FRASERS COMMERCIAL TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE THIRD QUARTER ENDED 30 JUNE 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 30 June 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 April 2018 to 30 June 2018 ("3Q2018") vs 1 April 2017 to 30 June 2017 ("3Q2017")
- 1 October 2017 to 30 June 2018 ("YTD 3Q2018") vs 1 October 2016 to 30 June 2017 ("YTD 3Q2017")

	Group						
	1/4/2018 to 30/6/2018	1/4/2017 to 30/6/2017	Change		1/10/2017 to 30/6/2018	1/10/2016 to 30/6/2017	Change
	S$'000	S$'000	%		S$'000	S$'000	%
Gross revenue	32,494	38,326	(15%)		100,829	118,245	(15%)
Net property income	20,371	27,876	(27%)		67,661	87,108	(22%)
Total return for the period	10,487	16,361	(36%)		35,022	54,321	(36%)
Distribution Income for Unitholders	21,248	19,242	10%		61,305	59,203	4%
Distribution per Unit (cents)							
<u>**Unitholders**</u>							
For the period	2.40 [1]	2.40 [2]	-		7.20	7.41	(3%)
Annualised	9.63	9.62	-		9.63	9.91	(3%)

Footnotes:

(1) The number of Units used to calculate amount available for distribution per Unit ("DPU") is 885,367,591. 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 802,448,524.

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

	Group					
	1/4/2018 to 30/6/2018	1/4/2017 to 30/6/2017	Change	1/10/2017 to 30/6/2018	1/10/2016 to 30/6/2017	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue [1]	32,494	38,326	(15%)	100,829	118,245	(15%)
Property operating expenses [2]	(12,123)	(10,450)	16%	(33,168)	(31,137)	7%
Net property income [3]	**20,371**	**27,876**	(27%)	**67,661**	**87,108**	(22%)
Share of results of joint venture [4]	1,603	-	NM	2,950	-	NM
Interest income	77	121	(36%)	218	338	(36%)
Manager's management fees	(3,481)	(3,367)	3%	(10,268)	(10,252)	-
Trust expenses	(629)	(399)	58%	(1,500)	(1,303)	15%
Finance costs [5]	(6,433)	(6,031)	7%	(18,575)	(18,383)	1%
Net income before foreign exchange differences, fair value changes and taxation	**11,508**	**18,200**	(37%)	**40,486**	**57,508**	(30%)
Foreign exchange gain/(loss)	719	(811)	NM	(2,103)	687	NM
Net change in fair value of investment properties [6]	(362)	178	NM	(710)	528	NM
Net change in fair value of derivative financial instruments	(13)	322	NM	(30)	139	NM
Realised gain/(loss) on derivative financial instruments [7]	14	(179)	NM	70	(889)	NM
Total return before tax	**11,866**	**17,710**	(33%)	**37,713**	**57,973**	(35%)
Taxation [8]	(1,379)	(1,349)	2%	(2,691)	(3,652)	(26%)
Total return for the period	**10,487**	**16,361**	(36%)	**35,022**	**54,321**	(36%)

NM - Not meaningful

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

	Group					
	1/4/2018 to 30/6/2018	1/4/2017 to 30/6/2017	Change	1/10/2017 to 30/6/2018	1/10/2016 to 30/6/2017	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Total return for the period	**10,487**	**16,361**	(36%)	**35,022**	**54,321**	(36%)
Non-tax deductible / (non-taxable) items and other adjustments:						
Management fees payable in Units	3,481	406	NM	10,268	406	NM
Trustees' fees	169	154	10%	504	469	7%
Amortisation of borrowing costs	255	286	(11%)	890	1,018	(13%)
Unamortised borrowing costs expensed off	82	74	11%	82	478	(83%)
Net change in fair value of investment properties	362	(178)	NM	710	(528)	NM
Net change in fair value of derivative financial instruments	13	(322)	NM	30	(139)	NM
Deferred taxation	1,387	(53)	NM	1,722	103	NM
Unrealised exchange (gain)/loss	(853)	1,090	NM	2,011	(752)	NM
Effects of recognising accounting income on a straight line basis over the lease term	(592)	205	NM	(210)	875	NM
Gain on disposal of hotel development rights	5,518	922	NM	10,371	2,639	NM
Other non tax deductible items and temporary differences	939	297	NM	(95)	313	NM
Net effect of non-tax deductible / (non-taxable) items and other adjustments	**10,761**	**2,881**	NM	**26,283**	**4,882**	NM
Income available for distribution to Unitholders [9]	**21,248**	**19,242**	10%	**61,305**	**59,203**	4%
Unitholders' distribution comprise:						
- from operations	13,524	16,420	(18%)	45,246	52,355	(14%)
- from capital returns [10]	7,724	2,822	NM	16,059	6,848	NM
	21,248	**19,242**	10%	**61,305**	**59,203**	4%

NM - Not meaningful

Footnotes:

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

	Group					
	1/4/2018 to 30/6/2018	1/4/2017 to 30/6/2017	Change	1/10/2017 to 30/6/2018	1/10/2016 to 30/6/2017	Change
	S$'000	S$'000	%	S$'000	S$'000	%
China Square Central	6,013	6,460	(7%)	17,620	19,971	(12%)
55 Market Street	1,285	1,461	(12%)	3,928	4,406	(11%)
Alexandra Technopark	8,946	12,706	(30%)	29,564	38,973	(24%)
Central Park	5,662	6,671	(15%)	17,268	21,420	(19%)
Caroline Chisholm Centre	5,258	5,440	(3%)	16,062	16,612	(3%)
357 Collins Street	5,330	5,588	(5%)	16,387	16,863	(3%)
	32,494	**38,326**	(15%)	**100,829**	**118,245**	(15%)

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

	Group					
	1/4/2018 to 30/6/2018	1/4/2017 to 30/6/2017	Change	1/10/2017 to 30/6/2018	1/10/2016 to 30/6/2017	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Property maintenance expenses	5,073	3,569	42%	12,271	10,664	15%
Property management fees	647	780	(17%)	2,022	2,399	(16%)
Property tax	2,066	2,008	3%	6,056	6,057	-
Utilities	1,869	1,632	15%	5,450	4,770	14%
Professional fees	812	814	-	2,449	2,538	(4%)
Insurance	113	122	(7%)	342	362	(6%)
Council rates	539	548	(2%)	1,642	1,663	(1%)
Amortisation of leasing commission	215	232	(7%)	647	724	(11%)
Other operating expenses	789	745	6%	2,289	1,960	17%
	12,123	**10,450**	16%	**33,168**	**31,137**	7%

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

	Group					
	1/4/2018 to 30/6/2018	1/4/2017 to 30/6/2017	Change	1/10/2017 to 30/6/2018	1/10/2016 to 30/6/2017	Change
	S$'000	S$'000	%	S$'000	S$'000	%
China Square Central	3,955	4,186	(6%)	11,091	13,237	(16%)
55 Market Street	871	1,077	(19%)	2,655	3,197	(17%)
Alexandra Technopark	5,607	9,429	(41%)	19,621	29,272	(33%)
Central Park	3,246	4,459	(27%)	10,503	14,902	(30%)
Caroline Chisholm Centre	2,696	4,541	(41%)	11,537	13,779	(16%)
357 Collins Street	3,996	4,184	(4%)	12,254	12,721	(4%)
	20,371	**27,876**	(27%)	**67,661**	**87,108**	(22%)

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 30 June 2018. Summary of the share of results of joint venture, based on FCOT's 50% interest in the joint venture are as follows:

	Group						
	1/4/2018 to 30/6/2018	**1/4/2017 to 30/6/2017**	**Change**		**1/10/2017 to 30/6/2018**	**1/10/2016 to 30/6/2017**	**Change**
	S$'000	**S$'000**	**%**		**S$'000**	**S$'000**	**%**
Gross revenue (i)	2,920	-	NM		4,579	-	NM
Property operating expenses	(948)	-	NM		(1,128)	-	NM
Net property income	1,972	-	NM		3,451	-	NM
Other expenses	(369)	-	NM		(501)	-	NM
Share of results of joint venture, net of tax	**1,603**	**-**	NM		**2,950**	**-**	NM

NM - Not meaningful

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$97,000 (FCOT's 50% interest) for 3Q2018 and S$270,000 for YTD 3Q2018.

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

	Group						
	1/4/2018 to 30/6/2018	**1/4/2017 to 30/6/2017**	**Change**		**1/10/2017 to 30/6/2018**	**1/10/2016 to 30/6/2017**	**Change**
	S$'000	**S$'000**	**%**		**S$'000**	**S$'000**	**%**
Interest expense	6,096	5,671	7%		17,603	16,887	4%
Unamortised borrowing costs expensed off	82	74	11%		82	478	(83%)
Amortisation of borrowing costs	255	286	(11%)		890	1,018	(13%)
	6,433	**6,031**	7%		**18,575**	**18,383**	1%

The unamortised borrowing costs of approximately S$0.1 million expensed off during the current period (YTD 3Q2017: S$0.5 million, 3Q2017: S$0.1 million) was related to the early refinancing of a loan facility.

(6) The net change in fair value of investment properties in 3Q2018 and 3Q2017 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						
	1/4/2018 to 30/6/2018 S$'000	1/4/2017 to 30/6/2017 S$'000	Change %		1/10/2017 to 30/6/2018 S$'000	1/10/2016 to 30/6/2017 S$'000	Change %
Loss arising from termination of interest rate swap	-	-	NM		-	(214)	NM
Gain/(loss) arising from realisation of foreign currency forward contracts	14	(179)	NM		70	(675)	NM
	14	**(179)**	NM		**70**	**(889)**	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						
	1/4/2018 to 30/6/2018 S$'000	1/4/2017 to 30/6/2017 S$'000	Change %		1/10/2017 to 30/6/2018 S$'000	1/10/2016 to 30/6/2017 S$'000	Change %
Gain on disposal of hotel development rights [a]	5,518	922	NM		10,371	2,639	NM
Return of capital from a subsidiary [b]	1,463	1,900	(23%)		4,280	4,209	2%
Return of capital from a joint venture [c]	743	-	NM		1,408	-	NM
	7,724	**2,822**	NM		**16,059**	**6,848**	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	
	30/06/2018	30/9/2017	30/06/2018	30/9/2017
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Investment properties [1]	1,946,259	2,070,857	1,100,472	1,212,000
Investment in joint venture [2]	158,406	-	-	-
Subsidiaries	-	-	476,674	313,236
Loan to a subsidiary	-	-	87,870	92,542
Fixed assets	48	65	48	65
Deferred tax asset	337	355	-	-
Derivative financial instruments [3]	947	-	947	-
	2,105,997	**2,071,277**	**1,666,011**	**1,617,843**
Current assets				
Asset held for sale [4]	139,082	-	139,082	-
Trade and other receivables [5]	6,436	13,056	100,100	74,097
Derivative financial instruments [3]	207	-	207	-
Cash and bank balances	43,876	74,609	26,175	69,654
	189,601	**87,665**	**265,564**	**143,751**
Total assets	**2,295,598**	**2,158,942**	**1,931,575**	**1,761,594**
Current liabilities				
Borrowings (net of transaction costs) [6]	(54,991)	(183,194)	(54,991)	(39,934)
Trade and other payables [7]	(44,685)	(29,386)	(30,121)	(16,498)
Current portion of security deposits	(7,410)	(5,670)	(7,410)	(5,670)
Derivative financial instruments [3]	(414)	(2,845)	(11)	(1,503)
Provision for taxation [8]	(2,856)	(3,456)	-	-
	(110,356)	**(224,551)**	**(92,533)**	**(63,605)**
Net current assets/ (liabilities) [9]	**79,245**	**(136,886)**	**173,031**	**80,146**
Non-current liabilities				
Borrowings (net of transaction costs)	(756,687)	(564,756)	(545,385)	(485,251)
Derivative financial instruments [3]	(80)	(50)	(80)	(50)
Non-current portion of security deposits	(7,848)	(7,423)	(7,848)	(7,423)
Deferred tax liabilities [10]	(70,824)	(72,813)	-	-
	(835,439)	**(645,042)**	**(553,313)**	**(492,724)**
Total liabilities	**(945,795)**	**(869,593)**	**(645,846)**	**(556,329)**
Net assets attributable to Unitholders	**1,349,803**	**1,289,349**	**1,285,729**	**1,205,265**
Represented by:				
Unitholders' funds [11]	**1,349,803**	**1,289,349**	**1,285,729**	**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 30 June 2018 as compared to 30 September 2017. This is offset by the 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 and cross currency interest rate swap entered into in respect of FCOT's borrowings and foreign currency forward contracts.

(4) Asset held for sale relates to the reclassification of 55 Market Street from Investment Properties in relation to the announcement on 10 July 2018 for the sale of 55 Market Street. The property value was based on the carrying value of the property as at 30 June 2018.

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

(6) 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 as well as revolving credit facilities drawn for the funding of the asset enhancement initiatives ("AEI") works ongoing in Alexandra Technopark and China Square Central. This is offset by the effects of weakening of Australian dollar (as at 30 June 2018 as compared to 30 September 2017) on the Australian Dollar denominated borrowings.

(7) The increase in trade and other payables was mainly due to outstanding invoices for the ongoing AEI works.

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

(9) The net current liability position as at 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. During the current period, the Group has refinanced the A$135 million loan due in September 2018 with a new 4-year term loan facility.

(10) 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 30 June 2018 as compared to 30 September 2017.

(11) 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 30 June 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 30/6/2018		As at 30/9/2017	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
-	55,000	-	183,586

Amount repayable after one year

Group			
As at 30/6/2018		As at 30/9/2017	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
-	758,679	-	566,370

Details of any collateral

All term loan facilities as at 30 June 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			
	1/4/2018 to 30/6/2018	1/4/2017 to 30/6/2017	1/10/2017 to 30/6/2018	1/10/2016 to 30/6/2017
	S$'000	S$'000	S$'000	S$'000
Operating activities:				
Total return before tax	11,866	17,710	37,713	57,973
Adjustments for:-				
Finance costs	6,433	6,031	18,575	18,383
Effect of recognising accounting income on a straight-line basis over the lease term	(592)	205	(210)	875
Depreciation	6	6	18	20
Amortisation of leasing commission	215	233	647	724
Interest income	(77)	(121)	(218)	(338)
Management fees payable in Units [1]	3,481	406	10,268	406
Net change in fair value of derivative financial instruments	13	(322)	30	(139)
Net change in fair value of investment properties	362	(178)	710	(528)
Share of results of joint venture	(1,603)	-	(2,950)	-
Realised (gain)/loss on derivative financial instruments	(14)	179	(70)	889
Operating income before working capital changes	**20,090**	**24,149**	**64,513**	**78,265**
Changes in working capital:-				
Trade and other receivables	(6,239)	14,809	6,652	775
Trade and other payables	4,861	(73)	(6,555)	(5,834)
Cash generated from operations	**18,712**	**38,885**	**64,610**	**73,206**
Tax paid	-	(3,300)	(1,411)	(3,302)
Net cash generated from operating activities	**18,712**	**35,585**	**63,199**	**69,904**
Investing activities:				
Capital expenditure on investment properties	(10,175)	(1,175)	(43,276)	(2,629)
Payment for leasing costs capitalised	(419)	(250)	(1,456)	(1,270)
Investment in a joint venture	186	(7)	(154,325)	(7)
Interest received	-	113	186	322
Net cash used in investing activities	**(10,408)**	**(1,319)**	**(198,871)**	**(3,584)**
Financing activities:				
Proceeds from private placement of Units	-	-	99,999	-
Proceeds from borrowings	154,728	80,000	365,183	230,000
Repayment of borrowings	(139,728)	(80,000)	(290,183)	(230,000)
Termination of derivative financial instruments	-	-	-	(214)
Realisation of derivative financial instruments	14	(178)	70	(675)
Finance costs paid	(3,827)	(3,777)	(15,166)	(14,424)
Issue costs paid	-	(84)	(1,583)	(248)
Distributions paid [2]	(12,588)	(15,931)	(52,191)	(49,280)
Transaction costs on borrowings	(771)	(343)	(942)	(647)
Net cash (used in)/generated from financing activities	**(2,172)**	**(20,313)**	**105,187**	**(65,488)**
Net increase/(decrease) in cash and cash equivalents	**6,132**	**13,953**	**(30,485)**	**832**
Cash and cash equivalents at beginning of period	37,756	58,480	74,609	71,487
Effect of exchange rate changes	(12)	(78)	(248)	36
Cash and cash equivalents at end of period [3]	**43,876**	**72,355**	**43,876**	**72,355**

Footnotes

(1) These amounts represent Units issued and issuable in satisfaction of management fees payable in Units amounting to S$3.5 million for 3Q2018 (3Q2017: S$0.4 million) and S$10.3 million for YTD 3Q2018 (YTD 3Q2017: S$0.4 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$1.5 million during 3Q2018 (3Q2017: S$4.1 million) and S$7.3 million for YTD 3Q2018 (YTD 3Q2017: S$10.2 million) respectively.

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

	Group	
	30/6/2018	**30/6/2017**
	S$'000	**S$'000**
Bank and cash balances	35,764	49,255
Fixed deposits	8,112	23,100
Cash and cash equivalents	43,876	72,355

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	
	1/4/2018 to 30/6/2018	1/4/2017 to 30/6/2017	1/4/2018 to 30/6/2018	1/4/2017 to 30/6/2017
<u>Movement from 1 April to 30 June</u>	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance at beginning of period	**1,352,973**	**1,248,903**	**1,284,662**	**1,207,324**
Operations				
Change in net assets attributable to Unitholders resulting from operations	**10,487**	**16,361**	**10,644**	**12,695**
Unitholders' transactions				
Issue of Units	4,202	4,091	4,202	4,091
Issue expenses	-	(84)	-	(84)
Distributions to Unitholders	(14,116)	(20,022)	(14,116)	(20,022)
Change in Unitholders' funds resulting from Unitholders' transactions	**(9,914)**	**(16,015)**	**(9,914)**	**(16,015)**
Foreign currency translation reserve				
Movement for the period	**(4,484)**	**(8,592)**	**-**	**-**
Hedging reserve				
Net fair value changes on derivative financial instruments	**741**	**(641)**	**337**	**(977)**
Balance at end of period	**1,349,803**	**1,240,016**	**1,285,729**	**1,203,027**

	Group		Trust	
	1/10/2017 to 30/6/2018	1/10/2016 to 30/6/2017	1/10/2017 to 30/6/2018	1/10/2016 to 30/6/2017
<u>Movement from 1 October to 30 June</u>	**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	**35,022**	**54,321**	**25,084**	**51,182**
Unitholders' transactions				
Issue of Units	114,717	10,166	114,717	10,166
Issue expenses	(1,583)	(248)	(1,583)	(248)
Distributions to Unitholders	(59,453)	(59,446)	(59,453)	(59,446)
Change in Unitholders' funds resulting from Unitholders' transactions	**53,681**	**(49,528)**	**53,681**	**(49,528)**
Foreign currency translation reserve				
Movement for the period	**(30,887)**	**3,433**	**-**	**-**
Hedging reserve				
Net fair value changes on derivative financial instruments	**2,638**	**3,374**	**1,699**	**1,330**
Balance at end of period	**1,349,803**	**1,240,016**	**1,285,729**	**1,203,027**

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

	1/4/2018 to 30/6/2018	1/4/2017 to 30/6/2017	1/10/2017 to 30/6/2018	1/10/2016 to 30/6/2017
	Units	Units	Units	Units
Issued Units				
Balance at beginning of period	880,332,802	799,065,416	805,363,832	794,298,124
Issue of Units - management fees	1,884,606	-	4,128,532	-
Issue of Units - Private Placement	-	-	67,567,000	-
Issue of Units - acquisition fees	-	-	1,038,661	-
Issue of Units - Distribution Reinvestment Plan	1,104,998	3,095,724	5,224,381	7,863,016
Balance at end of period	883,322,406	802,161,140	883,322,406	802,161,140
Issued and issuable Units				
Issued Units at end of period	883,322,406	802,161,140	883,322,406	802,161,140
- Base Management fees payable in Units (1)	2,045,185	287,384	2,045,185	287,384
- Performance Management fees payable in Units (2)	1,614,122	-	1,614,122	-
Issued and issuable Units at end of period	886,981,713	802,448,524	886,981,713	802,448,524

Footnote:

(1) 2,045,185 Units will be issued to the Manager as payment for management fees for the financial quarter ended 30 June 2018. This accounts for 100% (3Q2017: 12%) 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 30 June 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

	1/4/2018 to 30/6/2018	1/4/2017 to 30/6/2017	1/10/2017 to 30/6/2018	1/10/2016 to 30/6/2017
	S$'000	S$'000	S$'000	S$'000
Total return after taxation and before distribution	10,487	16,361	35,022	54,321
EPU				
Weighted average number of Units in issue	882,108,940	800,154,022	847,959,527	797,314,986
Basic earnings per Unit (cents)(1)	1.19	2.04	4.13	6.81
DPU				
Number of issued and issuable Units entitled to distribution (2)	885,367,591	802,448,524	885,367,591	802,448,524
Distribution per Unit based on the total number of issued and issuable Units entitled to distribution (cents)	2.40	2.40	7.20	7.41

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 3Q2018 and 3Q2017.

(2) The computation of DPU for the period is based on the number of Units entitled to distribution, being:
   a. The number of Units in issue as at 30 June 2018 of 883,322,406; and
   b. 2,045,185 Units to be issued to the Manager, in consideration of 100% of the base management fee payable for the quarter ended 30 June 2018.

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

	Group		Trust	
	30/06/2018	30/9/2017	30/06/2018	30/9/2017
Unitholders' funds at end of period (S$'000)	1,349,803	1,289,349	1,285,729	1,205,265
Number of Units issued at the end of the period ('000)	883,322	805,364	883,322	805,364
Unitholders' funds per Unit (S$)	1.53	1.60	1.46	1.50
Adjusted Unitholders' funds per Unit (excluding distributable income) (S$)	1.50	1.58	1.43	1.47

8. Review of performance

(a) Variance between 3Q2018 and 3Q2017

Portfolio net property income for 3Q2018 was S$19.7 million, 29% lower than that of 3Q2017. The decrease was mainly due to:-

- lower occupancy rates for China Square Central, Alexandra Technopark, Central Park, 55 Market Street and 357 Collins Street;
- higher repair and maintenance expenses at Caroline Chisholm Centre;
- effects of the average weaker Australian dollar during 3Q2018 as compared to 3Q2017 on the income from Australian properties.

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

The increase in finance costs by S$0.4 million in 3Q2018 as compared to that of 3Q2017 was mainly due to additional borrowings to finance the acquisition of 50% interest in Farnborough Business Park as well as the unamortised borrowing costs expensed off during 3Q2018 due to refinancing of loan facilities.

The net change in fair value of investment properties in 3Q2018 and 3Q2017 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 3Q2018 and 3Q2017 was related to fair value change on interest rate swaps and forward foreign currency contracts.

(b) Variance between YTD 3Q2018 and YTD 3Q2017

Net property income for YTD 3Q2018 was S$67.0 million, 23% lower than that of YTD 3Q2017. The decrease was mainly due to:-

- lower occupancy rates for China Square Central, Alexandra Technopark, Central Park, 55 Market Street and 357 Collins Street;
- higher repair and maintenance expenses at Caroline Chisholm Centre;
- effects of the average weaker Australian dollar during YTD 3Q2018 as compared to YTD 3Q2017 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 YTD 3Q2017.

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 YTD 3Q2018 was attributable for the period from 29 January 2018 (date of completion) to 30 June 2018.

The increase in finance costs by S$0.2 million in YTD 3Q2018 as compared to that of YTD 3Q2017 was mainly due to additional borrowings to finance the acquisition of 50% interest in Farnborough Business Park. This is offset by the lower unamortised borrowing costs expensed off during YTD 3Q2018 as compared to YTD 3Q2017 due to refinancing of loan facilities as well as lower amortisation of borrowing costs in YTD 3Q2018.

The net change in fair value of investment properties in YTD 3Q2018 and YTD 3Q2017 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 YTD 3Q2018 and YTD 3Q2017 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 July 2018 that based on advance estimates, that the Singapore economy grew by 3.8% on a year-on-year basis in 2Q 2018, moderating from the 4.3% growth in 1Q 2018. On a quarter-on-quarter ("qoq") seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.0%, compared to the 1.5% growth in 1Q 2018. MTI had also announced on 24 May 2018 that it is of the view that the pace of growth in the Singapore economy is expected to remain firm in 2018, supported primarily by growth in outward-oriented sectors such as manufacturing, finance and insurance, transportation and storage, and wholesale trade, among others. Overall, MTI expects the Singapore economy to grow by 2.5% to 3.5% in 2018, barring the materialisation of downside risks.

For the office market, CBRE[1] reported that market fundamentals have strengthened and island-wide vacancy remained tight at 5.9% in 2Q 2018. As at end 2Q 2018, average rents increased 4.1% qoq to S$10.10 per square feet ("psf") per month for Grade A CBD Core, 2.6% qoq to S$7.80 psf per month for Grade B CBD Core and 2.1% qoq to S$7.25 psf per month for island-wide Grade B. According to CBRE, demand for space mainly stemmed from flexible space operators, technology firms and insurance companies. CBRE is of the opinion that the medium-term outlook for rents is positive with the tapering future supply.

For the business park market[2], CBRE[1] reported that leasing activity and interest in business park space registered an upswing in 2Q 2018. Island-wide net absorption turned positive to 74,408 sf in 2Q 2018 which led to a reduction in vacancy to 11.6% from 12.0% in 1Q 2018. Demand was mainly attributed to tenants seeking expansion or relocation space and driven by the relatively more affordable business park rents compared to office rents. City fringe business parks of higher quality and better locations continue to be in demand. As at the end of 2Q 2018, the average rent increased 0.9% qoq to S$5.70 psf per month for city fringe business parks and 1.4% qoq to S$3.75 psf per month for the rest of the island. CBRE is of the opinion that rents for city fringe business parks are expected to grow as vacancy remains tight.

As at 30 June 2018, the occupancy rate at Alexandra Technopark ("ATP") including pre-committed leases was 64.8%. This includes 93,302 sf occupied by Hewlett-Packard Singapore Pte Ltd, constituting 9.0% of the net lettable area of the property, for which leases will be expiring on 31 December 2018[3]. The Manager will continue to carry out proactive leasing and asset management strategies to normalise occupancy at ATP as soon as possible.

FCOT had on 10 July 2018 entered into a property sale agreement to divest 55 Market Street for S$216.8 million to an unrelated third party. FCOT is expected to recognise an estimated net gain of approximately S$76.5 million[4] over the property's book value of S$139.0 million as at 30 September 2017. The transaction is expected to be completed by 31 August 2018. Please refer to the announcement dated 10 July 2018 for details.

Australia

In the Reserve Bank of Australia's ("RBA") Statement on Monetary Policy Decision released in June 2018, the cash rate remained unchanged at 1.50%. 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 May 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, Savills Research[5] reported that business confidence continues to improve and demand, particularly for Prime Grade office space, has strengthened considerably on the back of a 'flight to quality' trend and tenant relocations to the CBD. Two consecutive half-year periods of positive net absorption for the six months ended June and December 2017, which occurred for the first time since the peak of the office market in 2012, are indications of recovery. Premium Grade office vacancy was 6.3% as at December 2017. Premium Grade average net face rent was A$600 to A$725 per square metre ("sqm") per annum as at March 2018, with average lease incentives between 45% and 48%.

For the Melbourne CBD office market, Savills Research[6] reported that the market continues to be strong, supported by employment growth across the state of 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 March 2018, with lease incentives around 25% to 28%. Overall vacancy rate of 4.6% as at April 2018 was the joint-lowest (with Sydney CBD) 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 ("MPC") meeting held in May 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 planned withdrawal from the European Union. Unemployment rate has reduced in the three months to May 2018 and wage growth continued. The MPC 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[7] reported that prime rents have generally remained stable in Q1 2018. As at March 2018, Farnborough area's prime office rent was in the region of £27.5 per sq ft per annum, with lease incentives generally around 17.5% to 20.0% (based on a typical 10-year lease term), according to CBRE. Limited new development is compelling tenants with medium term lease expiries to consider their options much earlier, which could result in increase in pre-lettings towards the end of 2018 and 2019. Colliers International[8] reported that overall vacancy rate for Thames Valley was 10.1% as at March 2018, a 0.8-percentage point reduction compared to December 2017.

[1] CBRE, Singapore Market View, Q2 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] Net of estimated transaction expenses and fees of S$1.3 million.
[5] Savills Research, Perth CBD Office, April 2018.
[6] Savills Research, Melbourne CBD Office, April 2018.
[7] CBRE Market View, Thames Valley & M25 Office, Q1 2018
[8] Colliers International Research, South East Offices, Q1 2018.

11. Distributions

(a) Current financial period

Name of distribution
Distribution to Unitholders ("Unitholders' Distribution") for the period from 1 April 2018 to 30 June 2018.

The Manager has determined that the Distribution Reinvestment Plan will apply to the distribution for the period from 1 April 2018 to 30 June 2018.

(b)(i) Distribution rate

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

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

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

Unitholders' Distribution for the period from 1 April 2017 to 30 June 2017

	Unitholders' Distribution
	cents
Taxable income component	1.5391
Tax-exempt income component	0.5071
Capital component	0.3517
Total	**2.3979**

(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: Unitholders' Distribution: 29 August 2018

(e) Books closure date: Unitholders' Distribution: 2 August 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
25 July 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.