FRASERS COMMERCIAL TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE THIRD QUARTER ENDED 30 JUNE 2019

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

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

The portfolio of FCOT as at 30 June 2019 consists of direct and indirect interests in six properties as follows:-

Singapore

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

Australia

1. 50.0% indirect interest in Central Park located in Perth ("Central Park")
2. 100% indirect interest in Caroline Chisholm Centre located in Canberra ("Caroline Chisholm Centre")
3. 100% indirect interest in 357 Collins Street located in Melbourne ("357 Collins Street")

United Kingdom

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

SUMMARY OF CONSOLIDATED RESULTS OF FCOT AND ITS SUBSIDIARIES
- 1 April 2019 to 30 June 2019 ("3Q FY2019") vs 1 April 2018 to 30 June 2018 ("3Q FY2018")
- 1 October 2018 to 30 June 2019 ("YTD 3Q FY2019") vs 1 October 2017 to 30 June 2018 ("YTD 3Q FY2018")

	Group					
	1/4/2019 to 30/6/2019	1/4/2018 to 30/6/2018	Change	1/10/2018 to 30/6/2019	1/10/2017 to 30/6/2018	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue	30,215	32,494	(7%)	92,163	100,829	(9%)
Net property income	19,753	20,371	(3%)	60,962	67,661	(10%)
Total return for the period	11,537	10,487	10%	39,209	35,022	12%
Income available for distribution	21,779	21,248	2%	64,998	61,305	6%
Distribution to Unitholders	21,779	21,248	2%	64,998	61,305	6%
Distribution per Unit (cents)						
Unitholders						
For the period	2.40 (1)	2.40 (2)	-	7.20	7.20	-
Annualised	9.63	9.63	-	9.63	9.63	-

Footnotes:

(1) The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 907,508,601. Please see Section 6 for the details on the number of issued and issuable Units entitled to distribution.

(2) The number of Units used to calculate the amount available for DPU for 3Q FY2018 is 885,367,591.

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

	Group					
	1/4/2019 to 30/6/2019	**1/4/2018 to 30/6/2018**	**Change**	**1/10/2018 to 30/6/2019**	**1/10/2017 to 30/6/2018**	**Change**
	S$'000	**S$'000**	**%**	**S$'000**	**S$'000**	**%**
Gross revenue [1]	30,215	32,494	(7%)	92,163	100,829	(9%)
Property operating expenses [2]	(10,462)	(12,123)	(14%)	(31,201)	(33,168)	(6%)
Net property income [3]	**19,753**	**20,371**	(3%)	**60,962**	**67,661**	(10%)
Share of results of joint venture [4]	1,732	1,603	8%	4,902	2,950	66%
Interest income	41	77	(47%)	102	218	(53%)
Manager's management fees	(3,323)	(3,481)	(5%)	(10,046)	(10,268)	(2%)
Trust expenses	(616)	(629)	(2%)	(1,896)	(1,500)	26%
Finance costs [5]	(4,752)	(6,433)	(26%)	(14,093)	(18,575)	(24%)
Net income before foreign exchange differences, fair value changes and taxation	**12,835**	**11,508**	12%	**39,931**	**40,486**	(1%)
Foreign exchange (loss)/ gain	(3,692)	719	NM	(4,651)	(2,103)	NM
Net change in fair value of investment properties [6]	132	(362)	NM	839	(710)	NM
Net change in fair value of derivative financial instruments	35	(13)	NM	113	(30)	NM
Realised (loss)/ gain on derivative financial instruments [7]	(3)	14	NM	173	70	NM
Total return before tax	**9,307**	**11,866**	(22%)	**36,405**	**37,713**	(3%)
Taxation [8]	2,230	(1,379)	NM	2,804	(2,691)	NM
Total return for the period	**11,537**	**10,487**	10%	**39,209**	**35,022**	12%

NM - Not meaningful

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

	Group					
	1/4/2019 to 30/6/2019	1/4/2018 to 30/6/2018	Change	1/10/2018 to 30/6/2019	1/10/2017 to 30/6/2018	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Total return for the period	**11,537**	**10,487**	10%	**39,209**	**35,022**	12%
Non-tax deductible / (non-taxable) items and other adjustments:						
Management fees payable in Units	3,323	3,481	(5%)	10,046	10,268	(2%)
Trustees' fees	161	169	(5%)	472	504	(6%)
Amortisation of borrowing costs	127	255	(50%)	371	890	(58%)
Unamortised borrowing costs expensed off	-	82	NM	24	82	(71%)
Net change in fair value of investment properties	(132)	362	NM	(839)	710	NM
Net change in fair value of derivative financial instruments	(35)	13	NM	(113)	30	NM
Deferred taxation [8]	(2,791)	1,387	NM	(3,518)	1,722	NM
Unrealised exchange loss/ (gain)	3,721	(853)	NM	4,829	2,011	NM
Effects of recognising accounting income on a straight line basis over the lease term	(477)	(592)	(19%)	(1,423)	(210)	NM
Gain on disposal of hotel development rights [10]	6,275	5,518	14%	14,983	10,371	44%
Other non tax deductible items and temporary differences	70	939	(93%)	957	(95)	NM
Net effect of non-tax deductible / (non-taxable) items and other adjustments	**10,242**	**10,761**	(5%)	**25,789**	**26,283**	(2%)
Income available for distribution to Unitholders [9]	**21,779**	**21,248**	2%	**64,998**	**61,305**	6%
Distribution to Unitholders comprise:						
- from operations	15,307	13,524	13%	48,495	45,246	7%
- from capital returns [10]	6,472	7,724	(16%)	16,503	16,059	3%
	21,779	**21,248**	2%	**64,998**	**61,305**	6%

NM - Not meaningful

Footnotes:

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

	Group					
	1/4/2019 to 30/6/2019	1/4/2018 to 30/6/2018	Change	1/10/2018 to 30/6/2019	1/10/2017 to 30/6/2018	Change
	S$'000	S$'000	%	S$'000	S$'000	%
China Square Central	6,562	6,013	9%	18,880	17,620	7%
55 Market Street [(i)]	-	1,285	NM	-	3,928	NM
Alexandra Technopark	7,696	8,946	(14%)	24,159	29,564	(18%)
Central Park	5,847	5,662	3%	17,953	17,268	4%
Caroline Chisholm Centre	4,966	5,258	(6%)	15,121	16,062	(6%)
357 Collins Street	5,144	5,330	(3%)	16,050	16,387	(2%)
	30,215	**32,494**	(7%)	**92,163**	**100,829**	(9%)

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

	Group					
	1/4/2019 to 30/6/2019	1/4/2018 to 30/6/2018	Change	1/10/2018 to 30/6/2019	1/10/2017 to 30/6/2018	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Property maintenance expenses	2,987	5,073	(41%)	8,912	12,271	(27%)
Property management fees	582	647	(10%)	1,753	2,022	(13%)
Property tax	2,041	2,066	(1%)	5,976	6,056	(1%)
Utilities	1,521	1,869	(19%)	4,406	5,450	(19%)
Professional fees	837	812	3%	2,461	2,449	-
Insurance	244	113	NM	726	342	NM
Council rates	533	539	(1%)	1,618	1,642	(1%)
Amortisation of leasing commission	262	215	22%	777	647	20%
Amortisation of leasing incentives	1,083	447	NM	3,134	1,217	NM
Other operating expenses	372	342	9%	1,438	1,072	34%
	10,462	**12,123**	(14%)	**31,201**	**33,168**	(6%)

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

	Group					
	1/4/2019 to 30/6/2019	1/4/2018 to 30/6/2018	Change	1/10/2018 to 30/6/2019	1/10/2017 to 30/6/2018	Change
	S$'000	S$'000	%	S$'000	S$'000	%
China Square Central	4,250	3,955	7%	12,189	11,091	10%
55 Market Street [(i)]	-	871	NM	-	2,655	NM
Alexandra Technopark	4,712	5,607	(16%)	15,180	19,621	(23%)
Central Park	3,042	3,246	(6%)	9,571	10,503	(9%)
Caroline Chisholm Centre	4,069	2,696	51%	12,429	11,537	8%
357 Collins Street	3,680	3,996	(8%)	11,593	12,254	(5%)
	19,753	**20,371**	(3%)	**60,962**	**67,661**	(10%)

NM - Not meaningful
(i) 55 Market Street was divested on 31 August 2018.

Footnotes:

(4) The share of results of joint venture relates to FCOT's 50.0% interest in the profits from Farnborough Business Park Limited ("FBPL") which holds Farnborough Business Park. The acquisition of 50.0% of FBPL was completed on 29 January 2018. Summary of the share of results of joint venture, based on FCOT's 50% interest in the joint venture, is as follows:

	Group						
	1/4/2019 to 30/6/2019	1/4/2018 to 30/6/2018	Change		1/10/2018 to 30/6/2019	1/10/2017 to 30/6/2018	Change
	S$'000	S$'000	%		S$'000	S$'000	%
Net property income [(i)]	1,863	1,972	(6%)		6,713	3,451	95%
Other expenses, net [(ii)]	(131)	(369)	(64%)		(1,811)	(501)	NM
Share of results of joint venture, net of tax	**1,732**	**1,603**	8%		**4,902**	**2,950**	66%

Note:

(i) Net property income includes rental income recognised on a straight line basis over the term of the respective leases, service charge income and car park income from Farnborough Business Park. It also includes rent guarantee and void costs reimbursement by the vendor in relation to certain leases pursuant to the terms of the transaction as disclosed in FCOT's SGX-ST announcement dated 14 December 2017. Net property income on cash basis (without recognising accounting income on a straight line basis over the terms of respective leases) for FCOT's 50.0% interest was S$1,853,000 for 3Q FY2019 and S$5,441,000 for YTD 3Q FY2019 (3Q FY2018 and YTD 3Q FY2018: S$1,875,000 and S$3,181,000, respectively).

(ii) Other expenses (net), for the current period mainly arose from fair value adjustments on revaluation of Farnborough Business Park due to the recognition of rental income on a straight-line basis in accordance with the Singapore Financial Reporting Standards (Refer to Note (i) above).

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

	Group						
	1/4/2019 to 30/6/2019	1/4/2018 to 30/6/2018	Change		1/10/2018 to 30/6/2019	1/10/2017 to 30/6/2018	Change
	S$'000	S$'000	%		S$'000	S$'000	%
Interest expense	4,625	6,096	(24%)		13,698	17,603	(22%)
Unamortised borrowing costs expensed off	-	82	NM		24	82	(71%)
Amortisation of borrowing costs	127	255	(50%)		371	890	(58%)
	4,752	**6,433**	(26%)		**14,093**	**18,575**	(24%)

NM - Not meaningful

The unamortised borrowing costs expensed off during YTD 3Q FY2019 was in relation to the partial repayment of a loan facility.

(6) The net change in fair value of investment properties relates to the adjustments of the changes in carrying value of the investment properties during the respective periods. The changes in the carrying value of the investment properties mainly arose from the recognition of rental income on a straight-line basis in accordance with the Singapore Financial Reporting Standards and the increase in leasing fees capitalised, net of amortization of leasing costs.

(7) The realised loss/ gain on derivative financial instruments refers to loss/ gain arising from realisation of foreign currency forward contracts.

(8) Taxation comprised taxation expenses for income in Australia and deferred tax provided on potential capital gains arising from the changes in fair value of Australian properties, net of tax losses.

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

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

	Group					
	1/4/2019 to 30/6/2019	**1/4/2018 to 30/6/2018**	**Change**	**1/10/2018 to 30/6/2019**	**1/10/2017 to 30/6/2018**	**Change**
	S$'000	**S$'000**	**%**	**S$'000**	**S$'000**	**%**
Gain on disposal of hotel development rights [a]	6,275	5,518	14%	14,983	10,371	44%
Return of capital from a subsidiary [b]	-	1,463	NM	-	4,280	NM
Return of capital from a joint venture [c]	197	743	(73%)	1,520	1,408	8%
	6,472	**7,724**	(16%)	**16,503**	**16,059**	3%

NM – Not meaningful

(a) This relates to a portion of the net consideration received from the disposal of the hotel development rights in respect of China Square Central in August 2015, which was classified as capital distribution from tax perspective.

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

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

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

	Group		Trust	
	30/6/2019	30/9/2018	30/6/2019	30/9/2018
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Investment properties [1]	1,970,048	1,977,288	1,159,758	1,140,400
Subsidiaries	-	-	528,695	472,422
Investment in joint venture [2]	151,816	156,999	-	-
Loan to a subsidiary	-	-	-	86,173
Fixed assets	40	40	39	40
Deferred tax asset	311	330	-	-
Derivative financial instruments [3]	4,175	1,734	4,175	1,734
	2,126,390	**2,136,391**	**1,692,667**	**1,700,769**
Current assets				
Trade and other receivables	4,017	5,100	163,753	99,465
Cash and bank balances	26,671	31,589	22,488	25,738
	30,688	**36,689**	**186,241**	**125,203**
Total assets	**2,157,078**	**2,173,080**	**1,878,908**	**1,825,972**
Current liabilities				
Borrowings (net of transaction costs) [4]	(105,661)	(17,000)	(105,661)	(17,000)
Trade and other payables [5]	(36,565)	(37,781)	(28,830)	(29,094)
Current portion of security deposits	(6,241)	(6,562)	(6,241)	(6,562)
Derivative financial instruments [3]	(684)	(237)	-	-
Provision for taxation [6]	(3,179)	(3,110)	-	-
	(152,330)	**(64,690)**	**(140,732)**	**(52,656)**
Net current (liabilities)/ assets [7]	**(121,642)**	**(28,001)**	**45,509**	**72,547**
Non-current liabilities				
Borrowings (net of transaction costs) [4]	(525,515)	(596,490)	(339,311)	(389,209)
Derivative financial instruments [3]	(5,086)	(454)	(646)	(112)
Non-current portion of security deposits	(9,757)	(7,621)	(9,757)	(7,621)
Deferred tax liabilities [8]	(65,949)	(72,994)	-	-
	(606,307)	**(677,559)**	**(349,714)**	**(396,942)**
Total liabilities	**(758,637)**	**(742,249)**	**(490,446)**	**(449,598)**
Net assets attributable to Unitholders	**1,398,441**	**1,430,831**	**1,388,462**	**1,376,374**
Represented by:				
Unitholders' funds [9]	**1,398,441**	**1,430,831**	**1,388,462**	**1,376,374**

Footnotes:

(1) The investment properties were valued at their fair values based on independent valuations as at 30 September 2018 and subsequently adjusted for capital expenditure and capitalised leasing costs. As at 30 June 2019, the carrying amounts of the investment properties approximated their fair values. The decrease in investment properties was mainly due to the effects of the weaker Australian Dollar as at 30 June 2019 as compared to 30 September 2018 on the Australian properties, which was partially offset by capital expenditure incurred during the period.

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

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

(4) The overall increase in borrowings was due to the additional borrowings used to finance asset enhancement initiatives ("AEI") at Alexandra Technopark and China Square Central. This was partially offset by the weakening of the Australian Dollar as at 30 June 2019 as compared to 30 September 2018 as well as the partial repayment of an Australian Dollar denominated borrowing during the period.

(5) The decrease in trade and other payables was mainly due to the payment of performance management fees for FY2018 in October 2018 as well as the payment of certain outstanding invoices relating to AEI works.

(6) The increase in provision for tax was mainly attributable to the tax provision for the current period which is offset by the payment of tax during the current period as well as the weakening of the Australian Dollar as at 30 June 2019 as compared to 30 September 2018.

(7) The net current liabilities position as at 30 June 2019 was mainly due to the S$100 million medium term notes that would be due in February 2020. The short term revolving credit facilities drawn down and the outstanding invoices relating to AEI works also contributed to the net current liabilities position. The Group would seek to refinance these borrowings at an appropriate time and the Manager believes that the Group would be able to refinance the borrowings and meet its current obligations as and when they fall due.

(8) Deferred tax is provided for in respect of the potential capital gains arising from the changes in fair value of the Australian properties, net of tax losses.

(9) The decrease in Unitholders' funds was mainly due to:
- effects of the weaker Australian Dollar as at 30 June 2019 as compared to 30 September 2018 on the net assets attributable to the Australia operations;
- fair value loss arising from the derivative financial instruments; and
- distributions for 2Q FY2019, 1Q FY2019 and 4Q FY2018 paid during the 9-month period ended 30 June 2019.

This was offset by:
- total returns generated for the Group for the period ended 30 June 2019; and
- issuance of Units pursuant to distribution reinvestment plan and payment of management fees.

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

Amount repayable in one year or less, or on demand

Group			
As at 30/6/2019		As at 30/9/2018	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
-	105,706	-	17,000

Amount repayable after one year

Group			
As at 30/6/2019		As at 30/9/2018	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
-	526,694	-	597,984

Details of any collateral

All borrowings as at 30 June 2019 were on unsecured basis.

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

	Group			
	1/4/2019 to 30/6/2019	1/4/2018 to 30/6/2018	1/10/2018 to 30/6/2019	1/10/2017 to 30/6/2018
	S$'000	S$'000	S$'000	S$'000
Operating activities:				
Total return before tax	9,307	11,866	36,405	37,713
Adjustments for:-				
Finance costs	4,752	6,433	14,093	18,575
Effect of recognising accounting income on a straight-line basis over the lease term	(477)	(592)	(1,423)	(210)
Depreciation	5	6	15	18
Amortisation of leasing commission	262	215	777	647
Amortisation of leasing incentives	1,083	447	3,134	1,217
Interest income	(41)	(77)	(102)	(218)
Management fees payable in Units [1]	3,323	3,481	10,046	10,268
Share of results of joint venture	(1,732)	(1,603)	(4,902)	(2,950)
Net change in fair value of derivative financial instruments	(35)	13	(113)	30
Net change in fair value of investment properties	(132)	362	(839)	710
Realised loss/ (gain) on derivative financial instruments	3	(14)	(173)	(70)
Operating income before working capital changes	**16,318**	**20,537**	**56,918**	**65,730**
Changes in working capital:-				
Trade and other receivables	1,419	(6,239)	1,198	(1,876)
Trade and other payables	6,968	4,861	(7,774)	(6,555)
Cash generated from operations	**24,705**	**19,159**	**50,342**	**57,299**
Tax paid	-	-	(532)	(1,411)
Net cash generated from operating activities	**24,705**	**19,159**	**49,810**	**55,888**
Investing activities:				
Capital expenditure and leasing incentives on investment properties	(10,583)	(10,622)	(21,388)	(35,965)
Payment for leasing commissions capitalised	(647)	(419)	(1,557)	(1,456)
Investment in a joint venture	-	186	-	(154,325)
Net income and capital returns received from joint venture	1,378	-	4,538	-
Purchase of fixed assets	-	-	(15)	-
Interest received	33	-	109	186
Net cash used in investing activities	**(9,819)**	**(10,855)**	**(18,313)**	**(191,560)**
Financing activities:				
Proceeds from private placement of Units	-	-	-	99,999
Proceeds from borrowings	10,820	154,728	98,289	365,183
Repayment of borrowings	(2,483)	(139,728)	(71,418)	(290,183)
Realisation of derivative financial instruments	(3)	14	173	70
Finance costs paid	(2,932)	(3,827)	(11,625)	(15,166)
Issue costs paid	(90)	-	(250)	(1,583)
Distributions paid [2]	(17,366)	(12,588)	(51,150)	(52,191)
Transaction costs on borrowings	(30)	(771)	(155)	(942)
Net cash (used in)/generated from financing activities	**(12,084)**	**(2,172)**	**(36,136)**	**105,187**
Net increase/(decrease) in cash and cash equivalents	**2,802**	**6,132**	**(4,639)**	**(30,485)**
Cash and cash equivalents at beginning of period	23,972	37,756	31,589	74,609
Effect of exchange rate changes	(103)	(12)	(279)	(248)
Cash and cash equivalents at end of period [3]	**26,671**	**43,876**	**26,671**	**43,876**

Footnotes

(1) These amounts represent Units issued and issuable in satisfaction of management fees payable in Units amounting to S$3.3 million for 3Q FY2019 (3Q FY2018: S$3.5 million) and S$10.0 million for YTD 3Q FY2019 (YTD 3Q FY2018: S$10.3 million).

(2) Pursuant to the distribution reinvestment plan implemented, these amounts represent the cash component of the distributions paid and exclude the distributions paid by way of issuance of Units amounting to S$4.3 million during 3Q FY2019 (3Q FY2018: S$1.5 million) and S$13.5 million during YTD 3Q FY2019 (YTD 3Q FY2018: S$7.3 million).

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

	Group	
	30/6/2019	30/6/2018
	S$'000	S$'000
Bank and cash balances	19,118	35,764
Fixed deposits	7,553	8,112
Cash and cash equivalents	26,671	43,876

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

	Group		Trust	
	1/4/2019 to 30/6/2019	1/4/2018 to 30/6/2018	1/4/2019 to 30/6/2019	1/4/2018 to 30/6/2018
Movement from 1 April to 30 June	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance at beginning of period	**1,412,600**	**1,352,973**	**1,395,099**	**1,284,662**
Operations				
Change in net assets attributable to Unitholders resulting from operations	**11,537**	**10,487**	**8,646**	**10,644**
Unitholders' transactions				
Issue of Units	6,925	4,202	6,925	4,202
Issue expenses	(90)	-	(90)	-
Distributions to Unitholders	(21,670)	(14,116)	(21,670)	(14,116)
Change in Unitholders' funds resulting from Unitholders' transactions	**(14,835)**	**(9,914)**	**(14,835)**	**(9,914)**
Foreign currency translation reserve				
Movement for the period	**(8,846)**	**(4,484)**	**-**	**-**
Hedging reserve				
Net fair value changes on derivative financial instruments	**(2,015)**	**741**	**(448)**	**337**
Balance at end of period	**1,398,441**	**1,349,803**	**1,388,462**	**1,285,729**

	Group		Trust	
	1/10/2018 to 30/6/2019	1/10/2017 to 30/6/2018	1/10/2018 to 30/6/2019	1/10/2017 to 30/6/2018
Movement from 1 October to 30 June	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance at beginning of period	**1,430,831**	**1,289,349**	**1,376,374**	**1,205,265**
Operations				
Change in net assets attributable to Unitholders resulting from operations	**39,209**	**35,022**	**53,113**	**25,084**
Unitholders' transactions				
Issue of Units	24,514	114,717	24,514	114,717
Issue expenses	(250)	(1,583)	(250)	(1,583)
Distributions to Unitholders	(64,642)	(59,453)	(64,642)	(59,453)
Change in Unitholders' funds resulting from Unitholders' transactions	**(40,378)**	**53,681**	**(40,378)**	**53,681**
Foreign currency translation reserve				
Movement for the period	**(26,029)**	**(30,887)**	**-**	**-**
Hedging reserve				
Net fair value changes on derivative financial instruments	**(5,192)**	**2,638**	**(647)**	**1,699**
Balance at end of period	**1,398,441**	**1,349,803**	**1,388,462**	**1,285,729**

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

	1/4/2019 to 30/6/2019	1/4/2018 to 30/6/2018	1/10/2018 to 30/6/2019	1/10/2017 to 30/6/2018
	Units	Units	Units	Units
Issued Units				
Balance at beginning of period	901,093,773	880,332,802	888,600,618	805,363,832
Issue of Units - management fees	1,817,878	1,884,606	7,764,153	4,128,532
Issue of Units - Private Placement	-	-	-	67,567,000
Issue of Units - acquisition fees	-	-	-	1,038,661
Issue of Units - Distribution Reinvestment Plan	2,958,109	1,104,998	9,504,989	5,224,381
Balance at end of period	905,869,760	883,322,406	905,869,760	883,322,406
Issued and issuable Units				
Issued Units at end of period	905,869,760	883,322,406	905,869,760	883,322,406
- Base Management fees payable in Units (1)	1,638,841	2,045,185	1,638,841	2,045,185
- Performance Management fees payable in Units (2)	1,289,261	1,614,122	1,289,261	1,614,122
Issued and issuable Units at end of period	908,797,862	886,981,713	908,797,862	886,981,713

Footnote:

(1) 1,638,841 Units (3Q FY2018: 2,045,185 Units) will be issued to the Manager as payment for management fees for the financial quarter ended 30 June 2019. This accounts for 100% (3Q FY2018: 100%) of the Manager's base management fees for the quarter. The price of Units issued is determined based on the volume weighted average price of the Units for the last ten business days of the relevant financial period in which the base management fees accrue for.

(2) Pursuant to the Trust Deed, the performance fee is to be paid only once in each financial year, and if paid in Units, at an issue price determined based on the volume weighted average price of the Units for the last ten business days ("10-day VWAP") of the relevant financial year. The number of issuable performance fee Units presented is an estimate computed using an issue price based on the 10-day VWAP for the period ended 30 June 2019. There is no certainty that the performance fee Units to be issued at the end of the financial year will be determined at this estimated issue price given that the trading price of the Units may vary.

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

These figures have not been audited or reviewed by the auditors.

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

Not applicable.

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

Except as disclosed in item 5 below, there has been no change in the accounting policies and methods of computation adopted by the Trust and the Group for the current reporting period compared with the audited financial statements for the financial year ended 30 September 2018.

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

The Trust and the Group have adopted the new Singapore Financial Reporting Standards ("FRS") that are mandatory for the financial year beginning on 1 October 2018. The adoption of these FRS has no significant impact on the financial position of the Trust and the Group as at 30 June 2019 or performance of the Group for the period ended on that day.

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

	1/4/2019 to 30/6/2019	1/4/2018 to 30/6/2018	1/10/2018 to 30/6/2019	1/10/2017 to 30/6/2018
	S$'000	S$'000	S$'000	S$'000
Total return after taxation and before distribution	11,537	10,487	39,209	35,022
EPU				
Weighted average number of Units in issue	903,484,955	882,108,940	898,246,887	847,959,527
Basic EPU (cents) (1)	1.28	1.19	4.37	4.13
DPU				
Number of issued and issuable Units entitled to distribution (2)	907,508,601	885,367,591	907,508,601	885,367,591
DPU based on the total number of issued and issuable Units entitled to distribution (cents)	2.40	2.40	7.20	7.20

Footnotes:

(1) Basic EPU is computed using the total return after taxation and before distribution and the weighted average number of Units during the period. There is no dilutive potential Units in 3Q FY2019 and 3Q FY2018.

(2) The computation of DPU for the period is based on the number of Units entitled to distribution, being:
   a. The number of Units in issue as at 30 June 2019 of 905,869,760; and
   b. 1,638,841 Units to be issued to the Manager, in consideration of 100% of the base management fee payable for the quarter ended 30 June 2019.

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

	Group		Trust	
	30/6/2019	30/9/2018	30/6/2019	30/9/2018
Unitholders' funds at end of period (S$'000)	1,398,441	1,430,831	1,388,462	1,376,374
Number of Units issued at the end of the period ('000)	905,870	888,601	905,870	888,601
Unitholders' funds per Unit (S$)	1.54	1.61	1.53	1.55
Adjusted Unitholders' funds per Unit (excluding distributions) (S$)	1.52	1.59	1.51	1.52

8. Review of performance

(a) Variance between 3Q FY2019 and 3Q FY2018

Portfolio net property income for 3Q FY2019 was S$19.8 million, 3% lower than that of 3Q FY2018. The decrease was mainly due to:-

- lower occupancy rate for Alexandra Technopark;
- higher amortisation of leasing incentives for Central Park and 357 Collins Street;
- higher property tax for Alexandra Technopark;
- 5.6% decline in the average Australian Dollar for 3Q FY2019 as compared to 3Q FY2018; and
- the disposal of 55 Market Street being completed on 31 August 2018.

The decrease was partially offset by higher rental from China Square Central, lower property maintenance expenses for Caroline Chisholm Centre and the Singapore properties as well as lower utilities for Alexandra Technopark.

The increase in the overall net property income from the Australian properties in AUD over 3Q FY2018 was partially offset by the weakening of AUD as described above.

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

The decrease in finance costs by S$1.7 million in 3Q FY2019 as compared to 3Q FY2018 was mainly due to lower interest expense arising from the repayment of loan facilities in September 2018 with the proceeds from the disposal of 55 Market Street. This was partially offset by additional borrowings utilised to finance AEI works at Alexandra Technopark and China Square Central.

The increase in trust expenses was mainly due to higher professional fees incurred.

Taxation for 3Q FY2019 included deferred tax adjustment for the Australian properties which had tax losses. This was offset against the provision for tax for the Australian properties for the current financial period. Deferred tax was provided for in respect of the potential capital gains arising from the changes in fair value of the Australian properties, net of available tax losses.

(b) Variance between YTD 3Q FY2019 and YTD 3Q FY2018

Net property income for YTD 3Q FY2019 was S$61.0 million, 10% lower than that of YTD 3Q FY2018. The decrease was mainly due to:-

- lower occupancy rates for Alexandra Technopark;
- higher amortisation of leasing incentives for Central Park and 357 Collins Street;
- higher property tax for Alexandra Technopark;
- 6.0% decline in the average Australian Dollar for YTD 3Q FY2019 as compared to YTD 3Q FY2018; and
- the disposal of 55 Market Street being completed on 31 August 2018.

The decrease was partially offset by higher rental from China Square Central, one-off income received from certain tenants at 357 Collins Street in relation to termination of leases, lower property maintenance expenses for Caroline Chisholm Centre and the Singapore properties as well as lower utilities incurred for Alexandra Technopark.

Although the overall net property income from the Australian properties in AUD is slightly higher than that of YTD 3Q FY2018, the net property income in Singapore Dollar decreased due to weakening of the AUD as described above.

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

The decrease in finance costs by S$4.5 million in YTD 3Q FY2019 as compared to that of YTD 3Q FY2018 was mainly due to lower interest expense arising from the repayment of loan facilities in September 2018 with the proceeds from the disposal of 55 Market Street. This was partially offset by the capitalised borrowing costs being expensed off during the period as a result of partial repayment of a loan facility and additional borrowings to finance the acquisition of 50.0% interest in Farnborough Business Park and ongoing AEI works at Alexandra Technopark and China Square Central.

The increase in trust expenses was mainly due to higher professional fees incurred.

Taxation for YTD 3Q FY2019 included deferred tax adjustment for the Australian properties which had tax losses as well as an adjustment for the overprovision of tax for the prior financial year. This was offset against the provision for tax for the Australian properties in the current financial period. Deferred tax was provided for in respect of the potential capital gains arising from the changes in fair value of the Australian properties, net of available tax losses.

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

Not applicable.

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

Singapore

The Ministry of Trade and Industry ("MTI") announced on 12 July 2019 that based on advance estimates, the Singapore economy grew by 0.1% on a year-on-year basis in 2Q 2019, lower than the 1.1% growth in 1Q 2019. On a quarter-on-quarter ("qoq") seasonally-adjusted annualised basis, the economy contracted by 3.4% in 2Q 2019, a reversal from the 3.8% growth in 1Q 2019. It was reported on 21 July 2019 that MTI has guided that the full-year economic growth may be below the earlier forecast range of between 1.5% to 2.5%, made in May 2019.

For the office market, CBRE[1] reported that island-wide office vacancy rate continued to tighten from 5.3% in 1Q 2019 to 4.8% in 2Q 2019, supported by positive net absorption of 508,443 square feet. Tenant demand was mainly driven by the technology sector and co-working space operators. As at end 2Q 2019, average rents increased 1.3% qoq to S$11.30 per square feet ("psf") per month for Grade A CBD Core, 0.6% qoq to S$8.60 psf per month for Grade B CBD Core and 0.6% qoq to S$7.95 psf per month for island-wide Grade B. According to CBRE, heightened economic headwinds have led to a more subdued outlook for the office market. CBRE expects rental growth to dampen in the medium term.

For the business park market[2], CBRE[1] reported that island-wide vacancy increased marginally by 0.6%-points to 13.2% in 2Q 2019. The general muted leasing environment was mainly due to tight vacancies in higher quality buildings and lack of new multi-user stock. As at the end of 2Q 2019, average rents remained stable qoq at S$5.80 psf per month for city fringe business parks and S$3.80 psf per month for the rest of the island. According to CBRE, the outlook for business park space is stable and rents and vacancy are expected to remain stable over the medium term.

The retail podium at 18 Cross Street, China Square Central, is currently undergoing a S$38 million asset enhancement initiative ("AEI"). The retail podium has been closed since January 2018 to facilitate the AEI works, which are currently expected to complete in the second half of 2019[3]. The net lettable area of the retail podium is currently expected to increase to more than 80,000 sf[3] from around 64,000 sf prior to the commencement of the AEI.

As announced on 25 June 2019, Google Asia Pacific Pte. Ltd. had committed to around 344,100 sf of space at Alexandra Technopark, representing approximately 33.3% of the current total net lettable area of the property, for a term of five years commencing in the first quarter of 2020. The average gross rent for the term is comparable to recent signing rents for the property. Including the foregoing lease, the committed occupancy rate for the property was 93.7% as at 30 June 2019. As disclosed on 23 April 2019, Microsoft Operations Pte. Ltd. ("Microsoft") had exercised its right to shorten the lease tenure in respect of 77,761 sf of space at Alexandra Technopark (7.5% of the total net lettable area of the property) by two years to end in January 2020. The Manager is currently in discussions, including advance discussions, with prospective tenants to backfill the space. There is no certainty that any definitive agreements will be entered into in respect of these on-going discussions. Appropriate disclosures will be made in due course in the event that there are material developments.

Australia

In the Reserve Bank of Australia's ("RBA") Statement on Monetary Policy Decision released on 2 July 2019, the cash rate was lowered by a further 25 basis points on top of a 25 basis points reduction announced on 4 June 2019, resulting in a cash rate of 1.00% per annum currently. According to RBA, increased investment in infrastructure and a pick-up in activity in the resources sector can be expected, and employment growth remains strong. The RBA expects the gross domestic product ("GDP") to grow by 2.75% in 2019.

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

Australia (cont'd)

For the Perth CBD office market, Savills Research[4] reported that business confidence has returned to the Western Australian economy. Full-year net absorption for 2018 was 15,300 square metres ("sqm"). Total vacancy reduced by 70 basis points to 18.5% in the six months to December 2018, and the Premium Grade and Grade A CBD office segments continue to benefit from re-centralisation to CBD and 'flight to quality' trends. Leasing volumes have nearly doubled over the year to March 2019. Premium Grade average net face rent was A$600 to A$725 per sqm per annum as at March 2019, with average lease incentives between 45% and 48%. Savills Research expect tenant demand for Premium and Grade A space to continue to be elevated and incentives to decline. Savills Research forecasts overall vacancy rate to fall further over the next 5 years, in line with limited upcoming supply and strengthening demand.

For the Melbourne CBD office market, Savills Research[5] reported that the strong performance of the Victorian economy has had a positive effect on the Melbourne CBD office market. Total vacancy in the Melbourne CBD was 3.2% as at end-December 2018, the lowest level recorded in ten years and the lowest level recorded of all CBD markets in Australia. Demand for office space continued to be strong in the Premium and Grade A segments. Melbourne CBD Grade A office average net face rent was A$500 to A$650 per sqm per annum as at end-March 2019, with lease incentives between 22% and 28%. Savills Research forecasts vacancy rate to reduce further to below 3.0% over the next twelve months and strong rental growth to continue until the next delivery of new supply in 2020.

An asset enhancement initiative to the office lobby and forecourt areas of Central Park ("CP AEI") is currently underway. Estimated to cost S$23 million (FCOT's 50.0% share: S$11.5 million), the works are expected to complete in 3Q 2020. The CP AEI aims to create a contemporary, dynamic and community-friendly business environment with a higher quantum of amenities and flexible spaces, which will help to consolidate the property's position as a premium grade office in Perth CBD.

United Kingdom

In the Bank of England's Monetary Policy Committee ("MPC") meeting held on 19 June 2019, the bank rate remained unchanged at 0.75% per annum. Monetary policy is set to meet the inflation target of around 2% per annum and to sustain growth and employment. The MPC was of the view that the United Kingdom's ("UK") GDP is expected to grow by around 1.5% in 2019.

The European Union had on 10 April 2019 extended the deadline for the UK's date of departure from the bloc until 31 October 2019. While there are currently uncertainties in the future course of development and eventual outcome of Brexit, the Manager remains confident about the long-term prospects of the UK market.

For the Thames Valley office market, CBRE Research[6] reported that the total absorption of 393,653 sf in 1Q 2019 signaled a solid start to the year. For the Farnborough area, the indicative headline prime office rent was stable at £29.0 psf per annum as at end-March 2019, with lease incentives generally at around 17.5% (based on a typical 10-year lease term). CBRE Research forecasts rents in the Farnborough area to be generally on an uptrend in the next twelve months, while incentives are expected to remain stable during the same period.

[1] CBRE, Singapore Market View, Q2 2019.
[2] Alexandra Technopark is a high-specification B1 industrial development located at the city-fringe, with certain physical attributes similar to business parks. Due to limited availability of market research information directly relevant to the asset class of Alexandra Technopark, market research information for business parks is provided for indicative reference.
[3] Subject to provisional scheme which is subject to change.
[4] Savills Research, Perth CBD Office, May 2019.
[5] Savills Research, Melbourne CBD Office, May 2019.
[6] CBRE Market View, Thames Valley & M25 Office, Q1 2019.

11. Distributions

(a) Current financial period

Name of distribution
Distribution to Unitholders ("Unitholders' Distribution") for the period from 1 April 2019 to 30 June 2019.

The Manager has determined that the Distribution Reinvestment Plan will apply to the distribution for the period from 1 April 2019 to 30 June 2019.

(b)(i) Distribution rate

	Unitholders' Distribution
	cents per Unit
Taxable income component	1.2300
Tax-exempt income component	0.6705
Capital component	0.4995
Total	**2.4000**

The Payment Date and Books Closure Date for the Unitholders' Distribution are stated in Section 11 (d) and (e) below.

(b)(ii) Corresponding period of preceding financial period

Unitholders' Distribution for the period from 1 April 2018 to 30 June 2018

	Unitholders' Distribution
	cents per Unit
Taxable income component	1.1767
Tax-exempt income component	0.3510
Capital component	0.8723
Total	**2.4000**

(c) Tax rate

Taxable income distribution
Qualifying investors and individuals (other than those who hold their Units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deducting of tax at the rate of 10.0%. Other investors will receive their distributions after deduction of tax at the rate of 17.0%.

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

Capital distribution
Capital distribution represents a return of capital for Singapore income tax purpose and is not subject to tax. For Unitholders who hold the Units as trading assets, the amount of capital distribution will be applied to reduce the cost base of the Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of Units.

(d) Date paid/ payable: 29 August 2019

(e) Books closure date: 30 July 2019

12. If no distribution has been declared (recommended), a statement to that effect.

Not applicable.

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

There is no general mandate obtained from Unitholders for IPTs.

14. Confirmation pursuant to Rule 705(5) of the SGX-ST Listing Manual

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render these interim financial results to be false or misleading, in any material aspect.

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

The Manager confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual.

For and on behalf of the Board of Directors of the Manager

Bobby Chin Yoke Choong
Director

Christopher Tang Kok Kai
Director

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

Catherine Yeo
Company Secretary
22 July 2019

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of management on future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.