FRASERS COMMERCIAL TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR ENDED 31 MARCH 2018

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. (formerly known as Frasers Centrepoint Asset Management (Commercial) Ltd.) (as manager of FCOT) (the "Manager") and British and Malayan Trustees Limited (as trustee of FCOT) (the "Trustee").

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

The portfolio of FCOT as at 31 March 2018 consists of direct and indirect interests in seven properties as follows:-

Singapore

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

Australia

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

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 2018 to 31 March 2018 ("2Q2018") vs 1 January 2017 to 31 March 2017 ("2Q2017")
- 1 October 2017 to 31 March 2018 ("1H2018") vs 1 October 2016 to 31 March 2017 ("1H2017")

	Group					
	1/1/2018 to 31/3/2018	1/1/2017 to 31/3/2017	Change	1/10/2017 to 31/3/2018	1/10/2016 to 31/3/2017	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue	33,014	40,240	(18%)	68,335	79,919	(14%)
Net property income	22,432	30,020	(25%)	47,290	59,232	(20%)
Total return for the period	11,333	19,224	(41%)	24,535	37,960	(35%)
Distribution Income for Unitholders	20,601	20,022	3%	40,057	39,961	-
Distribution per Unit (cents)						
Unitholders						
For the period	2.40 (1)	2.51 (2)	(4%)	4.80	5.01	(4%)
Annualised	9.73	10.16	(4%)	9.63	10.05	(4%)

Footnotes:

(1) The distribution per Unit ("DPU") for 2Q2018 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.

  Please see Section 6 for the details of changes in the number of issued and issuable Units entitled to distribution.

(2) The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 799,065,416.

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

	Group					
	1/1/2018 to 31/3/2018	1/1/2017 to 31/3/2017	Change	1/10/2017 to 31/3/2018	1/10/2016 to 31/3/2017	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue [1]	33,014	40,240	(18%)	68,335	79,919	(14%)
Property operating expenses [2]	(10,582)	(10,220)	4%	(21,045)	(20,687)	2%
Net property income [3]	**22,432**	**30,020**	(25%)	**47,290**	**59,232**	(20%)
Share of results of joint venture [4]	1,347	-	NM	1,347	-	NM
Interest income	48	83	(42%)	141	217	(35%)
Manager's management fees	(3,418)	(3,443)	(1%)	(6,787)	(6,885)	(1%)
Trust expenses	(416)	(521)	(20%)	(871)	(904)	(4%)
Finance costs [5]	(6,182)	(6,359)	(3%)	(12,142)	(12,352)	(2%)
Net income before foreign exchange differences, fair value changes and taxation	**13,811**	**19,780**	(30%)	**28,978**	**39,308**	(26%)
Foreign exchange (loss)/gain	(1,506)	1,250	NM	(2,822)	1,498	NM
Net change in fair value of investment properties [6]	(396)	69	NM	(348)	350	NM
Net change in fair value of derivative financial instruments	(344)	(270)	27%	(17)	(183)	(91%)
Realised gain/(loss) on derivative financial instruments [7]	56	(525)	NM	56	(710)	NM
Total return before tax	**11,621**	**20,304**	(43%)	**25,847**	**40,263**	(36%)
Taxation [8]	(288)	(1,080)	(73%)	(1,312)	(2,303)	(43%)
Total return for the period	**11,333**	**19,224**	(41%)	**24,535**	**37,960**	(35%)

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

	Group						
	1/1/2018 to 31/3/2018	1/1/2017 to 31/3/2017	Change		1/10/2017 to 31/3/2018	1/10/2016 to 31/3/2017	Change
	S$'000	S$'000	%		S$'000	S$'000	%
Total return for the period	**11,333**	**19,224**	(41%)		**24,535**	**37,960**	(35%)
Non-tax deductible / (non-taxable) items and other adjustments:							
Management fees payable in Units	3,418	-	NM		6,787	-	NM
Trustees' fees	168	159	6%		335	315	6%
Amortisation of borrowing costs	373	355	5%		635	732	(13%)
Unamortised borrowing costs expensed off	-	404	NM		-	404	NM
Net change in fair value of investment properties	396	(69)	NM		348	(350)	NM
Net change in fair value of derivative financial instruments	344	270	27%		17	183	(91%)
Deferred taxation	288	(116)	NM		335	156	NM
Unrealised exchange loss/(gain)	1,796	(1,593)	NM		2,864	(1,842)	NM
Effects of recognising accounting income on a straight line basis over the lease term	142	538	(74%)		382	670	(43%)
Gain on disposal of hotel development rights	2,917	867	NM		4,853	1,717	NM
Other non tax deductible items and temporary differences	(574)	(17)	NM		(1,034)	16	NM
Net effect of non-tax deductible / (non-taxable) items and other adjustments	**9,268**	**798**	NM		**15,522**	**2,001**	NM
Income available for distribution to Unitholders [9]	**20,601**	**20,022**	3%		**40,057**	**39,961**	-
Unitholders' distribution comprise:							
- from operations	15,660	18,185	(14%)		31,722	35,935	(12%)
- from capital returns [10]	4,941	1,837	NM		8,335	4,026	NM
	20,601	**20,022**	3%		**40,057**	**39,961**	-

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					
	1/1/2018 to 31/3/2018 S$'000	1/1/2017 to 31/3/2017 S$'000	Change %	1/10/2017 to 31/3/2018 S$'000	1/10/2016 to 31/3/2017 S$'000	Change %
China Square Central	5,470	6,672	(18%)	11,607	13,511	(14%)
55 Market Street	1,295	1,488	(13%)	2,643	2,945	(10%)
Alexandra Technopark	9,593	12,907	(26%)	20,618	26,267	(22%)
Central Park	5,796	7,849	(26%)	11,606	14,749	(21%)
Caroline Chisholm Centre	5,393	5,620	(4%)	10,804	11,172	(3%)
357 Collins Street	5,467	5,704	(4%)	11,057	11,275	(2%)
	33,014	**40,240**	(18%)	**68,335**	**79,919**	(14%)

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

	Group					
	1/1/2018 to 31/3/2018 S$'000	1/1/2017 to 31/3/2017 S$'000	Change %	1/10/2017 to 31/3/2018 S$'000	1/10/2016 to 31/3/2017 S$'000	Change %
Property maintenance expenses	3,717	3,418	9%	7,198	7,095	1%
Property management fees	655	809	(19%)	1,375	1,619	(15%)
Property tax	2,037	2,160	(6%)	3,990	4,049	(1%)
Utilities	1,704	1,514	13%	3,581	3,138	14%
Professional fees	830	883	(6%)	1,637	1,724	(5%)
Insurance	113	117	(3%)	229	240	(5%)
Council rates	550	562	(2%)	1,103	1,115	(1%)
Amortisation of leasing commission	225	246	(9%)	432	492	(12%)
Other operating expenses	751	511	47%	1,500	1,215	23%
	10,582	**10,220**	4%	**21,045**	**20,687**	2%

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

	Group					
	1/1/2018 to 31/3/2018 S$'000	1/1/2017 to 31/3/2017 S$'000	Change %	1/10/2017 to 31/3/2018 S$'000	1/10/2016 to 31/3/2017 S$'000	Change %
China Square Central	3,205	4,437	(28%)	7,136	9,051	(21%)
55 Market Street	862	1,077	(20%)	1,784	2,120	(16%)
Alexandra Technopark	6,396	9,731	(34%)	14,014	19,843	(29%)
Central Park	3,547	5,882	(40%)	7,257	10,443	(31%)
Caroline Chisholm Centre	4,346	4,639	(6%)	8,841	9,238	(4%)
357 Collins Street	4,076	4,254	(4%)	8,258	8,537	(3%)
	22,432	**30,020**	(25%)	**47,290**	**59,232**	(20%)

Footnotes:

(4) The share of results of joint venture relates to FCOT's 50% interest in the profits from Farnborough Business Park Limited (formerly known as HEREF Farnborough Limited) for the period from 29 January 2018 (date of completion) to 31 March 2018. Summary of the share of results of joint venture, based on FCOT's 50% interest in the joint venture are as follows:

	Group						
	1/1/2018 to 31/3/2018	**1/1/2017 to 31/3/2017**	**Change**		**1/10/2017 to 31/3/2018**	**1/10/2016 to 31/3/2017**	**Change**
	S$'000	**S$'000**	**%**		**S$'000**	**S$'000**	**%**
Gross revenue [(i)]	1,659	-	NM		1,659	-	NM
Property operating expenses	(180)	-	NM		(180)	-	NM
Net property income	1,479	-	NM		1,479	-	NM
Other expenses	(132)	-	NM		(132)	-	NM
Share of results of joint venture, net of tax	**1,347**	**-**	NM		**1,347**	**-**	NM

Note:

(i) Gross revenue includes rental income, 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. The effects of recognising accounting income on a straight line basis over the terms of respective leases are S$173,000 (FCOT's 50% interest) for the current period.

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

	Group						
	1/1/2018 to 31/3/2018	**1/1/2017 to 31/3/2017**	**Change**		**1/10/2017 to 31/3/2018**	**1/10/2016 to 31/3/2017**	**Change**
	S$'000	**S$'000**	**%**		**S$'000**	**S$'000**	**%**
Interest expense	5,809	5,600	4%		11,507	11,216	3%
Unamortised borrowing costs expensed off	-	404	NM		-	404	NM
Amortisation of borrowing costs	373	355	5%		635	732	(13%)
	6,182	**6,359**	(3%)		**12,142**	**12,352**	(2%)

NM - Not meaningful

The unamortised borrowing costs of approximately S$0.4 million expensed off during 2Q2017 was related to the partial early refinancing of loan facilities.

(6) The net change in fair value of investment properties in 2Q2018 and 2Q2017 was related to the adjustment of the changes in carrying value of the investment properties during the respective periods. The changes in the carrying value of the investment properties mainly arose from the recognition of rental income on a straight-line basis in accordance with the Singapore Financial Reporting Standards and the increase in leasing fees capitalised, net of amortisation of leasing costs.

(7) Included in the realised gain/(loss) on derivative financial instruments are the following:

	Group					
	1/1/2018 to 31/3/2018	1/1/2017 to 31/3/2017	Change	1/10/2017 to 31/3/2018	1/10/2016 to 31/3/2017	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Loss arising from termination of interest rate swap	-	(214)	NM	-	(214)	NM
Gain/(loss) arising from realisation of foreign currency forward contracts	56	(311)	NM	56	(496)	NM
	56	**(525)**	NM	**56**	**(710)**	NM

NM - Not meaningful

(8) The decline in taxation is due to increased tax deductions available for the Australian properties, arising from higher capital allowances and deductible expenses.

(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					
	1/1/2018 to 31/3/2018	1/1/2017 to 31/3/2017	Change	1/10/2017 to 31/3/2018	1/10/2016 to 31/3/2017	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gain on disposal of hotel development rights [(a)]	2,917	867	NM	4,853	1,717	NM
Return of capital from a subsidiary [(b)]	1,359	970	40%	2,817	2,309	22%
Return of capital from a joint venture [(c)]	665	-	NM	665	-	NM
	4,941	**1,837**	NM	**8,335**	**4,026**	NM

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 is 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 to distribute earnings trapped due to non-cash accounting items.

(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 FCOT's 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	
	31/3/2018	30/9/2017	31/3/2018	30/9/2017
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Investment properties [1]	2,058,355	2,070,857	1,225,951	1,212,000
Investment in joint venture [2]	161,265	-	-	-
Subsidiaries	-	-	313,236	313,236
Loan to a subsidiary	-	-	248,322	92,542
Fixed assets	54	65	54	65
Deferred tax asset	338	355	-	-
Derivative financial instruments [3]	80	-	80	-
	2,220,092	**2,071,277**	**1,787,643**	**1,617,843**
Current assets				
Trade and other receivables [4]	7,559	13,056	86,771	74,097
Cash and bank balances	37,756	74,609	30,557	69,654
	45,315	**87,665**	**117,328**	**143,751**
Total assets	**2,265,407**	**2,158,942**	**1,904,971**	**1,761,594**
Current liabilities				
Borrowings (net of transaction costs) [5]	(176,509)	(183,194)	(39,972)	(39,934)
Trade and other payables [6]	(25,338)	(29,386)	(18,790)	(16,498)
Current portion of security deposits	(7,911)	(5,670)	(7,911)	(5,670)
Derivative financial instruments [3]	(948)	(2,845)	(141)	(1,503)
Provision for taxation [7]	(2,863)	(3,456)	-	-
	(213,569)	**(224,551)**	**(66,814)**	**(63,605)**
Net current (liabilities)/ assets [8]	**(168,254)**	**(136,886)**	**50,514**	**80,146**
Non-current liabilities				
Borrowings (net of transaction costs)	(620,973)	(564,756)	(545,244)	(485,251)
Derivative financial instruments [3]	(68)	(50)	(68)	(50)
Non-current portion of security deposits	(8,183)	(7,423)	(8,183)	(7,423)
Deferred tax liabilities [9]	(69,641)	(72,813)	-	-
	(698,865)	**(645,042)**	**(553,495)**	**(492,724)**
Total liabilities	**(912,434)**	**(869,593)**	**(620,309)**	**(556,329)**
Net assets attributable to Unitholders	**1,352,973**	**1,289,349**	**1,284,662**	**1,205,265**
Represented by:				
Unitholders' funds [10]	**1,352,973**	**1,289,349**	**1,284,662**	**1,205,265**

Footnotes:

(1) Investment properties include fair value adjustments made based on independent valuation as at 30 September 2017.

The decrease in investment properties was mainly due to weakening of Australian Dollar as at 31 March 2018 as compared to 30 September 2017. This is offset by the capital expenditure incurred during the period.

(2) The 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 and cross currency interest rate swap entered into in respect of FCOT's borrowings and foreign currency forward contracts.

(4) The decrease in trade and other receivables was mainly due to decrease in prepayments for Central Park.

(5) The increase in borrowings is mainly due to the issuance of medium term notes to fund the acquisition of 50% interest in Farnborough Business Park. This is offset by the effects of weakening of Australian dollar (as at 31 March 2018 as compared to 30 September 2017) on the Australian Dollar denominated borrowings.

(6) The decrease in trade and other payables was mainly due to lower advance rental received.

(7) The decrease in provision for taxation was mainly due to payment of FY2017 tax during the current period.

(8) The net current liability position as at 31 March 2018 and 30 September 2017 was due to a loan facilities of S$40 million and A$135 million due on 13 August 2018 and 19 September 2018 respectively. The Group is seeking refinancing for its bank borrowings and we believe that it would be able to refinance its borrowings and meet its current obligations as and when they fall due.

(9) Deferred tax is provided for in respect of the potential capital gains arising from the changes in fair value of the Australian properties. The decrease in deferred tax was mainly due to weakening of Australian dollar as at 31 March 2018 as compared to 30 September 2017.

(10) The increase in Unitholders' funds was mainly due to issuance of Units pursuant a private placement of 67,567,000 Units completed on 1 February 2018 to part-finance the Farnborough Business Park acquisition, acquisition fee to the Manager paid in Units and the implementation of the distribution reinvestment plan during the period, offset by the effects of the weakening of Australian dollar (as at 31 March 2018 as compared to 30 September 2017) on the net assets attributable to the Australia operations.

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

Amount repayable in one year or less, or on demand

Group			
As at 31/3/2018		As at 30/9/2017	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
-	176,688	-	183,586

Amount repayable after one year

Group			
As at 31/3/2018		As at 30/9/2017	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
-	622,537	-	566,370

Details of any collateral

All term loan facilities as at 31 March 2018 are unsecured.

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

	Group			
	1/1/2018 to 31/3/2018	1/1/2017 to 31/3/2017	1/10/2017 to 31/3/2018	1/10/2016 to 31/3/2017
	S$'000	S$'000	S$'000	S$'000
Operating activities:				
Total return before tax	11,621	20,304	25,847	40,263
Adjustments for:-				
Finance costs	6,182	6,359	12,142	12,352
Effect of recognising accounting income on a straight-line basis over the lease term	142	538	382	670
Depreciation	6	7	12	14
Amortisation of leasing commission	225	247	432	491
Interest income	(48)	(83)	(141)	(217)
Management fees payable in Units [1]	3,418	-	6,787	-
Net change in fair value of derivative financial instruments	344	270	17	183
Net change in fair value of investment properties	396	(69)	348	(350)
Share of results of joint venture	(1,347)	-	(1,347)	-
Realised (gain)/loss on derivative financial instruments	(56)	525	(56)	710
Operating income before working capital changes	**20,883**	**28,098**	**44,423**	**54,116**
Changes in working capital:-				
Trade and other receivables	22,872	(15,114)	12,891	(14,034)
Trade and other payables	(9,256)	(731)	(11,416)	(5,761)
Cash generated from operations	**34,499**	**12,253**	**45,898**	**34,321**
Tax paid	(1,410)	(1)	(1,411)	(2)
Net cash generated from operating activities	**33,089**	**12,252**	**44,487**	**34,319**
Investing activities:				
Capital expenditure on investment properties	(27,450)	(785)	(33,101)	(1,454)
Payment for leasing costs capitalised	(638)	(925)	(1,037)	(1,020)
Investment in a joint venture	(138,675)	-	(154,511)	-
Interest received	48	126	186	209
Net cash used in investing activities	**(166,715)**	**(1,584)**	**(188,463)**	**(2,265)**
Financing activities:				
Proceeds from private placement of Units	99,999	-	99,999	-
Proceeds from borrowings	60,000	150,000	60,000	150,000
Repayment of borrowings	-	(150,000)	-	(150,000)
Termination of derivative financial instruments	-	(214)	-	(214)
Realisation of derivative financial instruments	56	(312)	56	(497)
Finance costs paid	(7,440)	(6,213)	(11,339)	(10,647)
Issue costs paid	(1,503)	(80)	(1,583)	(164)
Distributions paid [2]	(24,385)	(15,879)	(39,603)	(33,349)
Transaction costs on borrowings	(119)	(304)	(171)	(304)
Net cash generated from/ (used in) financing activities	**126,608**	**(23,002)**	**107,359**	**(45,175)**
Net decrease in cash and cash equivalents	**(7,018)**	**(12,334)**	**(36,617)**	**(13,121)**
Cash and cash equivalents at beginning of period	44,884	70,702	74,609	71,487
Effect of exchange rate changes	(110)	112	(236)	114
Cash and cash equivalents at end of period [3]	**37,756**	**58,480**	**37,756**	**58,480**

Footnotes

(1) These amounts represent Units issuable in satisfaction of management fees payable in Units amounting to S$3.4 million for 2Q2018 (2Q2017: Nil) and S$6.8 million for 1H2018 (1H2017: Nil).

(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$1.6 million during 2Q2018 (2Q2017: S$4.1 million) and S$5.7 million for 1H2017 (1H2017: S$6.1 million).

Distributions to Unitholders in 2Q2018 and 1H2018 includes the Advanced Distribution of S$6.5 million paid on 12 March 2018 (2Q2017/ 1H2017: Nil).

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

	Group	
	31/3/2018	**31/3/2017**
	S$'000	**S$'000**
Bank and cash balances	28,643	36,206
Fixed deposits	9,113	22,274
Cash and cash equivalents	37,756	58,480

1(c)(i) Status of the use of proceeds raised from any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use

The gross proceeds of S$100.0 million received from the private placement on 1 February 2018 were applied as follows:

Use of proceeds	**S$' million**
Partial repayment of a bridge loan facility that was used to fund the acquisition of 50% interest in Farnborough Business Park	98.5
Issue costs in relation to the private placement	1.5
	100.0

The use of proceeds from the private placement is in accordance with the stated use.

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

	Group		Trust	
	1/1/2018 to 31/3/2018	1/1/2017 to 31/3/2017	1/1/2018 to 31/3/2018	1/1/2017 to 31/3/2017
Movement from 1 January to 31 March	S$'000	S$'000	S$'000	S$'000
Balance at beginning of period	**1,274,894**	**1,234,433**	**1,198,971**	**1,202,992**
Operations				
Change in net assets attributable to Unitholders resulting from operations	**11,333**	**19,224**	**6,595**	**21,361**
Unitholders' transactions				
Issue of Units	105,715	4,060	105,715	4,060
Issue expenses	(1,503)	(80)	(1,503)	(80)
Distributions to Unitholders (1)	(25,941)	(19,939)	(25,941)	(19,939)
Change in Unitholders' funds resulting from Unitholders' transactions	**78,271**	**(15,959)**	**78,271**	**(15,959)**
Foreign currency translation reserve				
Movement for the period	**(12,629)**	**12,539**	**-**	**-**
Hedging reserve				
Net fair value changes on derivative financial instruments	**1,104**	**(1,334)**	**825**	**(1,070)**
Balance at end of period	**1,352,973**	**1,248,903**	**1,284,662**	**1,207,324**

	Group		Trust	
	1/10/2017 to 31/3/2018	1/10/2016 to 31/3/2017	1/10/2017 to 31/3/2018	1/10/2016 to 31/3/2017
Movement from 1 October to 31 March	S$'000	S$'000	S$'000	S$'000
Balance at beginning of period	**1,289,349**	**1,228,416**	**1,205,265**	**1,200,043**
Operations				
Change in net assets attributable to Unitholders resulting from operations	**24,535**	**37,960**	**14,440**	**38,487**
Unitholders' transactions				
Issue of Units	110,515	6,075	110,515	6,075
Issue expenses	(1,583)	(164)	(1,583)	(164)
Distributions to Unitholders (1)	(45,337)	(39,424)	(45,337)	(39,424)
Change in Unitholders' funds resulting from Unitholders' transactions	**63,595**	**(33,513)**	**63,595**	**(33,513)**
Foreign currency translation reserve				
Movement for the period	**(26,403)**	**12,025**	**-**	**-**
Hedging reserve				
Net fair value changes on derivative financial instruments	**1,897**	**4,015**	**1,362**	**2,307**
Balance at end of period	**1,352,973**	**1,248,903**	**1,284,662**	**1,207,324**

Footnotes

(1) Distributions to Unitholders in 2Q2018 and 1H2018 includes the Advanced Distribution of S$6.5 million (2Q2017/ 1H2017: Nil).

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

	1/1/2018 to 31/3/2018	1/1/2017 to 31/3/2017	1/10/2017 to 31/3/2018	1/10/2016 to 31/3/2017
	Units	Units	Units	Units
Issued Units				
Balance at beginning of period	808,862,451	795,818,663	805,363,832	794,298,124
Issue of Units - management fees	1,792,391	-	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	1,072,299	3,246,753	4,119,383	4,767,292
Balance at end of period	880,332,802	799,065,416	880,332,802	799,065,416
Issued and issuable Units				
Issued Units at end of period	880,332,802	799,065,416	880,332,802	799,065,416
- Base Management fees payable in Units [1]	1,884,606	-	1,884,606	-
- Performance Management fees payable in Units [2]	1,073,256	-	1,073,256	-
Issued and issuable Units at end of period	883,290,664	799,065,416	883,290,664	799,065,416

Footnote:

(1) 1,884,606 Units will be issued to the Manager as payment for management fees for the financial quarter ended 31 March 2018. This accounts for 100% (2Q2017: Nil) 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 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 2018. There is no certainty that the performance fee Units to be issued at the end of the financial year will be issued 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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the financial year ended 30 September 2017.

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

Not applicable.

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

	1/1/2018 to 31/3/2018	1/1/2017 to 31/3/2017	1/10/2017 to 31/3/2018	1/10/2016 to 31/3/2017
	S$'000	S$'000	S$'000	S$'000
Total return after taxation and before distribution	11,333	19,224	24,535	37,960
EPU				
Weighted average number of Units in issue	855,509,500	796,936,989	830,884,820	795,895,469
Basic earnings per Unit (cents)(1)	1.32	2.41	2.95	4.77
DPU				
Number of issued and issuable Units entitled to distribution (2)	882,217,408	799,065,416	882,217,408	799,065,416
Distribution per Unit based on the total number of issued and issuable Units entitled to distribution (cents)	2.40	2.51	4.80	5.01

Footnotes:

(1) Basic earnings per Unit ("EPU") is computed using the total return after taxation and before distribution and the weighted average number of Units during the period. There is no dilutive potential Units in 2Q2018 and 2Q2017.

(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 2018 of 880,332,802; and
   b. 1,884,606 Units to be issued to the Manager, in consideration of 100% of the base management fee payable for the quarter ended 31 March 2018.

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

	Group		Trust	
	31/3/2018	30/9/2017	31/3/2018	30/9/2017
Unitholders' funds at end of period (S$'000)	1,352,973	1,289,349	1,284,662	1,205,265
Number of Units issued at the end of the period ('000)	880,333	805,364	880,333	805,364
Unitholders' funds per Unit (S$)	1.54	1.60	1.46	1.50
Adjusted Unitholders' funds per Unit (excluding distributable income) (S$)	1.51	1.58	1.44	1.47

8. Review of performance

(a) Variance between 2Q2018 and 2Q2017

Portfolio net property income for 2Q2018 was S$22.4 million, 25% lower than that of 2Q2017. The decrease was mainly due to:-

- lower occupancy rate for China Square Central, Alexandra Technopark, Central Park, 55 Market Street and 357 Collins Street;
- higher repair and maintenance works at Caroline Chisholm Centre;
- effects of the average weaker Australian dollar during 2Q2018 as compared to 2Q2017 on the income from Australian properties; and
- absence of the one-off payment in relation to a termination of lease in Central Park which was received in 2Q2017.

Portfolio net property income excludes the results of Farnborough Business Park which was equity accounted for as share of results of joint venture. The share of results of joint venture for 2Q2018 was attributable for the period from 29 January 2018 (date of completion) to 31 March 2018.

The decrease in finance costs by S$0.2 million in 2Q2018 as compared to that of 2Q2017 was mainly due to the unamortised borrowing costs expensed off during 2Q2017 due to partial early refinancing of loan facilities. The decrease is offset by additional borrowings to finance the acquisition of 50% interest in Farnborough Business Park.

The net change in fair value of investment properties in 2Q2018 and 2Q2017 was related to the adjustment of the changes in the carrying value of investment properties due to recognition of rental income on a straight-line basis in accordance with the Singapore Financial Reporting Standards and the increase in leasing fees capitalised, net of amortisation of leasing costs.

The net gain and loss arising from fair value changes of derivative financial instruments in 2Q2018 and 2Q2017 was related to fair value change on interest rate swaps and forward foreign currency contracts.

(b) Variance between 1H2018 and 1H2017

Net property income for 1H2018 was S$47.3 million, 20% lower than that of 1H2017. The decrease was mainly due to:-

- lower occupancy rate for China Square Central, Alexandra Technopark, Central Park, 55 Market Street and 357 Collins Street;
- higher repair and maintenance works at Caroline Chisholm Centre;
- effects of the average weaker Australian dollar during 1H2018 as compared to 1H2017 on the income from Australian properties; and
- absence of the one-off payment in relation to a termination of lease in Central Park which was received in 2Q2017.

Portfolio net property income excludes the results of Farnborough Business Park which was equity accounted for as share of results of joint venture. The share of results of joint venture for 1H2018 was attributable for the period from 29 January 2018 (date of completion) to 31 March 2018.

The decrease in finance costs by S$0.2 million in 1H2018 as compared to that of 1H2017 was mainly due to the unamortised borrowing costs expensed off during 1H2017 due to partial early refinancing of loan facilities as well as lower amortisation of borrowing costs in 1H2018. The decrease is offset by additional borrowings to finance the acquisition of 50% interest in Farnborough Business Park.

The net change in fair value of investment properties in 1H2018 and 1H 2017 was related to the adjustment of the changes in the carrying value of investment properties due to recognition of rental income on a straight-line basis in accordance with the Singapore Financial Reporting Standards and the increase in leasing fees capitalised, net of amortisation of leasing costs.

The net gain and loss arising from fair value changes of derivative financial instruments in 1H2018 and 1H2017 was related to fair value change on interest rate swaps and forward foreign currency contracts.

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 13 April 2018 that based on advance estimates, the Singapore economy grew by 4.3% on a year-on-year basis in 1Q 2018, higher than the 3.6% growth in 4Q 2017. On a quarter-on-quarter ("qoq") seasonally-adjusted annualised basis, the economy expanded by 1.4%, a moderation from the 2.1% growth in 4Q 2017. MTI had also announced on 14 February 2018 that for the whole of 2017, the Singapore economy grew by 3.6%. MTI is of the view that the demand outlook for Singapore is expected to be slightly weaker in 2018 as compared to 2017. Overall, MTI expects the Singapore economy to grow by 1.5% to 3.5% in 2018, barring the materialisation of downside risks.

For the office market, CBRE[1] reported that leasing momentum continued in 1Q 2018 albeit at a slower pace compared to the preceding quarter. Net absorption of 149,444 square feet for 1Q 2018 contributed to the decline in island-wide vacancy to 5.9% in 1Q 2018 from 6.1% in 4Q 2017. According to CBRE, existing co-working operators continue to seek out new locations and there were also new entrants coming into the market. As at the end of 1Q 2018, average rents increased 3.2% qoq to S$9.70 per square feet ("psf") per month for Grade A CBD Core, 2.0% qoq to S$7.60 psf per month for Grade B CBD Core and 1.4% qoq to S$7.10 psf per month for island-wide Grade B. CBRE is of the opinion that the medium term outlook for rents is positive with tapering future supply and new office developments in the immediate horizon garnering healthy pre-commitments coupled with improving business confidence.

For the business park market[2], CBRE[1] reported that island-wide net absorption recorded a negative 77,924 sf for 1Q 2018, which resulted in an increase in vacancy to 12.2% from 11.8% in 4Q 2017. City fringe business parks of higher quality and better locations continue to outperform the rest of the island. Leasing demand was mainly driven by technology and financial services companies. As at the end of 1Q 2018, the average rent for city fringe business parks increased for the third consecutive quarter, rising 0.9% qoq to S$5.65 psf per month, but the average for the rest of the island overall remained flat at S$3.70 psf per month as occupancy remained under pressure. CBRE is of the opinion that rents for business parks at the city fringe are expected to grow as vacancy tightens, while the outlook for business parks for the rest of the island, especially for lower quality buildings, is generally less positive.

As at 31 March 2018, the occupancy rate at Alexandra Technopark ("ATP") including pre-committed leases was 70.4%. This includes 135,756 sf occupied by Hewlett-Packard Singapore Pte Ltd, constituting 13.0% of the net lettable area of the property, for which leases will be expiring between 30 April 2018 and 31 December 2018[3]. The opportunity to refresh and diversify the tenant base at ATP dovetails with the $45 million on-going asset enhancement initiative ("ATP AEI") that is expected to complete by around mid-2018, and the Manager will continue to carry out proactive leasing and asset management strategies to normalise occupancy at ATP as soon as possible. The ATP AEI aims to rejuvenate and upgrade the property to enhance its long-term market position and competitiveness.

Australia

In the Reserve Bank of Australia's ("RBA") Statement on Monetary Policy Decision released in April 2018, the cash rate remained unchanged at 1.50%. The Australian economy grew by 2.4% in 2017. Business conditions were positive and non-mining business investment was increasing. Employment grew strongly in 2017 while the low level of interest rates continued to support the Australian economy. In RBA's Statement on Monetary Policy Decision released in February 2018, gross domestic product ("GDP") was expected to grow by 3.0% in 2018 and by 3.25% 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 business confidence continues to improve and demand, particularly for Prime Grade office space, remains healthy on the back of a 'flight to quality' trend and tenant relocations to the CBD. Prime Grade office vacancy reduced by 2.7%-point over six months to 14.2% as at January 2018. Prime Grade average net face rent was A$500 to A$700 per square metre ("sqm") per annum as at February 2018, with average lease incentives between 45% and 50%.

For the Melbourne CBD office market, Savills Research[5] reported that the market continues to be strong, supported by employment growth across Victoria, among other factors. Total net absorption of 74,800 sqm for 2017 was the strongest among the CBDs in Australia. Melbourne CBD Grade A office average net face rent was between A$520 to A$640 per sqm per annum as at December 2017, with lease incentives around 25% to 30%. Overall vacancy rate of 4.6% as at December 2017 was the lowest in Australia, with further decline anticipated in the next twelve months. Melbourne CBD Grade A office net face rent is projected to continue growing over the next two years.

United Kingdom

In the Bank of England's Monetary Policy Committee ("Committee") meeting held in March 2018, the bank rate remained unchanged at 0.5%. Monetary policy is set to meet the inflation target of around 2%, and to sustain growth and employment, taking into consideration the United Kingdom's withdrawal from the European Union. Unemployment rate remains low in the three months to January 2018 and wage growth continued to pick up. The Committee was of the view that the United Kingdom's GDP is expected to grow by around 1.75% in 2018.

For the Thames Valley office market, CBRE Research[6] reported that rents generally remained stable in 2017. As at December 2017, Farnborough area's Grade A office rent was £27.5 per sq ft per annum, and was expected to increase in the next twelve months. Lease incentives were generally around 17.5% (based on a typical 10-year lease term) as at December 2017, and was expected to remain unchanged in the next twelve months. Vacancy rate of around 8% as at December 2017 was lower compared to around 9% from a year ago.

[1] CBRE, Singapore Market View, Q1 2018
[2] Alexandra Technopark is a high-specification B1 industrial development located at the city-fringe, with certain physical attributes similar to business parks. In the absence of comprehensive market research information directly relevant to the asset class of Alexandra Technopark, market research information for business parks is provided for indicative reference
[3] Refer to announcement dated 3 November 2017 for details.
[4] Knight Frank Research, Perth CBD Office, March 2018
[5] Savills Research, Melbourne CBD Office, February 2018
[6] CBRE Market View, Thames Valley & M25 Office, H2 2017

11. Distributions

(a) Current financial period

Name of distribution
Distribution to Unitholders ("Unitholders' Distribution") for the period from 1 February 2018 to 31 March 2018.

The Manager has determined that the Distribution Reinvestment Plan will apply to the distribution for the period from 1 February 2018 to 31 March 2018.

(b)(i) Distribution rate

	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**

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 2017 to 31 March 2017

	Unitholders' Distribution
	cents
Taxable income component	1.6034
Tax-exempt income component	0.6725
Capital component	0.2298
Total	**2.5057**

(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 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:
Advanced Distribution: 12 March 2018
Unitholders' Distribution: 30 May 2018

(e) Books closure date:
Advanced Distribution: 31 January 2018
Unitholders' Distribution: 30 April 2018

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

There is no general mandate obtained from Unitholders for IPTs.

13. 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 Frasers Commercial Asset Management Ltd. (formerly known as Frasers Centrepoint Asset Management (Commercial) Ltd.) ("FCOAM") (as Manager of FCOT) which may render these interim financial results to be false or misleading, in any material aspect.

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

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

For and on behalf of the Board of Directors of Frasers Commercial Asset Management Ltd.

Bobby Chin Yoke Choong Director	Christopher Tang Kok Kai Director

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

Catherine Yeo
Company Secretary
20 April 2018

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.