Landholding Trust [3]	Property investment	100	100
Collins Street Landholding Trust [3]	Property investment	100	100
Athllon Drive Landholding Trust [3]	Property investment	100	100
ARC Trust [3]	Investment holding	100	100
APF Management Pty Ltd [1]	Trustee	100	100
ARCOT Pty Limited [1]	Trustee	100	100
Athllon Trustee Pty Ltd [1]	Trustee	100	100
TFS Collins Pty Ltd [1]	Trustee	100	100

Notes:

[1] Audited by KPMG in the respective countries.

[2] The Company was struck off during the financial year.

[3] Not required to be audited.

5. INTERESTS IN JOINT OPERATION

The Group has a 50% interest in Central Park, an investment property located in Perth, Australia. Pursuant to the joint ownership agreement signed between the Group and the joint owner, the management of Central Park is jointly undertaken by both joint owners.

6. LOAN TO A SUBSIDIARY

The loan to a subsidiary is unsecured, bears interest at a fixed interest rate of 7.65% (2015: 7.65%) per annum and is repayable in cash on 19 September 2022 or such dates that may be agreed.

7. FIXED ASSETS

	Furniture and Fittings S$'000	Equipment S$'000	Computers S$'000	Total S$'000
Group and Trust				
Cost				
At 1 October 2014	45	56	27	128
Additions	2	2	10	14
At 30 September 2015 and 1 October 2015	47	58	37	142
Additions	59	–	–	59
Write-offs	(39)	–	(4)	(43)
At 30 September 2016	67	58	33	158
Accumulated depreciation				
At 1 October 2014	17	24	16	57
Depreciation for the financial year	10	9	5	24
At 30 September 2015 and 1 October 2015	27	33	21	81
Depreciation for the financial year	12	9	5	26
Write-offs	(27)	–	(3)	(30)
At 30 September 2016	12	42	23	77
Net carrying amounts				
At 30 September 2016	55	16	10	81
At 30 September 2015	20	25	16	61

8. DEFERRED TAXATION

	Group	
	2016 S$'000	2015 S$'000
Deferred tax assets		
Provisions and other items:		
At beginning of the financial year	330	–
Recognised in statement of total return	4	354
Foreign currency translation differences	14	(24)
At end of the financial year	348	330
Deferred tax liabilities		
Investment properties:		
At beginning of the financial year	47,290	62,277
Recognised in statement of total return	1,814	(7,952)
Foreign currency translation differences	1,972	(7,035)
At end of the financial year	51,076	47,290

9. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Trade receivables	1,133	1,326	769	970
Deposits	1,247	1,385	1,247	1,386
Interest receivable	35	41	35	41
Other receivables from:				
- subsidiaries	–	–	71,643	69,035
- related party	2	896	2	896
- others	505	585	172	66
	2,922	4,233	73,868	72,394

Trade receivables are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Other receivables from subsidiaries and a related party are non-trade related, unsecured, interest-free and repayable upon demand in cash.

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables that are past due but not impaired

The ageing analysis of trade receivables that are past due at balance sheet date but not impaired is as follows:

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Less than 30 days	990	1,028	626	677
30 to 60 days	103	203	103	201
61 to 90 days	12	84	12	84
91 to 120 days	24	7	24	4
More than 120 days	4	4	4	4
	1,133	1,326	769	970

No allowance for impairment losses is necessary as these receivables relate mainly to tenants who have good payment record or sufficient rental deposits with the Group.

10. DERIVATIVE FINANCIAL INSTRUMENTS

	Group			Trust		
	Contract/ Notional amount S$'000	Fair value Assets S$'000	Fair value Liabilities S$'000	Contract/ Notional amount S$'000	Fair value Assets S$'000	Fair value Liabilities S$'000
2016						
Forward exchange contracts	19,794	–	(247)	19,794	–	(247)
Interest rate derivative financial instruments	536,725	–	(7,187)	371,600	–	(3,547)
	556,519	–	(7,434)	391,394	–	(3,794)
2015						
Forward exchange contracts	23,025	539	–	23,025	539	–
Interest rate derivative financial instruments	566,674	7,640	(2,476)	408,000	7,640	–
	589,699	8,179	(2,476)	431,025	8,179	–

10. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

	Group		Trust	
	2016	2015	2016	2015
Financial derivatives as a percentage of net assets	-0.6%	0.5%	-0.3%	0.7%

As at 30 September 2016, the fixed interest rates of the outstanding interest rate derivative financial instruments is between 1.05% to 2.90% (2015: 1.05% to 3.02%) while the floating interest rates are linked to the Singapore dollar swap-offer rate ("SOR") and Australian dollar bank bill swap bid rate ("BBSY") rate as applicable to the Group's borrowings.

Forward exchange contracts are used to hedge foreign currency risk arising from the net receipts of income generated from the Australian properties denominated in Australian dollars net of anticipated payments required in the same currency for which firm commitments existed at the end of the reporting period.

11. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Cash and bank balances	40,750	26,222	34,456	21,674
Fixed deposits	30,737	36,011	30,737	36,011
	71,487	62,233	65,193	57,685

12. INTEREST-BEARING BORROWINGS

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Term loans	645,378	736,831	426,600	526,600
Fixed rate notes	100,000	–	–	–
Loan from subsidary	–	–	100,000	–
Unamortised borrowing costs	(3,087)	(4,964)	(2,088)	(3,598)
	742,291	731,867	524,512	523,002
Maturity of borrowings				
- within one year	179,462	–	179,462	–
- between one and five years	562,829	731,867	345,050	523,002
	742,291	731,867	524,512	523,002

The term loans and fixed rate notes of the Group are unsecured.

(a) Terms and debt repayment schedule

Terms and conditions of outstanding borrowings as at balance sheet date are as follows:

	Interest rate range %	Financial year of maturity	Face value S$'000	Carrying amount S$'000
Group				
2016				
Term loans	1.68 - 3.40	2017 - 2020	645,378	642,550
Fixed rate notes	2.835	2021	100,000	99,741
			745,378	742,291
2015				
Term loans	1.24 - 4.56	2017 - 2020	736,831	731,867
Trust				
2016				
Term loans	1.68 - 2.00	2017 - 2019	426,600	424,771
Loan from subsidary	2.835	2021	100,000	99,741
			526,600	524,512
2015				
Term loans	1.24 - 2.66	2017 - 2019	526,600	523,002

The Group's and Trust's term loans bear floating interest rates at SOR plus margin for the Singapore dollars denominated borrowings and at BBSY plus margin for the Australian dollars denominated borrowings. The interest rate range disclosed above excludes the effects of the related interest rate derivative financial instruments and amortisation of borrowing costs. The fixed rate notes and loan from subsidary bear fixed interest rate.

13. TRADE AND OTHER PAYABLES

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Trade payables				
- related parties	1,095	383	1,095	383
- others	934	1,415	70	888
Net GST payable	1,687	4,242	830	3,686
Accrued operating expenses	7,626	5,894	4,644	3,372
Distribution payable	–	6,233	–	6,233
Income received in advance	5,114	3,845	218	381
Fees payable to the Manager	3,444	3,180	3,444	3,180
Fees payable to the property manager	648	673	648	673
Fees payable to the Trustee	156	154	156	154
Interest payable	1,157	1,006	455	496
Withholding tax payable	529	564	438	476
Other payables to:				
- subsidiaries	–	–	3,964	4,201
- related parties	403	710	403	710
- others	509	1,440	500	691
	23,302	29,739	16,865	25,524

Trade payables are non-interest bearing and are normally settled on 30-day terms.

The distribution payable as at 30 September 2015 is related to the advanced distribution for the period from 1 July 2015 to 2 August 2015 which was paid to Unitholders on 1 October 2015.

Other payables to subsidiaries and related parties are non-trade related, unsecured, interest-free and are repayable upon demand in cash.

14. UNITHOLDERS' FUNDS

	Group and Trust Number of Units	
	2016 '000	2015 '000
Units issued:		
At beginning of the financial year	782,704	676,685
Issuance of Units:		
Units issued pursuant to private placement	–	96,000
Acquisition and divestment fee paid in Units	–	1,770
Management fees paid in Units	2,635	1,210
Distribution paid in Units	8,959	6,971
Conversion of Series A CPPUs to Units (Note 15)	–	68
At end of the financial year	794,298	782,704
Units to be issued:		
Management fees payable in Units	–	712
Issued and issuable Units at end of the financial year	794,298	783,416

The rights and interests of Unitholders are contained in the Trust Deed and include the rights to:

- receive distribution entitlement determined in accordance with the Trust Deed;
- participate in the termination of the Trust by receiving a share of the net proceeds of realisation among the Unitholders pro rata in accordance with the number of Units held by the Unitholders and in accordance with the winding up procedures under the Trust Deed;
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or Unitholders representing not less than 10.0% of the Units in issue) convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- one vote per Unit.

The restrictions on an Unitholder include the following:

- An Unitholder has no equitable or proprietary interest in the assets of the Trust and is not entitled to the transfer to it of any assets of the Trust or of any estate and interest in any assets of the Trust;
- An Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- An Unitholder has no right to request for redemption of their Units while the Units are listed on SGX-ST.

An Unitholder's liability is limited to the amount paid or payable for any Units in the Trust. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or the Manager or a creditor of either or both of them against any liability of the Trustee or the Manager in respect of the Trust.

15. SERIES A CONVERTIBLE PERPETUAL PREFERRED UNITHOLDERS' FUNDS

	Group and Trust Number of Series A CPPUs	
	2016 '000	2015 '000
At beginning of the financial year	–	81
Conversion of Series A CPPUs to Units	–	(81)
At end of the financial year	–	–

In 2015, 80,750 Series A CPPUs were converted into 68,170 Conversion Units (Note 14). There are no Series A CPPUs outstanding subsequent to the conversion of the remaining 80,750 Series A CPPUs on 1 October 2014.

16. GROSS REVENUE

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Property rental income	137,785	124,940	83,057	82,010
Dividend income from subsidiaries	–	–	21,178	17,560
Management fee income from subsidiaries	–	–	3,898	2,565
Other property income	18,712	17,247	4,620	5,960
	156,497	142,187	112,753	108,095
Contingent rent, included in gross revenue:				
- based on tenants' turnover	241	285	241	285

17. PROPERTY OPERATING EXPENSES

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Amortisation of leasing fees capitalised	890	745	760	620
Council rates	2,036	1,439	–	–
Insurance	472	483	250	247
Property management and other related fees	5,643	5,652	2,630	2,639
Property maintenance expenses	13,379	12,261	7,331	6,941
Property tax	8,326	7,774	7,251	7,173
Utilities	6,629	9,291	5,258	8,075
Valuation fees	81	81	42	42
Other operating expenses	3,427	2,593	847	688
	40,883	40,319	24,369	26,425

18. INTEREST INCOME

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Interest income on:				
- bank deposits	633	406	578	359
- loan to a subsidiary	–	–	6,782	7,061
	633	406	7,360	7,420

19. TRUST EXPENSES

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Management fees				
- Base fee	9,885	8,984	9,885	8,984
- Performance fee	3,700	3,251	3,700	3,251
Divestment fee	–	224	–	224
Trustee's fees	607	570	607	570
Audit fees	139	140	90	96
Non-audit fees paid to auditors of the Trust	129	195	65	5
Professional and legal fees	613	1,347	413	1,145
Other expenses	228	64	303	229
	15,301	14,775	15,063	14,504

20. FINANCE EXPENSES

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Interest expenses	22,575	20,027	13,981	12,872
Capitalised borrowing costs expensed off	582	447	582	447
Amortisation of borrowing costs	1,606	1,594	1,195	1,246
	24,763	22,068	15,758	14,565

The capitalised borrowing costs expensed off in 2016 and 2015 was due to early partial prepayment of a loan facility.

21. OTHER EXPENSE

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Write off of investment in a subsidiary	–	–	–	(35,525)
Waiver of amounts due to subsidiaries	–	–	–	32,645
	–	–	–	(2,880)

As at 30 September 2015, Frasers Commercial Investments No.2 Pte Ltd was in the process of striking off. The amounts due to Frasers Commercial Investments No. 2 Pte Ltd of S$32,645,000 was waived and the carrying value of the investment in redeemable preference shares was written off in 2015.

22. TAXATION

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Current tax expense				
- Overseas income tax	(3,029)	(3,085)	–	–
- Under-provision in respect of prior financial years	–	(19)	–	–
	(3,029)	(3,104)	–	–
Deferred tax				
- Origination and reversal of temporary differences	(1,810)	8,306	–	–
	(4,839)	5,202	–	–

The relationship between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 September 2016 and 30 September 2015 are as follows:

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Tax at the domestic rates applicable to profits in the countries where the Group and Trust operate	(35,345)	(24,744)	(11,933)	(11,440)
Income not subject to tax	25,060	35,606	1,278	7,582
Expenses not deductible for tax purposes	(7,653)	(17,116)	(2,454)	(7,521)
Tax transparency	9,400	9,065	9,400	9,065
Tax exempt income	3,709	2,314	3,709	2,314
Under-provision in respect of prior financial years	–	(19)	–	–
Others	(10)	96	–	–
	(4,839)	5,202	–	–

The corporate income tax rate applicable to the Trust and Singapore entities of the Group was 17% (2015: 17%). The corporate income tax rate applicable to the Australian entities of the Group were 30% (2015: 30%).

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

23. EARNINGS PER UNIT

Basic earnings per Unit is calculated by dividing the total return for the financial year after income tax, before distribution, by the weighted average number of Units during the financial year.

	Group	
	2016 S$'000	2015 S$'000
Total return for the financial year and earnings attributable to Unitholders	71,241	75,198
Basic earnings per Unit		
Weighted average number of Units during the financial year ('000)	787,773	696,631
Basic earnings per Unit (cents)	9.04	10.79
Diluted earnings per Unit		
Weighted average number of Units during the financial year ('000)	787,773	696,631
Diluted earnings per Unit (cents)	9.04	10.79

Diluted earnings per Unit is the same as basic earnings per Unit as there is no dilutive potential units during the year.

24. COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments – lessor

The Group leases out its investment properties. Non-cancellable operating lease rental receivables are as follows:

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Within one year	125,762	116,791	73,219	69,334
Between one and five years	192,960	236,559	58,222	71,839
After five years	101,340	138,525	1,121	–
	420,062	491,875	132,562	141,173

(b) Guarantee

The Trust has provided corporate guarantee amounting to S$218,778,000 (2015: S$210,231,000) to banks for loans taken by certain subsidiaries.

25. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, other than as disclosed elsewhere in the financial statements, significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties, are as follows:

	Group	
	2016 S$'000	2015 S$'000
With related companies of the Manager		
- Property rental and other income received/receivable	911	749
- Recovery of expenses paid/payable by the Trust	154	838
- Reimbursement of expenses paid/payable by related parties	(620)	(345)
- Reimbursement of rent-free periods received	427	169
- Property management fees paid/payable	(3,246)	(2,714)
- Leasing commission and other expenses paid/payable	(3,209)	(3,272)
- Consideration paid for acquisition of investment property (Note 3(a))	–	(226,639)
- Consideration received in respect of the China Square Central hotel transaction (Note 3(b))	–	44,800
- Differential Premium Payment Amounts in respect of the China Square Central hotel transaction paid on behalf by a related party (Note 3(b))	–	106,357
With the Manager		
- Base management fees paid/payable	(9,885)	(8,984)
- Performance management fees paid/payable	(3,700)	(3,251)
- Acquisition fee paid	–	(2,266)
- Divestment fee paid	–	(224)
- Reimbursement of expenses paid by Manager	(50)	(76)
With the Trustee		
- Trustee's fees paid/payable	(607)	(570)

26. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The table below summarises the accounting classification of the Group's and Trust's financial assets and financial liabilities at the balance sheet date:

	Group		Trust	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Loans and receivables				
Loan to a subsidiary	–	–	90,646	87,104
Trade and other receivables	2,922	4,233	73,868	72,394
Cash and cash equivalents	71,487	62,233	65,193	57,685
	74,409	66,466	229,707	217,183
Financial assets at fair value through profit or loss				
Derivative financial instruments	–	539	–	539
Financial assets at fair value through hedging reserves				
Derivative financial instruments	–	7,640	–	7,640
Financial liabilities at amortised cost				
Interest-bearing borrowings	742,291	731,867	524,512	523,002
Security deposits	13,076	12,974	13,076	12,974
Trade and other payables	17,659	25,330	16,209	24,667
	773,026	770,171	553,797	560,643
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	247	–	247	–
Financial liabilities at fair value through hedging reserves				
Derivative financial instruments	7,187	2,476	3,547	–

27. FINANCIAL RISK MANAGEMENT

Risk management is integral to the business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

(a) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Manager has established credit limits for tenants and monitors their balances on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with tenants. Credit risk is also mitigated by the rental deposits held for each of the tenants. Information regarding financial assets that are either past due or impaired is disclosed in Note 9.

Cash and bank deposits are placed with financial institutions which are regulated. The credit risk related to derivative financial instruments arises from the potential failure of counterparties to meet their obligations under the contracts. It is the Group's policy to enter into derivative financial instruments transactions with credit worthy counterparties.

The Group and Trust have no significant concentration of credit risk at the balance sheet date. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(b) Foreign currency risk

The Group has transactional currency exposures arising from transactions that are denominated in a currency other than the respective functional currencies of the entities within the Group. The entities within the Group customarily conduct their business in their respective functional currencies.

The Trust's foreign currency risk mainly relates to its Australian Dollar denominated investments and distribution income from its foreign subsidiaries. The Manager monitors the Trust's foreign currency exposure on an on-going basis and limits its exposure to adverse movements in foreign currency exchange rates by using derivative financial instruments or other suitable financial products.

It is the Manager's policy to fix the Trust's anticipated foreign currency exposure in respect of distribution income, net of anticipated payments required in the same currency, from its foreign subsidiaries approximately six to nine months forward by using foreign currency forward exchange contracts and certain currency derivatives.

Investment in overseas assets are hedged naturally to the extent that borrowings are taken up in their respective foreign currency. The net position of the foreign exchange risk of these investments in overseas assets are not hedged as such investments are long term in nature.

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Foreign currency risk (cont'd)

The Group's and Trust's exposures to foreign currencies are as follows:

	2016		2015	
	Australian Dollar S$'000	Japanese Yen S$'000	Australian Dollar S$'000	Japanese Yen S$'000
Group				
Cash and cash equivalents	24,653	183	15,248	159
Trust				
Loan to a subsidiary	90,646	–	87,104	–
Amount due from subsidiaries	76,365	–	75,350	–
Cash and cash equivalents	24,653	183	15,248	159
Amount due to subsidiaries	(6,959)	–	(4,206)	–
	184,705	183	173,496	159

As at 30 September 2016, the Group had outstanding forward exchange contracts with notional amount of approximately S$19.8 million (2015: S$23.0 million) to hedge future receipts of Australian distribution income, net of anticipate payments required in Australian dollar.

Sensitivity analysis

A 10% strengthening of the Singapore dollar against the following foreign currencies at the reporting date would have increased/(decreased) the total return by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2016		2015	
	Australian Dollar S$'000	Japanese Yen S$'000	Australian Dollar S$'000	Japanese Yen S$'000
Group				
Decrease in total return for the financial year				
- 10% strengthening on the Singapore dollar	(2,465)	(18)	(1,525)	(16)
Trust				
Decrease in total return for the financial year				
- 10% strengthening on the Singapore dollar	(18,470)	(18)	(17,350)	(16)

A weakening of the Singapore dollar against the above currencies at the reporting date would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to changes in interest rates relate primarily to its interest-earning financial assets and interest-bearing borrowings. Interest rate risk is managed by the Manager on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Manager adopts a policy of fixing the interest rates for a portion of its outstanding borrowings via the use of derivative financial instruments or other suitable financial products.

Interest rate derivatives in respect of the Group's borrowings have been entered into to achieve an appropriate mix of fixed and floating rate exposures within the Group's policy. Generally, the maturities of these interest rate derivatives follow the maturities of the related borrowings.

As at 30 September 2016, the Group and Trust had interest rate derivatives with notional contract amounts of S$536.7 million (2015: S$566.7 million) and S$371.6 million (2015: S$408.0 million).

Sensitivity analysis

A 1.0% increase/(decrease) in interest rates on the portion of the Group's borrowings that is not hedged, with all other variables held constant, would (decrease)/increase the Group's total return for the financial year by S$1.1 million (2015: S$1.4 million).

A 1.0% increase/(decrease) in interest rates at the balance sheet date, with all other variables held constant, would (decrease)/increase the Group's unitholders' funds by $11.9 million (2015: $18.3 million), arising mainly as a result of change in the fair value of interest rate derivatives.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations due to shortage of funds. The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations for a reasonable period, including the servicing of financial obligations, and to mitigate the effects of fluctuations in cash flows. In addition, the Manager also monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and Trust's financial assets and financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations:

	Group				Trust			
	Within one year S$'000	Between one and five years S$'000	More than five years S$'000	Total S$'000	Within one year S$'000	Between one and five years S$'000	More than five years S$'000	Total S$'000
2016								
Financial assets								
Loan to a subsidiary	–	–	–	–	–	–	90,646	90,646
Interest receivable on loan to a subsidiary	–	–	–	–	6,934	27,738	13,641	48,313
Trade and other receivables	2,922	–	–	2,922	73,868	–	–	73,868
Derivative financial instruments	–	–	–	–	–	–	–	–
Cash and cash equivalents	71,487	–	–	71,487	65,193	–	–	65,193
	74,409	–	–	74,409	145,995	27,738	104,287	278,020
Financial liabilities								
Forward exchange contracts (Gross-settled)								
- Outflow	(19,794)	–	–	(19,794)	(19,794)	–	–	(19,794)
- Inflow	19,457	–	–	19,457	19,457	–	–	19,457
Interest rate derivatives (Net-settled)	(3,821)	(2,977)	–	(6,798)	(2,122)	(576)	–	(2,698)
Interest-bearing borrowings	(180,000)	(565,378)	–	(745,378)	(180,000)	(346,600)	–	(526,600)
Interest payable on borrowings	(18,370)	(34,114)	–	(52,484)	(11,696)	(23,566)	–	(35,262)
Security deposits	(5,340)	(7,736)	–	(13,076)	(5,340)	(7,736)	–	(13,076)
Trade and other payables	(17,659)	–	–	(17,659)	(16,209)	–	–	(16,209)
	(225,527)	(610,205)	–	(835,732)	(215,704)	(378,478)	–	(594,182)
Net undiscounted financial assets/ (liabilities)	(151,118)	(610,205)	–	(761,323)	(69,709)	(350,740)	104,287	(316,162)

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk (cont'd)

	Group				Trust			
	Within one year S$'000	Between one and five years S$'000	More than five years S$'000	Total S$'000	Within one year S$'000	Between one and five years S$'000	More than five years S$'000	Total S$'000
2015								
Financial assets								
Loan to a subsidiary	–	–	–	–	–	–	87,104	87,104
Interest receivable on loan to a subsidiary	–	–	–	–	6,682	26,727	13,144	46,553
Trade and other receivables	4,233	–	–	4,233	72,394	–	–	72,394
Cash and cash equivalents	62,233	–	–	62,233	57,685	–	–	57,685
	66,466	–	–	66,466	136,761	26,727	100,248	263,736
Financial liabilities								
Forward exchange contracts (Gross-settled)								
- Outflow	(23,025)	–	–	(23,025)	(23,025)	–	–	(23,025)
- Inflow	23,379	–	–	23,379	23,379	–	–	23,379
Interest rate derivatives (Net-settled)	(2,903)	4,923	–	2,020	(2,527)	4,561	–	2,034
Interest-bearing borrowings	–	(736,831)	–	(736,831)	–	(526,600)	–	(526,600)
Interest payable on borrowings	(20,245)	(63,668)	–	(83,913)	(11,204)	(38,004)	–	(49,208)
Security deposits	(3,967)	(9,007)	–	(12,974)	(3,967)	(9,007)	–	(12,974)
Trade and other payables	(25,330)	–	–	(25,330)	(24,667)	–	–	(24,667)
	(52,091)	(804,583)	–	(856,674)	(42,011)	(569,050)	–	(611,061)
Net undiscounted financial assets/ (liabilities)	14,375	(804,583)	–	(790,208)	94,750	(542,323)	100,248	(347,325)

28. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable from the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs from the asset or liability that are not based on observable market data (unobservable inputs)

There have been no transfers between levels during the financial years ended 30 September 2016 and 30 September 2015.

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Level 2 S$'000	Level 3 S$'000	Total S$'000
2016			
Group			
Non-financial assets			
Investment properties	–	1,989,287	1,989,287
Financial liabilities			
Forward exchange contracts	(247)	–	(247)
Interest rate derivative financial instruments	(7,187)	–	(7,187)
	(7,434)	–	(7,434)
2015			
Financial assets			
Forward exchange contracts	539	–	539
Interest rate derivative financial instruments	7,640	–	7,640
	8,179	–	8,179
Non-financial assets			
Investment properties	–	1,954,820	1,954,820
Financial liabilities			
Interest rate derivative financial instruments	(2,476)	–	(2,476)

28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) Fair value hierarchy (cont'd)

	Level 2 S$'000	Level 3 S$'000	Total S$'000
2016			
Trust			
Non-financial assets			
Investment properties	–	1,209,500	1,209,500
Financial liabilities			
Forward exchange contracts	(247)		(247)
Interest rate derivative financial instruments	(3,547)	–	(3,547)
	(3,794)	–	(3,794)
2015			
Financial assets			
Forward exchange contracts	539	–	539
Interest rate derivative financial instruments	7,640	–	7,640
	8,179	–	8,179
Non-financial assets			
Investment properties	–	1,209,000	1,209,000

(b) Level 2 fair value measurements

Forward exchange contracts and interest rate derivative financial instruments are valued using present value calculations by applying market observable inputs existing at each balance sheet date into forward pricing and swap models. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) Level 3 fair value measurements

Information about significant unobservable inputs

The following table presents the key inputs under the income capitalisation method and discounted cash flow analysis methods that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy.

Valuation techniques	Key unobservable inputs	Range of unobservable inputs 2016	Range of unobservable inputs 2015	Relationship of unobservable inputs to fair value
Singapore properties				
Income capitalisation method	- Capitalisation rate	3.7% - 6.5%	3.7% - 6.5%	The higher the rate, the lower the fair value
Discounted cash flow analysis	- Discount rate	6.5% - 8.0%	6.5% - 8.0%	The higher the rate, the lower the fair value
	- Terminal capitalisation rate	3.7% - 6.7%	3.7% - 6.7%	The higher the rate, the lower the fair value
Australia properties				
Income capitalisation method	- Capitalisation rate	5.6% - 7.5%	6.2% - 7.2%	The higher the rate, the lower the fair value
Discounted cash flow analysis	- Discount rate	7.0% - 7.7%	7.7% - 9.0%	The higher the rate, the lower the fair value
	- Terminal capitalisation rate	5.9% - 7.7%	6.5% - 7.7%	The higher the rate, the lower the fair value

The direct comparison method considered transacted prices of comparable properties. Under this method, when transacted prices of comparable properties are higher, the fair value determined will be higher.

28. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, security deposits and trade and other payables) are assumed to approximate their fair values due to their short term nature.

The carrying values of non-current variable-rate interest-bearing borrowings approximate their fair values as they are floating rate instruments that are re-priced to market interest rate on or near balance sheet date.

The carrying amounts and fair value of non-current security deposits and loan to a subsidiary that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	2016		2015	
	Carrying amount S$'000	Fair value S$'000	Carrying amount S$'000	Fair value S$'000
Group				
Security deposits (Non-current)	7,736	7,317	9,007	8,599
Trust				
Security deposits (Non-current)	7,736	7,317	9,007	8,599
Loan to a subsidiary	90,646	106,867	87,104	103,672

The above fair values, which are determined for disclosure purposes, are estimated by discounting expected cash flows at market incremental lending rates for similar types of lending or borrowing arrangements at the balance sheet date.

29. CAPITAL MANAGEMENT

The primary objective of the Group's and Trust's capital management is to ensure that it maintains an optimal capital structure to support the business and maximise Unitholders' value.

Effective 1 January 2016, under the Property Fund Guidelines of the CIS Code, the aggregate leverage should not exceed 45.0% of the deposited property. Previously, the aggregate leverage should not exceed 35% of the deposited property. The aggregate leverage may exceed 35.0% (up to a maximum of 60.0%) only if a credit rating is obtained and disclosed to the public.

The gearing ratio is calculated as gross borrowings divided by total assets, based on the Group's balance sheet.

	Group	
	2016 S$'000	2015 S$'000
Gross borrowings (Note 12)	745,378	736,831
Total assets	2,069,358	2,034,441
Gearing ratio	36.0%	36.2%

The Group is in compliance with all externally imposed capital requirements for the financial years ended 30 September 2015 and 2016. The Trust has been assigned an issuer rating of "Baa2" from Moody's Investor Services on 25 April 2016.

30. OPERATING SEGMENTS

Segment information is presented in respect of the Group's geographical segments. For the purpose of the assessment of segment performance, the Group's CODMs have focused on its investment properties which in turn, are segregated based on geographical areas. This forms the basis of identifying the operating segments of the Group under FRS 108 Operating Segments.

The accounting policies of the reportable segments are as described in Note 2.17. Segment property income represents income generated from its tenants/sub-lessees and income earned by each segment after allocating property operating expenses. This is the measure reported to the CODMs for the purpose of assessment of segment performance.

For the purpose of monitoring segment performance, the CODMs monitor the non-financial assets as well as financial assets attributable to each segment.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly cash and cash equivalents and related revenue, interest-bearing borrowings and expenses and trust assets and expenses. Information regarding the Group's reportable segments is presented in the tables below.

(a) Business segments

Segment information in respect of the Group's business segments is not presented, as the Group's activities for the financial years ended 30 September 2016 and 30 September 2015 relate wholly to investing in real estate and real estate-related assets in the commercial sector in Singapore and Australia.

30. OPERATING SEGMENTS (CONT'D)

(b) Information about reportable segments

	Singapore S$'000	Australia S$'000	Total S$'000
2016			
Gross revenue	87,676	68,821	156,497
Property operating expenses	(24,370)	(16,513)	(40,883)
Segment net property income	63,306	52,308	115,614
Net change in fair value of investment properties	(556)	(134)	(690)
			114,924
Unallocated items:			
- Interest income			633
- Trust expenses			(15,301)
- Finance expenses			(24,763)
- Exchange differences			1,923
- Net change in fair value of derivative financial instruments			(785)
- Realised loss on derivative financial instruments			(551)
Total return before income tax			76,080
Taxation			(4,839)
Total return for the financial year			71,241
Reportable segmental non-current assets	1,209,581	779,787	1,989,368
Reportable segmental current assets	2,214	5,798	8,012
Total assets for reportable segments	1,211,795	785,585	1,997,380
Capital expenditure	1,079	1,867	2,946

30. OPERATING SEGMENTS (CONT'D)

(b) Information about reportable segments (cont'd)

	Singapore S$'000	Australia S$'000	Total S$'000
2015			
Gross revenue	87,970	54,217	142,187
Property operating expenses	(26,425)	(13,894)	(40,319)
Segment net property income	61,545	40,323	101,868
Net change in fair value of investment properties	37,153	(31,766)	5,387
			107,255
Unallocated items:			
- Interest income			406
- Trust expenses			(14,775)
- Finance expenses			(22,068)
- Exchange differences			(2,546)
- Net change in fair value of derivative financial instruments			1,029
- Realised gain on derivative financial instruments			695
Total return before income tax			69,996
Taxation			5,202
Total return for the financial year			75,198
Reportable segmental non-current assets	1,209,061	745,820	1,954,881
Reportable segmental current assets	2,394	5,369	7,763
Total assets for reportable segments	1,211,455	751,189	1,962,644
Capital expenditure	143	1,843	1,986

30. OPERATING SEGMENTS (CONT'D)

(c) Reconciliations of reportable segment revenues, total return, assets and other material items

	Group	
	2016 S$'000	2015 S$'000
Revenue		
Total revenue for reportable segments	156,497	142,187
Total return		
Total return for reportable segments	114,924	107,255
Unallocated items	(43,683)	(32,057)
Consolidated total return	71,241	75,198
Assets		
Total assets for reportable segments	1,997,380	1,962,644
Unallocated assets	71,978	71,797
Consolidated assets	2,069,358	2,034,441

(d) Major customers

An investment property was leased to a single lessee and the gross revenue contribution to the Group was S$21,202,000 (2015: $22,042,000), which was attributable to the Australia segment.

31. FINANCIAL RATIOS

	Group	
	2016 %	2015 %
Expenses to weighted average net assets[1]		
- with performance fee	1.26	1.27
- without performance fee	0.95	0.98
Portfolio turnover ratio[2]	–	–
Total operating expenses to net asset value[3]	4.57	4.57

(1) The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group and Trust level, excluding property operating expenses, interest expenses, exchange differences, tax deducted at source and costs associated with the purchase and sales of investments.

(2) The annualised ratios are computed based on the lesser of purchases or sales of underlying investments of the Group and Trust expressed as a percentage of daily average net asset value.

(3) Total operating expenses of the Group include general and administrative expenses, all fees paid/payable to the Manager and Interested parties for financial year. The operating expenses to net asset value ratio is based on total operating expenses as a percentage of net asset value as at the end of financial year.

32. SUBSEQUENT EVENTS

On 20 October 2016, the Trust declared a distribution of 2.4531 cents per Unit in respect of the period from 1 July 2016 to 30 September 2016.

UNITHOLDERS' STATISTICS

AS AT 28 NOVEMBER 2016

ISSUED AND FULLY PAID-UP UNITS

As at 28 November 2016

794,298,124 Units (voting rights: one vote per Unit)
Market Capitalisation S$1,115,988,864 (based on closing price of S$1.405 per Unit on 28 November 2016)

TOP 20 UNITHOLDERS

As at 28 November 2016
As shown in the Register of Unitholders

No.	Name	No. of Units	%
1	Citibank Nominees Singapore Pte Ltd	134,378,148	16.9
2	FCL Trust Holdings (Commercial) Pte Ltd	123,621,055	15.6
3	DBS Nominees (Private) Limited	115,557,658	14.6
4	Frasers Centrepoint Asset Management (Commercial) Ltd	91,158,456	11.5
5	HSBC (Singapore) Nominees Pte Ltd	55,911,710	7.0
6	Raffles Nominees (Pte) Limited	25,453,715	3.2
7	DBSN Services Pte Ltd	16,828,903	2.1
8	United Overseas Bank Nominees (Private) Limited	9,899,116	1.3
9	OCBC Securities Private Limited	7,673,364	1.0
10	DBS Vickers Securities (Singapore) Pte Ltd	5,499,755	0.7
11	CIMB Securities (Singapore) Pte Ltd	3,698,848	0.5
12	Sunshine Bay Limited	2,958,782	0.4
13	OCBC Nominees Singapore Private Limited	2,904,498	0.4
14	UOB Kay Hian Private Limited	2,492,859	0.3
15	Heng Siew Eng	2,332,000	0.3
16	Maybank Kim Eng Securities Pte. Ltd.	2,071,849	0.3
17	DB Nominees (Singapore) Pte Ltd	2,033,528	0.3
18	BNP Paribas Securities Services Singapore Branch	1,917,414	0.2
19	Liang Thow Yick	1,767,000	0.2
20	Koh Boon Hwee	1,550,000	0.2
	Total	609,708,658	77.0

DISTRIBUTION OF UNITHOLDERS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	133	1.4	5,008	0.0
100 – 1,000	1,201	13.0	695,054	0.1
1,001 – 10,000	4,804	52.0	24,925,569	3.1
10,001-1,000,000	3,080	33.3	146,352,566	18.4
1,000,001 and above	30	0.3	622,319,927	78.4
Total	9,248	100.00	794,298,124	100.00

UNITHOLDERS' STATISTICS

AS AT 28 NOVEMBER 2016

SUBSTANTIAL UNITHOLDERS

As at 28 November 2016

Name of Unitholder	Direct interest No. of Units	Deemed interest No. of Units	% of Units in Issue
Frasers Centrepoint Asset Management (Commercial) Ltd.	91,158,456	863,924[1]	11.6
FCL Trust Holdings (Commercial) Pte. Ltd.	123,621,055	–	15.6
Frasers Centrepoint Limited[2]	–	215,643,435	27.2
Thai Beverage Public Company Limited[3]	–	215,643,435	27.2
International Beverage Holdings Limited[4]	–	215,643,435	27.2
InterBev Investment Limited[5]	–	215,643,435	27.2
TCC Assets Limited[6]	–	215,643,435	27.2
Charoen Sirivadhanabhakdi[7]	–	215,643,435	27.2
Khunying Wanna Sirivadhanabhakdi[8]	–	215,643,435	27.2

Notes:

(1) Frasers Centrepoint Asset Management (Commercial) Ltd. ("FCAMC") is deemed to be interested in the 863,924 units in FCOT which are held directly by its wholly-owned subsidiary, Frasers Centrepoint Property Management (Commercial) Pte. Ltd. ("FCPMC").

(2) Frasers Centrepoint Limited ("FCL") holds a 100% direct interest in each of FCAMC and FCL Trust Holdings (Commercial) Pte. Ltd ("FCLTC"). FCAMC and FCLTC hold units in FCOT and FCAMC is deemed interested in the units in FCOT held by FCPMC. FCL therefore has a deemed interest in the units in FCOT in which each of FCAMC and FCLTC has an interest, by virtue of Section 4 of the Securities and Futures Act (Chapter 289) of Singapore ("SFA").

(3) Thai Beverage Public Company Limited ("ThaiBev") holds a 100% interest in International Beverage Holdings Limited ("IBHL");

- IBHL holds a 100% direct interest in InterBev Investment Limited ("IBIL");
- IBIL holds a greater than 20% interest in FCL;
- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

ThaiBev therefore has a deemed interest in the units in FCOT in which FCL has an interest, by virtue of Section 4 of the SFA.

(4) IBHL holds a 100% direct interest in InterBev Investment Limited ("IBIL");

- IBIL holds a greater than 20% interest in FCL;
- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

IBHL therefore has a deemed interest in the units in FCOT in which FCL has an interest, by virtue of Section 4 of the SFA.

(5) IBIL holds a greater than 20% interest in FCL;

- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

IBIL therefore has a deemed interest in the units in FCOT in which FCL has an interest, by virtue of Section 4 of the SFA.

UNITHOLDERS' STATISTICS

AS AT 28 NOVEMBER 2016

(6) TCC Assets Limited ("TCCA") holds a majority interest in FCL;

- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

TCCA therefore has a deemed interest in the units in FCOT in which FCL has an interest, by virtue of Section 4 of the SFA.

(7) Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;

- TCCA holds a majority interest in FCL;
- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

Charoen Sirivadhanabhakdi therefore has a deemed interest in the units in FCOT in which FCL has an interest, by virtue of Section 4 of the SFA.

(8) Khunying Wanna Sirivadhanabhakdi and her spouse, Charoen Sirivadhanabhakdi, each owns 50% of the issued and paid-up share capital of TCCA;

- TCCA holds a majority interest in FCL;
- FCL holds a 100% direct interest in each of FCAMC and FCLTC;
- FCAMC holds a 100% direct interest in FCPMC; and
- FCAMC, FCLTC and FCPMC hold units in FCOT.

Khunying Wanna Sirivadhanabhakdi therefore has a deemed interest in the units in FCOT in which FCL has an interest, by virtue of Section 4 of the SFA.

UNITHOLDINGS OF DIRECTORS OF THE MANAGER

As at 21 October 2016

	Directors	No. of Units Direct Interest	Deemed interest	% of Units in Issue
1	Dr Chua Yong Hai	158,438	158,438	0.0[1]
2	Tan Guong Ching	230,080	–	0.0[1]
3	Christopher Tang Kok Kai	–	200,000	0.0[1]
4	Low Chee Wah	–	60,000	0.0[1]

Note:

(1) Less than 0.05%

FREE FLOAT

Based on information available to the Manager as at 28 November 2016, approximately 72% of the Units are held in the hands of the public. Rule 723 of the Listing Manual of the SGX-ST has accordingly been complied with.

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons during the financial year which fall within the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST) and the Property Funds Appendix of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (excluding transactions of less than $100,000) are as follows.

Name of Interested Persons	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) $'000	Aggregate value of all Interested Person Transactions during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000
Frasers Centrepoint Asset Management (Commercial) Ltd		
– Management fees paid and payable[1]	(13,585)	–
Frasers Centrepoint Property Management (Commercial) Pte Ltd		
– Property management fees paid and payable[2]	(1,060)	–
– Leasing commission and other expenses paid and payable	(1,222)	–
Frasers Centrepoint Property Management Services Pte Ltd		
– Property management fees contracted[3]	(30,790)	–
– Other expenses paid and payable	(117)	–
Frasers Property Limited (formerly known as Australand Holdings Limited)		
– Reimbursement of rent-free periods received[4]	427	–
FCL Management Services Pte Ltd		
– Rental and other property income received and contracted	758	–
Fraser and Neave (Singapore) Pte Ltd		
– Rental and other property income received	269	–
Frasers Hospitality China Square Trustee Pte Ltd (in its capacity as trustee-manager of Frasers Hospitality China Square Trust)		
– Reimbursement of expenses paid on behalf of the Trust	154	–
British and Malayan Trustees Limited		
– Trustee fees paid	(607)	–

INTERESTED PERSON TRANSACTIONS

Management fees, acquisition fees and divestment fees payable to Frasers Centrepoint Asset Management (Commercial) Ltd., and management fees payable to Frasers Centrepoint Property Management (Commercial) Pte Ltd and trustee fees payable to British and Malayan Trustees Limited on the basis of, and in accordance with the terms and conditions set out in the Trust Deed dated 12 September 2005 (as amended) and/or prospectus dated 23 March 2006 are not subject to Rules 905 and 906 of the SGX-ST's Listing Manual. Accordingly, such fees are not subject to aggregation and other requirements under Rules 905 and 906 of the SGX-ST's Listing Manual.

Except as disclosed above, there were no other interested person transactions (excluding transactions of less than S$100,000 each) entered into during the financial year under review nor any material contracts entered into by the Trust that involved the interest of the Chief Executive Officer, any Director or any controlling Unitholder of the Trust.

Notes

1 A summary of Units issued for part payment of the management fees to Frasers Centrepoint Asset Management (Commercial) Ltd in respect of the financial year is as follows:

Relevant Period	Issue date	Ordinary Units issued	Value $'000
1 October 2015 to 31 December 2015	22 January 2016	617,585	786
1 January 2016 to 31 March 2016	25 April 2016	1,037,965	1,355
1 April 2016 to 30 June 2016	26 July 2016	267,630	334

The issue prices of the Units issued were determined based on the volume weighted average price of the Unit for the last ten business days preceding the end of the relevant periods.

2 During the financial period from 1 October 2015 to 22 February 2016 (expiry date of the property management agreement dated 23 February 2006), property management fees were paid in cash to Frasers Centrepoint Property Management (Commercial) Pte Ltd which amounted to approximately $1,060,000. A new property management agreement was entered into with Frasers Centrepoint Property Management Services Pte Ltd on 22 February 2016 (Note 3).

3 Frasers Centrepoint Property Management Services Pte Ltd was appointed as property manager for the Singapore properties for a period of 5 years commencing 23 February 2016. The fees payable and expenses reimbursable to Frasers Centrepoint Property Management Services Pte Ltd pursuant to the property management agreement amounted to approximately S$30,790,000.

4 Pursuant to the deed of undertaking entered into between Frasers Property Limited (formerly known as Australand Holdings Limited) ("FPL") and TFS Collins Pty Ltd as trustee of Collins Street Landholding Trust ("TFS"), FPL will reimburse TFS in cash up to an aggregate of A$1.5 million in respect of outstanding incentives granted by Australand Property Holdings (Collins St No. 1) Pty Limited as trustee of APT (Collins St No. 1) Trust prior to acquisition under the leases of 357 Collins Street. During the financial year, the reimbursement of rent-free periods received amounted to approximately S$427,000.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 8th Annual General Meeting ("AGM") of the unitholders of FRASERS COMMERCIAL TRUST ("FCOT", and the unitholders of FCOT, "Unitholders") will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Monday, 23 January 2017 at 10.00 a.m. for the following purposes:

(A) ROUTINE BUSINESS

Resolution (1)

1. To receive and adopt the Report of the Trustee of FCOT issued by British and Malayan Trustees Limited, the trustee of FCOT (the "Trustee"), the Statement by the Manager issued by Frasers Centrepoint Asset Management (Commercial) Ltd., the manager of FCOT (the "Manager") and the Audited Financial Statements of FCOT for the financial year ended 30 September 2016.

Resolution (2)

2. To re-appoint KPMG LLP ("KPMG") as Auditors of FCOT to hold office until the conclusion of the next AGM of FCOT, and to authorise the Manager to fix their remuneration.

(B) SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolution, with or without any modifications:

Resolution (3)

3. That authority be and is hereby given to the Manager, to:

   (a) (i) issue units in FCOT ("Units") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

   (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

   provided that:

   (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to Unitholders shall not exceed twenty per cent (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "SGX-ST") for the purpose of determining the aggregate number of Units that may be issued under subparagraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting FCOT (as amended and restated) (the "Trust Deed") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) unless revoked or varied by Unitholders in a general meeting, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM or (ii) the date by which the next AGM is required by the applicable law or regulations to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager, any director of the Manager ("Director") and the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interest of FCOT to give effect to the authority conferred by this Resolution.

(Please see the Explanatory Note)

Frasers Centrepoint Asset Management (Commercial) Ltd.
(Company Registration No: 200503404G)
as manager of Frasers Commercial Trust

Catherine Yeo
Company Secretary
Singapore
20 December 2016

NOTICE OF ANNUAL GENERAL MEETING

Notes:

(1) A Unitholder who is not a relevant intermediary entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in the Unitholder's stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the proportion of the Unitholder's holdings (expressed as a percentage of the whole) to be represented by each proxy.

(2) A Unitholder who is a relevant intermediary entitled to attend and vote at the meeting is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than two proxies, the appointments shall be invalid unless the Unitholder specifies in the proxy form the number of Units in relation to which each proxy has been appointed.

"relevant intermediary" means:

(a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or

(c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

(3) The instrument appointing a proxy or proxies (a form is enclosed) must be deposited with the company secretary of the Manager at the office of FCOT's Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 72 hours before the time appointed for holding the meeting.

EXPLANATORY NOTE:

Resolution 3

Resolution 3 above, if passed, will empower the Manager from the date of this AGM until the earliest of (i) the conclusion of the next AGM of FCOT or (ii) the date by which the next AGM of FCOT is required by the applicable laws and regulations or the Trust Deed to be held, whichever is earlier, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, to issue Units and to make or grant instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units, if any), with a sub-limit of 20% for issues other than on a *pro rata* basis to Unitholders.

For the purpose determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units at the time Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding at the time Resolution 3 above is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee (or their agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

IMPORTANT NOTICE

The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of FCOT is not necessarily indicative of the future performance of FCOT.

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FRASERS COMMERCIAL TRUST
(CONSTITUTED IN THE REPUBLIC OF SINGAPORE
PURSUANT TO A TRUST DEED DATED 12 SEPTEMBER 2005
(AS AMENDED AND RESTATED))

PROXY FORM

ANNUAL GENERAL MEETING

IMPORTANT

1. A Relevant Intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see Note 2 for the definition of "Relevant Intermediary").
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. **PLEASE READ THE NOTES TO THE PROXY FORM**.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 20 December 2016.

I/We _____ (Name) _____ (NRIC/ Passport No.)

of _____ (Address)

being a unitholder/unitholders of Frasers Commercial Trust ("FCOT"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 2)	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings (Note 2)	
			No. of Units	%

Apply glue here

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or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of FCOT to be held at 10.00 a.m. on Monday, 23 January 2017, at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958, and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the Annual General Meeting.

NO.	RESOLUTIONS RELATING TO:	No. of Votes For*	No. of Votes Against*
	ROUTINE BUSINESS		
1.	To receive and adopt the Trustee's Report, the Statement by the Manager and the Audited Financial Statements of FCOT for the financial year ended 30 September 2016		
2.	To re-appoint KPMG LLP as Auditors of FCOT to hold office until the conclusion of the next Annual General Meeting, and to authorise the Manager to fix their remuneration		
	SPECIAL BUSINESS		
3.	To authorise the Manager to issue Units and to make or grant convertible instruments		

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Units in the boxes provided.

Total number of Units held (Note 5)

Dated this _____ day of _____ 2016/2017

_____

Signature(s) of Unitholder(s)/Common Seal

IMPORTANT: PLEASE READ NOTES TO THE PROXY FORM

fold here Do not staple. Glue all sides firmly.

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes To Proxy Form

1. A Unitholder who is not a Relevant Intermediary entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote instead of the Unitholder. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the proportion of the Unitholder's holdings (expressed as a percentage of the whole) to be represented by each proxy.
2. A Unitholder who is a Relevant Intermediary entitled to attend and vote at the meeting is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than two proxies, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.

   "*Relevant Intermediary*" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. The instrument appointing a proxy or proxies (a form is enclosed) must be deposited with the company secretary of the Manager at the office of FCOT's Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 72 hours before the time appointed for holding the meeting.
4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a Unitholder from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the meeting in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the meeting.
5. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against the Unitholder's name in the Depository Register maintained by the Central Depository (Pte) Limited ("**CDP**"), the Unitholder should insert that number of Units. If the Unitholder has Units registered in the Unitholder's name in the Register of Unitholders of FCT, he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in the Unitholder's name in the Register of Unitholders, the Unitholder should insert the aggregate number of Units. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by the Unitholder.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. A corporation which is a Unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against the Unitholder's name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by CDP to the Manager.

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FRASERS COMMERCIAL TRUST

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BUSINESS REPLY SERVICE
PERMIT NO. 09061

The Company Secretary
Frasers Centrepoint Asset Management (Commercial) Ltd.
(as manager of Frasers Commercial Trust)
c/o Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

CORPORATE INFORMATION

MANAGER
Frasers Centrepoint Asset Management (Commercial) Ltd.
438 Alexandra Road
#21-00 Alexandra Point
Singapore 119958
Phone: +65 6276 4882
Fax: +65 6276 8942
Email: fcot@fraserscentrepoint.com
Website: www.fraserscommercialtrust.com

DIRECTORS OF THE MANAGER
Dr Chua Yong Hai
Chairman & Independent Non-Executive Director

Mr Low Chee Wah[1]
Chief Executive Officer & Executive Director

Mr Chay Wai Chuen
Independent Non-Executive Director

Mr Chia Khong Shoong
Non-Executive Director

Mr Lim Ee Seng[2]
Non-Executive Director

Mr Tan Guong Ching
Independent Non-Executive Director

Mr Christopher Tang Kok Kai
Non-Executive Director

AUDIT, RISK AND COMPLIANCE COMMITTEE
Mr Chay Wai Chuen (Chairman)
Dr Chua Yong Hai
Mr Tan Guong Ching

NOMINATING AND REMUNERATION COMMITTEE
Mr Tan Guong Ching (Chairman)
Dr Chua Yong Hai
Mr Chay Wai Chuen
Mr Christopher Tang Kok Kai

COMPANY SECRETARY OF THE MANAGER
Ms Catherine Yeo
(from 1 October 2016)

Mr Piya Treruangrachada
(until 30 September 2016)

SGX SHORT TRADING NAME
Frasers Com Tr

BANKERS
Australia and New Zealand Banking Group Limited
10 Collyer Quay #30-00
Ocean Financial Centre
Singapore 049315
Phone: +65 6681 8033
Website: www.anz.com

Barclays Bank PLC
10 Marina Boulevard #23-01
Marina Bay Financial Centre Tower 2
Singapore 018983
Phote: +65 6308 3000
Website: www.barclays.com

BNP Paribas Singapore Branch
10 Collyer Quay #34-01
Ocean Financial Centre
Singapore 049315
Phone: +65 6210 1288
Website: www.bnpparibas.com

Commonwealth Bank of Australia, Singapore Branch
1 Temasek Avenue,
#17-01 Millenia Tower
Singapore 039192
Phone: +65 6349 7000
Website: www.commbank.com.au

DBS Bank Limited
12 Marina Boulevard,
Marina Bay Financial Centre
Tower 3 Level 46
Singapore 018982
Phone: +65 6222 2200
Website: www.dbs.com

Malayan Banking Berhad
2 Battery Road
21st Floor, Maybank Tower
Singapore 049907
Phone: 6535 2266
Website: www.maybank.com

Oversea-Chinese Banking Corporation Limited
63 Chulia Street #03-05
OCBC Centre East
Singapore 049514
Phone: +65 6538 1111
Website: www.ocbc.com

TRUSTEE
British and Malayan Trustees Limited
1 Coleman Street #08-01
The Adelphi
Singapore 179803
Phone: +65 6535 4922
Fax: +65 6535 1258

UNIT REGISTRAR AND UNIT TRANSFER OFFICE
Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
Phone: +65 6536 5355
Fax: +65 6536 1360

AUDITOR
KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Phone: +65 6213 3388
Fax: +65 6225 0984
Partner-in-charge: Karen Lee Shu Pei
Appointed: 20 January 2016

[1] Mr Low Chee Wah will step down as the Chief Executive Officer on 1 January 2017 as part of succession planning. He will remain on the Board as Non-Executive and Non-Independent Director. Mr Jack Lam Juck Ngai has been appointed as the Chief Executive Officer-Designate on 8 November 2016 and will assume the role of Chief Executive Officer on 1 January 2017.

[2] Mr Lim Ee Seng resigned from the Board on 1 October 2016 in line with his retirement as the Group Chief Executive Officer of Frasers Centrepoint Limited on 1 October 2016.



Managed by:

FRASERS CENTREPOINT ASSET MANAGEMENT (COMMERCIAL) LTD.
Company Registration Number: 200503404G

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#21-00 Alexandra Point
Singapore 119958

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