FRASERS COMMERCIAL TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR ENDED 31 MARCH 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 31 March 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 January 2019 to 31 March 2019 ("2Q FY2019") vs 1 January 2018 to 31 March 2018 ("2Q FY2018")
- 1 October 2018 to 31 March 2019 ("1H FY2019") vs 1 October 2017 to 31 March 2018 ("1H FY2018")

	Group						
	1/1/2019 to 31/3/2019	1/1/2018 to 31/3/2018	Change		1/10/2018 to 31/3/2019	1/10/2017 to 31/3/2018	Change
	S$'000	S$'000	%		S$'000	S$'000	%
Gross revenue	30,402	33,014	(8%)		61,948	68,335	(9%)
Net property income	20,087	22,432	(10%)		41,209	47,290	(13%)
Total return for the period	13,618	11,333	20%		27,672	24,535	13%
Distribution Income for Unitholders	21,669	20,601	5%		43,219	40,057	8%
Distribution per Unit (cents)							
Unitholders							
For the period	2.40 (1)	2.40 (2)	-		4.80	4.80	-
Annualised	9.73	9.73	-		9.63	9.63	-

Footnotes:

(1) The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 902,911,651. 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 2Q FY2018 comprised:
  a. Advanced distribution of 0.800 cents per Unit declared for the period from 1 January 2018 to 31 January 2018 ("Advanced Distribution"). The number of Units used to calculate DPU for the period is 810,654,842.
  b. Distribution of 1.600 cents per Unit for the period from 1 February 2018 to 31 March 2018. The number of Units used to calculate DPU for the period is 882,217,408.

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

	Group					
	1/1/2019 to 31/3/2019	1/1/2018 to 31/3/2018	Change	1/10/2018 to 31/3/2019	1/10/2017 to 31/3/2018	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue [1]	30,402	33,014	(8%)	61,948	68,335	(9%)
Property operating expenses [2]	(10,315)	(10,582)	(3%)	(20,739)	(21,045)	(1%)
Net property income [3]	**20,087**	**22,432**	(10%)	**41,209**	**47,290**	(13%)
Share of results of joint venture [4]	1,594	1,347	18%	3,170	1,347	NM
Interest income	24	48	(50%)	61	141	(57%)
Manager's management fees	(3,305)	(3,418)	(3%)	(6,723)	(6,787)	(1%)
Trust expenses	(768)	(416)	85%	(1,280)	(871)	47%
Finance costs [5]	(4,641)	(6,182)	(25%)	(9,341)	(12,142)	(23%)
Net income before foreign exchange differences, fair value changes and taxation	**12,991**	**13,811**	(6%)	**27,096**	**28,978**	(6%)
Foreign exchange gain/ (loss)	653	(1,506)	NM	(959)	(2,822)	(66%)
Net change in fair value of investment properties [6]	109	(396)	NM	707	(348)	NM
Net change in fair value of derivative financial instruments	(108)	(344)	(69%)	78	(17)	NM
Realised gain on derivative financial instruments [7]	141	56	NM	176	56	NM
Total return before tax	**13,786**	**11,621**	19%	**27,098**	**25,847**	5%
Taxation [8]	(168)	(288)	(42%)	574	(1,312)	NM
Total return for the period	**13,618**	**11,333**	20%	**27,672**	**24,535**	13%

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

	Group					
	1/1/2019 to 31/3/2019	1/1/2018 to 31/3/2018	Change	1/10/2018 to 31/3/2019	1/10/2017 to 31/3/2018	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Total return for the period	**13,618**	**11,333**	20%	**27,672**	**24,535**	13%
Non-tax deductible / (non-taxable) items and other adjustments:						
Management fees payable in Units	3,305	3,418	(3%)	6,723	6,787	(1%)
Trustees' fees	158	168	(6%)	311	335	(7%)
Amortisation of borrowing costs	120	373	(68%)	244	635	(62%)
Unamortised borrowing costs expensed off	-	-	-	24	-	NM
Net change in fair value of investment properties	(109)	396	NM	(707)	348	NM
Net change in fair value of derivative financial instruments	108	344	(69%)	(78)	17	NM
Deferred taxation [8]	338	288	17%	(727)	335	NM
Unrealised exchange (gain)/loss	(560)	1,796	NM	1,108	2,864	(61%)
Effects of recognising accounting income on a straight line basis over the lease term	(699)	142	NM	(946)	382	NM
Gain on disposal of hotel development rights [10]	4,923	2,917	69%	8,708	4,853	79%
Other non tax deductible items and temporary differences	467	(574)	NM	887	(1,034)	NM
Net effect of non-tax deductible / (non-taxable) items and other adjustments	**8,051**	**9,268**	(13%)	**15,547**	**15,522**	-
Income available for distribution to Unitholders [9]	**21,669**	**20,601**	5%	**43,219**	**40,057**	8%
Unitholders' distribution comprise:						
- from operations	16,262	15,660	4%	33,188	31,722	5%
- from capital returns [10]	5,407	4,941	9%	10,031	8,335	20%
	21,669	**20,601**	5%	**43,219**	**40,057**	8%

NM - Not meaningful

Footnotes:

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

	Group					
	1/1/2019 to 31/3/2019	1/1/2018 to 31/3/2018	Change	1/10/2018 to 31/3/2019	1/10/2017 to 31/3/2018	Change
	S$'000	S$'000	%	S$'000	S$'000	%
China Square Central	6,274	5,470	15%	12,318	11,607	6%
55 Market Street (i)	-	1,295	NM	-	2,643	NM
Alexandra Technopark	7,702	9,593	(20%)	16,463	20,618	(20%)
Central Park	6,013	5,796	4%	12,106	11,606	4%
Caroline Chisholm Centre	5,036	5,393	(7%)	10,155	10,804	(6%)
357 Collins Street	5,377	5,467	(2%)	10,906	11,057	(1%)
	30,402	**33,014**	(8%)	**61,948**	**68,335**	(9%)

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

	Group					
	1/1/2019 to 31/3/2019	1/1/2018 to 31/3/2018	Change	1/10/2018 to 31/3/2019	1/10/2017 to 31/3/2018	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Property maintenance expenses	3,050	3,717	(18%)	5,925	7,198	(18%)
Property management fees	567	655	(13%)	1,171	1,375	(15%)
Property tax	1,921	2,037	(6%)	3,935	3,990	(1%)
Utilities	1,405	1,704	(18%)	2,885	3,581	(19%)
Professional fees	784	830	(6%)	1,624	1,637	(1%)
Insurance	242	113	NM	482	229	NM
Council rates	530	550	(4%)	1,085	1,103	(2%)
Amortisation of leasing commission	272	225	21%	515	432	19%
Amortisation of leasing incentives	1,022	420	NM	2,051	770	NM
Other operating expenses	522	331	58%	1,066	730	46%
	10,315	**10,582**	(3%)	**20,739**	**21,045**	(1%)

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

	Group					
	1/1/2019 to 31/3/2019	1/1/2018 to 31/3/2018	Change	1/10/2018 to 31/3/2019	1/10/2017 to 31/3/2018	Change
	S$'000	S$'000	%	S$'000	S$'000	%
China Square Central	4,132	3,205	29%	7,939	7,136	11%
55 Market Street (i)	-	862	NM	-	1,784	NM
Alexandra Technopark	4,713	6,396	(26%)	10,468	14,014	(25%)
Central Park	3,211	3,547	(9%)	6,529	7,257	(10%)
Caroline Chisholm Centre	4,149	4,346	(5%)	8,360	8,841	(5%)
357 Collins Street	3,882	4,076	(5%)	7,913	8,258	(4%)
	20,087	**22,432**	(10%)	**41,209**	**47,290**	(13%)

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 competed 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						
	1/1/2019 to 31/3/2019	1/1/2018 to 31/3/2018	Change		1/10/2018 to 31/3/2019	1/10/2017 to 31/3/2018	Change
	S$'000	S$'000	%		S$'000	S$'000	%
Net property income [(i)]	2,105	1,479	42%		4,850	1,479	NM
Other expenses, net [(ii)]	(511)	(132)	NM		(1,680)	(132)	NM
Share of results of joint venture, net of tax	**1,594**	**1,347**	18%		**3,170**	**1,347**	NM

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$1,739,000 for 2Q FY2019 and S$3,588,000 for 1H FY2019 (2Q FY2018 and 1H FY2018: S$1,306,000).

(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						
	1/1/2019 to 31/3/2019	1/1/2018 to 31/3/2018	Change		1/10/2018 to 31/3/2019	1/10/2017 to 31/3/2018	Change
	S$'000	S$'000	%		S$'000	S$'000	%
Interest expense	4,521	5,809	(22%)		9,073	11,507	(21%)
Unamortised borrowing costs expensed off	-	-	-		24	-	NM
Amortisation of borrowing costs	120	373	(68%)		244	635	(62%)
	4,641	**6,182**	(25%)		**9,341**	**12,142**	(23%)

NM - Not meaningful

The unamortised borrowing costs expensed off during 1H FY2019 was related 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 gain on derivative financial instruments refers to 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						
	1/1/2019 to 31/3/2019	1/1/2018 to 31/3/2018	Change		1/10/2018 to 31/3/2019	1/10/2017 to 31/3/2018	Change
	S$'000	S$'000	%		S$'000	S$'000	%
Gain on disposal of hotel development rights [(a)]	4,923	2,917	69%		8,708	4,853	79%
Return of capital from a subsidiary [(b)]	-	1,359	NM		-	2,817	NM
Return of capital from a joint venture [(c)]	484	665	(27%)		1,323	665	99%
	5,407	**4,941**	9%		**10,031**	**8,335**	20%

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	
	31/3/2019	30/9/2018	31/3/2019	30/9/2018
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Investment properties (1)	1,970,544	1,977,288	1,150,562	1,140,400
Subsidiaries	-	-	579,192	472,422
Investment in joint venture (2)	155,722	156,999	-	-
Loan to a subsidiary	-	-	-	86,173
Fixed assets	45	40	45	40
Deferred tax asset	320	330	-	-
Derivative financial instruments (3)	2,328	1,734	2,328	1,734
	2,128,959	**2,136,391**	**1,732,127**	**1,700,769**
Current assets				
Trade and other receivables	5,307	5,100	113,472	99,465
Cash and bank balances	23,972	31,589	21,774	25,738
	29,279	**36,689**	**135,246**	**125,203**
Total assets	**2,158,238**	**2,173,080**	**1,867,373**	**1,825,972**
Current liabilities				
Borrowings (net of transaction costs) (4)	(102,412)	(17,000)	(102,412)	(17,000)
Trade and other payables (5)	(28,573)	(37,781)	(21,046)	(29,094)
Current portion of security deposits	(5,083)	(6,562)	(5,083)	(6,562)
Derivative financial instruments (3)	(487)	(237)	-	-
Provision for taxation (6)	(2,679)	(3,110)	-	-
	(139,234)	**(64,690)**	**(128,541)**	**(52,656)**
Net current (liabilities)/ assets (7)	**(109,955)**	**(28,001)**	**6,705**	**72,547**
Non-current liabilities				
Borrowings (net of transaction costs) (4)	(523,820)	(596,490)	(334,253)	(389,209)
Derivative financial instruments (3)	(3,303)	(454)	(233)	(112)
Non-current portion of security deposits	(9,247)	(7,621)	(9,247)	(7,621)
Deferred tax liabilities (8)	(70,034)	(72,994)	-	-
	(606,404)	**(677,559)**	**(343,733)**	**(396,942)**
Total liabilities	**(745,638)**	**(742,249)**	**(472,274)**	**(449,598)**
Net assets attributable to Unitholders	**1,412,600**	**1,430,831**	**1,395,099**	**1,376,374**
Represented by:				
Unitholders' funds (9)	**1,412,600**	**1,430,831**	**1,395,099**	**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 incentives. As at 31 March 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 31 March 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 ongoing asset enhancement initiatives ("AEI") at Alexandra Technopark and China Square Central. This was partially offset by the weakening of the Australian Dollar as at 31 March 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 decrease in provision for tax was mainly attributable to payment of tax during the current period offset by the tax provision for the current period.

(7) The net current liabilities position as at 31 March 2019 was mainly due to the S$100 million medium term notes that are 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 believes that it 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.

(9) The decrease in Unitholders' funds was mainly due to:
- effects of the weaker Australian Dollar as at 31 March 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 1Q FY2019 and 4Q FY2018 paid during the period ended 31 March 2019.

This was offset by:
- total returns generated for the Group for the period ended 31 March 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 31/3/2019		As at 30/9/2018	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
-	102,474	-	17,000

Amount repayable after one year

Group			
As at 31/3/2019		As at 30/9/2018	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
-	525,119	-	597,984

Details of any collateral

All borrowings as at 31 March 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			
	1/1/2019 to 31/3/2019	1/1/2018 to 31/3/2018	1/10/2018 to 31/3/2019	1/10/2017 to 31/3/2018
	S$'000	S$'000	S$'000	S$'000
Operating activities:				
Total return before tax	13,786	11,621	27,098	25,847
Adjustments for:-				
Finance costs	4,641	6,182	9,341	12,142
Effect of recognising accounting income on a straight-line basis over the lease term	(699)	142	(946)	382
Depreciation	5	6	10	12
Amortisation of leasing commission	272	225	515	432
Amortisation of leasing incentives	1,022	420	2,051	770
Interest income	(24)	(48)	(61)	(141)
Management fees payable in Units [1]	3,305	3,418	6,723	6,787
Share of results of joint venture	(1,594)	(1,347)	(3,170)	(1,347)
Net change in fair value of derivative financial instruments	108	344	(78)	17
Net change in fair value of investment properties	(109)	396	(707)	348
Realised gain on derivative financial instruments	(141)	(56)	(176)	(56)
Operating income before working capital changes	**20,572**	**21,303**	**40,600**	**45,193**
Changes in working capital:-				
Trade and other receivables	(800)	14,344	(221)	4,363
Trade and other payables	(4,812)	(9,256)	(14,742)	(11,416)
Cash generated from operations	**14,960**	**26,391**	**25,637**	**38,140**
Tax paid	(531)	(1,410)	(532)	(1,411)
Net cash generated from operating activities	**14,429**	**24,981**	**25,105**	**36,729**
Investing activities:				
Capital expenditure and leasing incentives on investment properties	(7,590)	(19,342)	(10,805)	(25,343)
Payment for leasing costs capitalised	(426)	(638)	(910)	(1,037)
Investment in a joint venture	-	(138,675)	-	(154,511)
Net income and capital returns received from joint venture	1,745	-	3,160	-
Purchase of fixed assets	(9)	-	(15)	-
Interest received	143	48	76	186
Net cash used in investing activities	**(6,137)**	**(158,607)**	**(8,494)**	**(180,705)**
Financing activities:				
Proceeds from private placement of Units	-	99,999	-	99,999
Proceeds from borrowings	75,469	210,455	87,469	210,455
Repayment of borrowings	(57,000)	(150,455)	(68,935)	(150,455)
Realisation of derivative financial instruments	141	56	176	56
Finance costs paid	(6,389)	(7,440)	(8,693)	(11,339)
Issue costs paid	(90)	(1,503)	(160)	(1,583)
Distributions paid [2]	(16,955)	(24,385)	(33,784)	(39,603)
Transaction costs on borrowings	(125)	(119)	(125)	(171)
Net cash (used in)/generated from financing activities	**(4,949)**	**126,608**	**(24,052)**	**107,359**
Net increase/(decrease) in cash and cash equivalents	**3,343**	**(7,018)**	**(7,441)**	**(36,617)**
Cash and cash equivalents at beginning of period	20,661	44,884	31,589	74,609
Effect of exchange rate changes	(32)	(110)	(176)	(236)
Cash and cash equivalents at end of period [3]	**23,972**	**37,756**	**23,972**	**37,756**

Footnotes

(1) These amounts represent Units issuable in satisfaction of management fees payable in Units amounting to S$3.3 million for 2Q FY2019 (2Q FY2018: S$3.4 million) and S$6.7 million for 1H FY2019 (1H FY2018: S$6.8 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$4.6 million during 2Q FY2019 (2Q FY2018: S$1.6 million) and S$9.2 million during 1H FY2018 (1H FY2018: S$5.7 million).

Distributions to Unitholders in 2Q FY2018 and 1H FY2018 included the Advanced Distribution of S$6.5 million paid on 12 March 2018.

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

	Group	
	31/3/2019	31/3/2018
	S$'000	S$'000
Bank and cash balances	14,370	28,643
Fixed deposits	9,602	9,113
Cash and cash equivalents	23,972	37,756

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

	Group		Trust	
	1/1/2019 to 31/3/2019	1/1/2018 to 31/3/2018	1/1/2019 to 31/3/2019	1/1/2018 to 31/3/2018
Movement from 1 January to 31 March	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance at beginning of period	**1,418,669**	**1,274,894**	**1,375,167**	**1,198,971**
Operations				
Change in net assets attributable to Unitholders resulting from operations	**13,618**	**11,333**	**34,175**	**6,595**
Unitholders' transactions				
Issue of Units	7,271	105,715	7,271	105,715
Issue expenses	(90)	(1,503)	(90)	(1,503)
Distributions to Unitholders [1]	(21,550)	(25,941)	(21,550)	(25,941)
Change in Unitholders' funds resulting from Unitholders' transactions	**(14,369)**	**78,271**	**(14,369)**	**78,271**
Foreign currency translation reserve				
Movement for the period	**(3,565)**	**(12,629)**	**-**	**-**
Hedging reserve				
Net fair value changes on derivative financial instruments	**(1,753)**	**1,104**	**126**	**825**
Balance at end of period	**1,412,600**	**1,352,973**	**1,395,099**	**1,284,662**

	Group		Trust	
	1/10/2018 to 31/3/2019	1/10/2017 to 31/3/2018	1/10/2018 to 31/3/2019	1/10/2017 to 31/3/2018
Movement from 1 October to 31 March	**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	**27,672**	**24,535**	**44,467**	**14,440**
Unitholders' transactions				
Issue of Units	17,589	110,515	17,589	110,515
Issue expenses	(160)	(1,583)	(160)	(1,583)
Distributions to Unitholders [1]	(42,972)	(45,337)	(42,972)	(45,337)
Change in Unitholders' funds resulting from Unitholders' transactions	**(25,543)**	**63,595**	**(25,543)**	**63,595**
Foreign currency translation reserve				
Movement for the period	**(17,183)**	**(26,403)**	**-**	**-**
Hedging reserve				
Net fair value changes on derivative financial instruments	**(3,177)**	**1,897**	**(199)**	**1,362**
Balance at end of period	**1,412,600**	**1,352,973**	**1,395,099**	**1,284,662**

Footnotes

(1) Distributions to Unitholders in 2Q FY2018 and 1H FY2018 included the Advanced Distribution of S$6.5 million.

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

	1/1/2019 to 31/3/2019	1/1/2018 to 31/3/2018	1/10/2018 to 31/3/2019	1/10/2017 to 31/3/2018
	Units	Units	Units	Units
Issued Units				
Balance at beginning of period	895,965,868	808,862,451	888,600,618	805,363,832
Issue of Units - management fees	1,963,005	1,792,391	5,946,275	2,243,926
Issue of Units - Private Placement	-	67,567,000	-	67,567,000
Issue of Units - acquisition fees	-	1,038,661	-	1,038,661
Issue of Units - Distribution Reinvestment Plan	3,164,900	1,072,299	6,546,880	4,119,383
Balance at end of period	901,093,773	880,332,802	901,093,773	880,332,802
Issued and issuable Units				
Issued Units at end of period	901,093,773	880,332,802	901,093,773	880,332,802
- Base Management fees payable in Units (1)	1,817,878	1,884,606	1,817,878	1,884,606
- Performance Management fees payable in Units (2)	989,885	1,073,256	989,885	1,073,256
Issued and issuable Units at end of period	903,901,536	883,290,664	903,901,536	883,290,664

Footnote:

(1) 1,817,878 Units (2Q FY2018: 1,884,606 Units) will be issued to the Manager as payment for management fees for the financial quarter ended 31 March 2019. This accounts for 100% (2Q 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 31 March 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 31 March 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

	1/1/2019 to 31/3/2019	1/1/2018 to 31/3/2018	1/10/2018 to 31/3/2019	1/10/2017 to 31/3/2018
	S$'000	S$'000	S$'000	S$'000
Total return after taxation and before distribution	13,618	11,333	27,672	24,535
EPU				
Weighted average number of Units in issue	898,517,348	855,509,500	895,627,853	830,884,820
Basic EPU (cents)[(1)]	1.52	1.32	3.09	2.95
DPU				
Number of issued and issuable Units entitled to distribution [(2)]	902,911,651	882,217,408	902,911,651	882,217,408
DPU based on the total number of issued and issuable Units entitled to distribution (cents)	2.40	2.40	4.80	4.80

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 2Q FY2019 and 2Q 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 31 March 2019 of 901,093,773; and
  b. 1,817,878 Units to be issued to the Manager, in consideration of 100% of the base management fee payable for the quarter ended 31 March 2019.

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

	Group		Trust	
	31/3/2019	30/9/2018	31/3/2019	30/9/2018
Unitholders' funds at end of period (S$'000)	1,412,600	1,430,831	1,395,099	1,376,374
Number of Units issued at the end of the period ('000)	901,094	888,601	901,094	888,601
Unitholders' funds per Unit (S$)	1.57	1.61	1.55	1.55
Adjusted Unitholders' funds per Unit (excluding distributions) (S$)	1.54	1.59	1.52	1.52

8. Review of performance

(a) Variance between 2Q FY2019 and 2Q FY2018

Portfolio net property income for 2Q FY2019 was S$20.1 million, 10% lower than that of 2Q 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;
- effects of the average weaker Australian Dollar during 2Q FY2019 as compared to 2Q FY2018 on the income from Australian properties; and
- the disposal of 55 Market Street being completed on 31 August 2018.

The decrease was partially offset by a one-off income received from a tenant at 357 Collins Street in relation to termination of lease and lower property maintenance expenses and utilities incurred for the Singapore properties.

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$1.5 million in 2Q FY2019 as compared to 2Q 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 2Q FY2019 included deferred tax adjustment for the Australian properties which had tax losses for the period due to leasing incentives disbursed 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 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 1H FY2019 and 1H FY2018

Net property income for 1H FY2019 was S$41.2 million, 13% lower than that of 1H FY2018. The decrease was mainly due to:-

- lower occupancy rates for China Square Central and Alexandra Technopark;
- higher amortisation of leasing incentives for Central Park and 357 Collins Street;
- higher property tax for Alexandra Technopark;
- effects of the average weaker Australian Dollar during 1H FY2019 as compared to 1H FY2018 on the income from Australian properties; and
- the disposal of 55 Market Street being completed on 31 August 2018.

The decrease was partially offset by one-off income received from certain tenants at 357 Collins Street in relation to termination of leases and lower property maintenance expenses and utilities incurred for the Singapore properties.

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$2.8 million in 1H FY2019 as compared to that of 1H 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 1H FY2019 included deferred tax adjustment for the Australian properties which had tax losses for the period due to leasing incentives disbursed 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 April 2019 that based on advance estimates, the Singapore economy grew by 1.3% on a year-on-year basis in 1Q 2019, moderating from the 1.9% growth in 4Q 2018. On a quarter-on-quarter ("qoq") seasonally-adjusted annualised basis, the economy expanded by 2.0% in 1Q 2019, outperforming the 1.4% growth in 4Q 2018. For the whole of 2018, the economy grew by 3.2%. MTI had also announced on 15 February 2019 that it was of the view that the pace of growth in the Singapore economy is expected to slow in 2019 as compared to 2018. Growth in manufacturing and outward-oriented services sectors, such as wholesale trade, transportation and storage and finance and insurance, are projected to ease. Other services sectors, such as information and communications and education, health and social services, are expected to remain resilient. Overall, MTI expects the Singapore economy to grow by 1.5% to 3.5% in 2019.

For the office market, CBRE[1] reported that the overall market continued to look robust with tightening vacancy, healthy absorption levels and increasing rents. Island-wide office vacancy rate reduced to 5.3% as at March 2019 compared to 5.8% as at December 2018. Tenant demand was mainly driven by the technology sector and co-working space operators, while the majority of leasing activity comprised small and medium sized transactions. As at end 1Q 2019, average rents increased 3.2% qoq to S$11.15 per square feet ("psf") per month for Grade A CBD Core, 3.0% qoq to S$8.55 psf per month for Grade B CBD Core and 2.6% qoq to S$7.90 psf per month for island-wide Grade B. According to CBRE, the positive outlook for rents is supported by the tapering of new supply in the medium term. CBRE also expects a potential reduction in the existing supply due to redevelopment activities.

For the business park market[2], CBRE[1] reported that island-wide vacancy decreased from 13.7% as at December 2018 to 12.8% as at March 2019, partly due to a decrease in stock. Net absorption was weak given the limited availability of quality space. As at the end of 1Q 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 in the city fringe remains positive.

FCOT had announced on 20 October 2017 that the retail podium at 18 Cross Street, China Square Central, would undergo 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.

At Alexandra Technopark, Microsoft Operations Pte Ltd ("Microsoft") has exercised an option to pre-terminate its leases (in respect of an aggregate of 77,761 sf of space) on 26 January 2020, or two years before the original lease expiry date. The aggregate space to be vacated by Microsoft constitutes around 7.5% of the total net lettable area of the property as at 31 March 2019 and contributed 3.1% of the portfolio gross rental income of FCOT for the month ended 31 March 2019. The committed occupancy at Alexandra Technopark was 59.2% as at 31 March 2019. The Manager is currently in discussions, including advance discussions, with various prospective tenants to lease space at the property. There is no certainty that any definitive agreements would be entered into in respect of these on-going discussions. Appropriate announcements will be made in due course in the event that there are any material developments.

Australia

In the Reserve Bank of Australia's ("RBA") Statement on Monetary Policy Decision released on 2 April 2019, the cash rate remained unchanged at 1.50% per annum. The Australian economy continued to be supported by low interest rates and growth in the global economy. Employment growth remains strong. According to RBA, higher levels of spending on public infrastructure, increase in private investment and steady growth in employment are expected to support growth. The RBA expects the gross domestic product ("GDP") to grow by 3.0% 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, Knight Frank Research[4] reported that the improving business sentiment in Western Australia's economy continued to benefit the office market, especially the Premium Grade and A Grade CBD office segments. Total vacancy reduced from 19.8% in January 2018 to 18.5% in January 2019. Full year net absorption of 15,333 square metres ("sqm") recorded for 2018 indicated a recovery for the office market, albeit at a slow pace. Prime Grade average net face rent was A$540 to A$640 per sqm per annum as at January 2019, with average lease incentives between 40% and 50%. Knight Frank expects Prime Grade net effective rents to continue growing as the level of incentives decline.

For the Melbourne CBD office market, Knight Frank Research[5] reported that total vacancy reduced from 4.5% in January 2018 to 3.2% in January 2019, the lowest level recorded in ten years. Demand for office space continued to be strong in the Prime Grade office space, accounting for about 96.6% of 69,898 sqm total absorption in the past six months. The office market continued to be strong, on the back of strong economic performance in the state of Victoria and rising demand for flexible working space. Melbourne CBD Prime Grade office average net face rent was A$638 per sqm per annum as at January 2019, with lease incentives between 22% to 28%. Knight Frank projects that net face rents are expected to rise by 9.0% in 2019, after which the rate of growth is expected to decline with the next delivery of new supply in 2020.

At Central Park, WeWork has committed to lease an aggregate of approximately 86,000 sf of space representing around 12.0% of the total net lettable area of the property as at 31 March 2019. The leases are scheduled to commence in September and November 2019. Including the take-up by WeWork, the committed occupancy rate for Central Park increased to 83.5% as at 31 March 2019 from 71.5% as at 31 December 2018.

There are plans to carry out an asset enhancement initiatives to the office lobby and forecourt areas of Central Park ("CP AEI") at an estimated cost of S$23 million (FCOT's 50.0% share: S$11.5 million). Works are currently expected to commence in 2Q 2019 and 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 20 March 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 labour market remains tight. The MPC was of the view that the United Kingdom's ("UK") GDP is expected to grow by around 1.2% in 2019.

The European Union ("EU") had on 10 April 2019 extended the deadline for the UK's date of departure from the bloc ("Brexit") until 31 October 2019. This was the second extension of the date which was originally scheduled on 29 March 2019. While there remains uncertainty in the future course of development and eventual outcome of Brexit, the Manager remains confident about the long-term prospects of the UK.

For the Thames Valley office market, CBRE Research[6] reported that rents generally remained stable in 2018 with prime office rents in the majority of locations achieving all-time highs. For the Farnborough area, the indicative headline prime office rent was stable at £29.0 psf per annum as at December 2018, 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 increase in the next twelve months, while incentives are expected to remain stable during the same period. The lack of new developments in Thames Valley could help to maintain rent levels.

[1] CBRE, Singapore Market View, Q1 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] Knight Frank Research, Perth CBD Office Market Overview, March 2019.
[5] Knight Frank Research, Melbourne CBD Office Market Overview, March 2019.
[6] CBRE Market View, Thames Valley & M25 Office, H2 2018.

11. Distributions

(a) Current financial period

Name of distribution
Distribution to Unitholders ("Unitholders' Distribution") for the period from 1 January 2019 to 31 March 2019.

The Manager has determined that the Distribution Reinvestment Plan will apply to the distribution for the period from 1 January 2019 to 31 March 2019.

(b)(i) Distribution rate

	Unitholders' Distribution
	cents
Taxable income component	1.1917
Tax-exempt income component	0.6095
Capital component	0.5988
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 January 2018 to 31 March 2018

	Advanced Distribution	Unitholders' Distribution	Total
	cents	cents	cents
Taxable income component	0.5327	0.7592	1.2919
Tax-exempt income component	0.1277	0.4090	0.5367
Capital component	0.1396	0.4318	0.5714
Total	**0.8000**	**1.6000**	**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: 30 May 2019

(e) Books closure date: 2 May 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
23 April 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.