



**FRASERS COMMERCIAL TRUST  
FINANCIAL STATEMENTS ANNOUNCEMENT  
FOR THE THIRD QUARTER ENDED 30 JUNE 2011**

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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 Centrepont 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 unit of FCOT ("Unit").

The property portfolio of FCOT as at 30 June 2011 consists of nine properties as follows:-

Singapore

100.0% direct interests in the China Square Central property ("China Square Central") and the 55 Market Street property ("55 Market Street"), both located in the Singapore central business district ("CBD"), in the KeyPoint property ("KeyPoint") located at 371 Beach Road, Singapore and in the Alexandra Technopark property ("ATP") located at 438A/438B Alexandra Road, Singapore.

Australia

50.0% indirect interests in Central Park located in Perth, Australia ("Central Park") and the Caroline Chisholm Centre located in Canberra, Australia ("Caroline Chisholm Centre").

Japan

100.0% indirect interests in the Galleria Otemae Building located in Osaka, Japan ("Galleria Otemae"), the Azabu Aco Building located in Tokyo, Japan ("Azabu Aco") and the Ebara Techno-Serve Headquarters Building located in Tokyo, Japan ("Ebara Techno-Serve").

On 18 January 2011, FCOT successfully completed the divestment of its interest in Cosmo Plaza through the sale of all common shares and preferred shares in Frasers Commercial Osaka No. 1 TMK and Frasers Commercial Master Lessee KK by Frasers Commercial Osaka SPC No. 1 Pte. Ltd., a company sponsored and controlled by FCOT and Frasers Commercial Osaka SPC No. 2 Pte. Ltd. a subsidiary of FCOT, for a total consideration of Japanese Yen 4.

On 11 February 2011, FCOT announced the completion of the consolidation (the "Unit Consolidation") of every five existing Units held by Unitholders into one consolidated Unit.

On 12 May 2011, FCOT successfully completed the divestment of its investment in the Australian Wholesale Property Fund ("AWPF"), an Australian registered managed investment scheme, for a total consideration of AUD22.2 million.

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In relation to the acquisition of Alexandra Technopark under Rule 1015 of the Listing Manual of Singapore Exchange Trading Securities Limited and the issue of new Units in FCOT pursuant to the Rights Issue, the sole financial adviser was DBS Bank Ltd. and the joint lead managers and underwriters were DBS Bank Ltd., BNP Paribas, Singapore Branch, Cazenove & Co. (Singapore) Pte. Limited (a Standard Chartered group company)<sup>(1)</sup> and Oversea-Chinese Banking Corporation Limited.

<sup>(1)</sup> Cazenove & Co. (Singapore) Pte. Limited is a wholly-owned subsidiary of Cazenove Asia Limited and a Standard Chartered group company. The mark "Cazenove" and marks containing "Cazenove" are trademarks of Cazenove IP Limited and are used under limited licence. Cazenove Asia Limited, its subsidiaries and affiliated companies are now subsidiaries or affiliated companies of Standard Chartered Bank (Hong Kong) Limited, and are not affiliated with JPMorgan Cazenove Limited, Cazenove Inc., or their subsidiaries.

**SUMMARY OF CONSOLIDATED RESULTS OF FCOT AND ITS SUBSIDIARIES**

- 1 April 2011 to 30 June 2011 ("3Q2011") vs 1 April 2010 to 30 June 2010 ("3Q2010")

- 1 October 2010 to 30 June 2011 ("YTD 3Q2011") vs 1 October 2009 to 30 June 2010 ("YTD 3Q2010")

	Group					
	1/4/2011 to 30/6/2011	1/4/2010 to 30/6/2010	Change	1/10/2010 to 30/6/2011	1/10/2009 to 30/6/2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	30,564	29,222	5%	89,171	88,643	1%
Net property income	24,880	22,698	10%	71,673	69,808	3%
Total return for the period	3,417	3,563	(4%)	38,699	14,438	NM
Income available for distribution to Series A Convertible Perpetual Preferred Units ("CPPU") holders	4,697	4,697	-	14,090	14,090	-
Income available for distribution to Unitholders	8,706	7,725	13%	26,679	24,961	7%
Total income available for distribution to CPPU holders and Unitholders	13,403	12,422	8%	40,769	39,051	4%
<b>Income available for distribution per Unit (cents)</b>						
<b><u>CPPU Holders</u></b>						
For the period	1.37	1.37	-	4.11	4.11	-
Annualised	5.50	5.50	-	5.50	5.50	-
<b><u>Unitholders</u></b>						
For the period	1.38 <sup>(1)</sup>	1.25 <sup>(2)</sup>	10%	4.23 <sup>(1)</sup>	4.05 <sup>(2)</sup>	4%
Annualised	5.54 <sup>(1)</sup>	5.01 <sup>(2)</sup>	10%	5.66 <sup>(1)</sup>	5.41 <sup>(2)</sup>	4%

NM - Not meaningful

**Footnotes:**

(1) The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 630,940,022. Please see Section 1(d)(ii) for the details of changes in the number of Units.

(2) The number of Units used to calculate the DPU has been adjusted for the effect of the Unit Consolidation.

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

	Group					
	1/4/2011 to 30/6/2011	1/4/2010 to 30/6/2010	Change	1/10/2010 to 30/6/2011	1/10/2009 to 30/6/2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue <sup>(1)</sup>	30,564	29,222	5%	89,171	88,643	1%
Property operating expenses <sup>(2)</sup>	(5,684)	(6,524)	(13%)	(17,498)	(18,835)	(7%)
<b>Net property income <sup>(3)</sup></b>	<b>24,880</b>	<b>22,698</b>	10%	<b>71,673</b>	<b>69,808</b>	3%
Interest income	114	64	78%	323	202	60%
Manager's management fees	(3,189)	(3,070)	4%	(9,500)	(9,294)	2%
Trust expenses	(565)	(713)	(21%)	(1,492)	(1,802)	(17%)
Allowance for impairment of receivables	-	(621)	NM	(2)	(1,901)	(100%)
Finance costs <sup>(4)</sup>	(12,101)	(10,983)	10%	(35,068)	(32,094)	9%
<b>Net income</b>	<b>9,139</b>	<b>7,375</b>	24%	<b>25,934</b>	<b>24,919</b>	4%
Foreign exchange gain / (loss)	281	(384)	NM	361	299	21%
Net change in fair value of investment properties <sup>(5)</sup>	(1,157)	(530)	NM	(1,880)	(5,837)	(68%)
Net change in fair value of other investment and derivative financial instruments <sup>(6)</sup>	(614)	(2,790)	(78%)	2,521	(2,443)	NM
Realised (loss) / gain on derivative financial instruments <sup>(7)</sup>	(25)	216	NM	(91)	(911)	(90%)
Other income <sup>(8)</sup>	-	-	-	861	-	NM
Net (loss) / gain on divestments <sup>(9)</sup>	(3,620)	-	NM	12,803	-	NM
<b>Total return before income tax</b>	<b>4,004</b>	<b>3,887</b>	3%	<b>40,509</b>	<b>16,027</b>	NM
Taxation	(587)	(324)	81%	(1,810)	(1,589)	14%
<b>Total return for the period</b>	<b>3,417</b>	<b>3,563</b>	(4%)	<b>38,699</b>	<b>14,438</b>	NM

NM - Not meaningful

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

	Group					
	1/4/2011 to 30/6/2011	1/4/2010 to 30/6/2010	Change	1/10/2010 to 30/6/2011	1/10/2009 to 30/6/2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Total return for the period</b>	<b>3,417</b>	<b>3,563</b>	(4%)	<b>38,699</b>	<b>14,438</b>	NM
(Non-taxable)/ non-tax deductible items and other adjustments:						
Management fees paid / payable in Units	2,710	3,070	(12%)	8,075	8,361	(3%)
Trustees' fees	177	175	1%	552	533	4%
Amortisation of borrowing costs	4,001	3,088	30%	10,201	8,279	23%
Net change in fair value of investment properties	1,157	530	NM	1,880	5,837	(68%)
Net change in fair value of other investment and derivative financial instruments	614	2,790	(78%)	(2,521)	2,443	NM
Deferred income tax expense	529	269	97%	1,563	1,291	21%
Effects of recognising accounting income on a straight-line basis over the lease term	(876)	(455)	93%	(1,567)	(1,620)	(3%)
Allowance for impairment of receivables	-	621	NM	2	1,901	NM
Realised gain on derivative financial instruments <sup>(7)</sup>	-	-	NM	-	(710)	NM
Net loss / (gain) on divestments	3,620	-	NM	(12,803)	-	NM
Other non-tax deductible items and temporary differences <sup>(10)</sup>	(1,946)	(1,229)	58%	(3,312)	(1,702)	95%
<b>Net effect of (non-taxable)/ non-tax deductible items and other adjustments</b>	<b>9,986</b>	<b>8,859</b>	13%	<b>2,070</b>	<b>24,613</b>	(92%)
<b>Income available for distribution to Unitholders and CPPU holders</b>	<b>13,403</b>	<b>12,422</b>	8%	<b>40,769</b>	<b>39,051</b>	4%
Income available for distribution attributable to:						
- CPPU holders <sup>(11)</sup>	4,697	4,697	-	14,090	14,090	-
- Unitholders <sup>(12)</sup>	8,706	7,725	13%	26,679	24,961	7%
	<b>13,403</b>	<b>12,422</b>	8%	<b>40,769</b>	<b>39,051</b>	4%
Unitholders' distribution comprise:						
- from operations	<b>7,546</b>	<b>7,725</b>	(2%)	<b>25,519</b>	<b>24,961</b>	2%
- from capital returns <sup>(13)</sup>	<b>1,160</b>	-	NM	<b>1,160</b>	-	NM
	<b>8,706</b>	<b>7,725</b>	13%	<b>26,679</b>	<b>24,961</b>	7%

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:

	<b>Group</b>					
	<b>1/4/2011 to 30/6/2011</b>	<b>1/4/2010 to 30/6/2010</b>	<b>Change</b>	<b>1/10/2010 to 30/6/2011</b>	<b>1/10/2009 to 30/6/2010</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
China Square Central	4,388	4,388	-	13,163	13,163	-
55 Market Street	1,436	1,570	(9%)	4,275	4,922	(13%)
KeyPoint	4,085	3,746	9%	11,962	11,128	7%
Alexandra Technopark	5,500	5,500	-	16,500	16,500	-
Central Park	9,248	7,275	27%	24,848	22,164	12%
Caroline Chisholm Centre	3,252	2,941	11%	9,481	9,042	5%
Cosmo Plaza	-	1,216	NM	803	3,646	(78%)
Azabu Aco	413	418	(1%)	1,277	1,268	1%
Galleria Otemae	1,617	1,545	5%	4,950	4,918	1%
Ebara Techno-Serve	625	623	-	1,912	1,892	1%
	<b>30,564</b>	<b>29,222</b>	<b>5%</b>	<b>89,171</b>	<b>88,643</b>	<b>1%</b>

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

	<b>Group</b>					
	<b>1/4/2011 to 30/6/2011</b>	<b>1/4/2010 to 30/6/2010</b>	<b>Change</b>	<b>1/10/2010 to 30/6/2011</b>	<b>1/10/2009 to 30/6/2010</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Property maintenance expenses	1,829	2,194	(17%)	5,532	5,813	(5%)
Property management fees	462	456	1%	1,377	1,371	-
Property tax	698	960	(27%)	2,312	3,010	(23%)
Utilities	1,228	1,347	(9%)	3,795	3,951	(4%)
Professional fees	682	808	(16%)	2,154	2,389	(10%)
Insurance	107	144	(26%)	333	389	(14%)
Council rates	266	179	49%	780	669	17%
Amortisation of leasing commission	140	193	(27%)	419	520	(19%)
Other operating expenses	272	243	12%	796	723	10%
	<b>5,684</b>	<b>6,524</b>	<b>(13%)</b>	<b>17,498</b>	<b>18,835</b>	<b>(7%)</b>

NM - Not meaningful

**Footnotes**

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

	Group					
	1/4/2011 to 30/6/2011	1/4/2010 to 30/6/2010	Change	1/10/2010 to 30/6/2011	1/10/2009 to 30/6/2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
China Square Central	4,238	4,237	-	12,715	12,703	-
55 Market Street	1,044	1,165	(10%)	3,192	3,745	(15%)
KeyPoint	2,856	2,648	8%	8,512	7,597	12%
Alexandra Technopark	5,329	5,317	-	15,986	15,966	-
Central Park	6,776	4,707	44%	17,662	15,544	14%
Caroline Chisholm Centre	2,828	2,481	14%	8,181	7,652	7%
Cosmo Plaza	-	350	NM	(252)	1,068	NM
Azabu Aco	263	290	(9%)	877	870	1%
Galleria Otemae	1,037	977	6%	3,193	3,053	5%
Ebara Techno-Serve	509	526	(3%)	1,607	1,610	(0%)
	<b>24,880</b>	<b>22,698</b>	10%	<b>71,673</b>	<b>69,808</b>	3%

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

	Group					
	1/4/2011 to 30/6/2011	1/4/2010 to 30/6/2010	Change	1/10/2010 to 30/6/2011	1/10/2009 to 30/6/2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest expenses	8,100	7,895	3%	24,867	23,803	4%
Amortisation of borrowing costs	4,001	3,088	30%	10,201	8,279	23%
Other fees	-	-	-	-	12	NM
	<b>12,101</b>	<b>10,983</b>	10%	<b>35,068</b>	<b>32,094</b>	9%

(5) The downward revaluation in 3Q2011 of S\$1.2 million and YTD 3Q2011 of \$1.9 million relates to the adjustment of the changes in carrying value of the investment properties during the respective periods. The changes in 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.

(6) The composition of net change in fair value of other investment and derivative financial instruments is as follows:-

	Group					
	1/4/2011 to 30/6/2011	1/4/2010 to 30/6/2010	Change	1/10/2010 to 30/6/2011	1/10/2009 to 30/6/2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Fair value loss on derivative financial instruments	(614)	(5,473)	(89%)	(123)	(5,126)	(98%)
Fair value gain on other investment	-	2,683	NM	2,644	2,683	(1%)
	<b>(614)</b>	<b>(2,790)</b>	(78%)	<b>2,521</b>	<b>(2,443)</b>	NM

NM - Not meaningful

**Footnotes**

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

	Group					
	1/4/2011 to 30/6/2011	1/4/2010 to 30/6/2010	Change	1/10/2010 to 30/6/2011	1/10/2009 to 30/6/2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Loss arising from interest rate swaps	-	-	-	-	(1,003)	NM
(Loss) / gain arising from realisation of foreign currency forward contract	(25)	192	NM	(91)	(1,621)	(94%)
Reversal of unrealised loss previously recognised on foreign currency forward contract	-	24	NM	-	1,713	NM
	<b>(25)</b>	<b>216</b>	<b>NM</b>	<b>(91)</b>	<b>(911)</b>	<b>(90%)</b>

The loss arising from termination of interest rate swaps and reversal of unrealised loss recognised previously on foreign currency forward contract as follows are non-taxable items and have no impact on distributable income.

	Group					
	1/4/2011 to 30/6/2011	1/4/2010 to 30/6/2010	Change	1/10/2010 to 30/6/2011	1/10/2009 to 30/6/2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Loss arising from termination of interest rate swaps	-	-	-	-	(1,003)	NM
Reversal of unrealised loss previously recognised on foreign currency forward contract	-	24	NM	-	1,713	NM
	-	<b>24</b>	<b>NM</b>	-	<b>710</b>	<b>NM</b>

(8) Other income relates to payments received pursuant to a settlement.

(9) Included in net (loss) / gain on divestments are the following:

	Group					
	1/4/2011 to 30/6/2011	1/4/2010 to 30/6/2010	Change	1/10/2010 to 30/6/2011	1/10/2009 to 30/6/2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gain on disposal of subsidiaries	-	-	-	16,423	-	NM
Loss on disposal of other investment	(3,620)	-	NM	(3,620)	-	NM
	<b>(3,620)</b>	-	<b>NM</b>	<b>12,803</b>	-	<b>NM</b>

The divestment of Cosmo Plaza was completed on 18 January 2011 via the disposal of the holding companies, Frasers Commercial Osaka No.1 TMK and Frasers Commercial Osaka Master Lessee KK. The gain on disposal of \$16.4 million comprises the net liabilities of \$7.5 million disposed of and the realisation of cumulative translation differences on the investment of \$8.9 million.

The divestment of the Group's investment in Australian Wholesale Property Fund ("AWPF") was completed on 12 May 2011. The loss on disposal represents the deficit of the sales proceeds over the carrying value of the investment as at the date of the disposal.

(10) Other non tax deductible items and temporary differences comprise primarily of foreign-sourced income yet to be distributed to the Trust and other non-tax deductible/ non-taxable items.

(11) Each Series A CPPUs shall entitle the Series A CPPU holders to receive a distribution of an amount equivalent to 5.50% per annum of the issue price of S\$1.00 each of Series A CPPU.

(12) FCOT's distribution policy is to distribute at least 90% of its taxable income and tax-exempt income to the Unitholders.

(13) Unitholders' distribution from capital returns relates to the distribution available to Unitholders arising from the capital reduction of a subsidiary.

NM - Not meaningful

1(b)(i) Balance sheets, together with a comparative statements as at the end of the immediately preceding financial year

	Group		Trust	
	30/6/2011	30/9/2010	30/6/2011	30/9/2010
	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Non-current assets</u></b>				
Investment properties <sup>(1)</sup>	1,928,876	1,906,351	1,298,930	1,298,900
Subsidiaries <sup>(2)</sup>	-	-	312,384	320,737
Fixed assets	23	14	23	14
Other investment <sup>(3)</sup>	-	29,878	-	-
	<b>1,928,899</b>	<b>1,936,243</b>	<b>1,611,337</b>	<b>1,619,651</b>
<b><u>Current assets</u></b>				
Investment property held for sale <sup>(1)</sup>	-	48,859	-	-
Trade and other receivables	7,889	9,008	67,563	37,240
Derivative financial instruments <sup>(4)</sup>	99	441	57	99
Cash and bank balances	74,592	99,557	44,692	70,212
	<b>82,580</b>	<b>157,865</b>	<b>112,312</b>	<b>107,551</b>
<b>Total assets</b>	<b>2,011,479</b>	<b>2,094,108</b>	<b>1,723,649</b>	<b>1,727,202</b>
<b><u>Current liabilities</u></b>				
Trade and other payables	26,321	36,446	68,817	48,797
Derivative financial instruments <sup>(4)</sup>	5,136	5,346	4,730	5,109
Provision for taxation	32	911	-	891
	<b>31,489</b>	<b>42,703</b>	<b>73,547</b>	<b>54,797</b>
<b>Net current assets</b>	<b>51,091</b>	<b>115,162</b>	<b>38,765</b>	<b>52,754</b>
<b><u>Non-current liabilities</u></b>				
Interest-bearing borrowings (net of transaction costs) <sup>(5)</sup>	729,576	802,371	488,700	482,348
Deferred tax liability <sup>(6)</sup>	52,403	48,311	-	-
	<b>781,979</b>	<b>850,682</b>	<b>488,700</b>	<b>482,348</b>
<b>Total liabilities</b>	<b>813,468</b>	<b>893,385</b>	<b>562,247</b>	<b>537,145</b>
<b>Net assets</b>	<b>1,198,011</b>	<b>1,200,723</b>	<b>1,161,402</b>	<b>1,190,057</b>
<b><u>Represented by:</u></b>				
Ordinary Unitholders' funds	855,511	858,223	818,902	847,557
CPPU holders' funds	342,500	342,500	342,500	342,500
	<b>1,198,011</b>	<b>1,200,723</b>	<b>1,161,402</b>	<b>1,190,057</b>

**Footnotes**

- (1) The investment properties were valued at their fair values based on independent valuations as at 30 September 2010 and subsequently adjusted for capital expenditure. As at 30 June 2011, the carrying amounts of the investment properties approximate their fair values.

The increase in "Investment properties" (non-current) was mainly due to capital expenditure and the appreciation of the Australia Dollar as at 30 June 2011 compared to 30 September 2010.

The decrease in "Investment property held for sale" was due to the divestment of Cosmo Plaza on 18 January 2011.

- (2) The decrease in investments in subsidiaries is due to impairment losses provided in respect of Frasers Commercial Investments No. 2 Pte Ltd, following the disposal of its investment in AWPf.
- (3) Other investment of the Group represents the 39% indirect interest in AWPf. The decrease is due to the disposal on 12 May 2011.
- (4) Derivative financial instruments relate to fair values of interest rate swaps and caps entered into in respect of FCOT's borrowings.
- (5) The decrease in interest-bearing borrowings (net of transaction costs) is mainly due to the AUD22 million partial repayment of the A\$150.0 million Transferable Term Loan Facility on 16 May 2011. Please refer to Page 10 for more details.
- (6) Deferred tax is provided for in respect of the potential capital gains arising from the changes in fair value of overseas properties.

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

**Amount repayable in one year or less, or on demand**

<b>Group</b>			
<b>As at 30/6/2011</b>		<b>As at 30/09/2010</b>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
-	-	-	-

**Amount repayable after one year**

<b>Group</b>			
<b>As at 30/6/2011</b>		<b>As at 30/09/2010</b>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
745,421	-	828,461	-

**Details of any collateral**

The secured borrowings comprise the following:-

- (1) S\$500.0 million Transferable Term Loan Facility

On 22 September 2009, British and Malayan Trustees Limited (the "Trustee"), as trustee of Frasers Commercial Trust ("FCOT"), entered into a facility agreement pursuant to which DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited ("OCBC"), Standard Chartered Bank and Commonwealth Bank of Australia, Singapore Branch agreed to extend to the Trustee, as trustee of FCOT, a transferable term loan facility of S\$500.0 million (the "SGD Facility") for a term of three years from the date of drawdown of the SGD Facility.

As at 30 June 2011, the outstanding amount under the SGD Facility amounted to S\$500.0 million. The SGD Facility bears interest at the swap-offer rate plus a margin.

**1(b)(ii) Aggregate amount of borrowings and debt securities (cont'd)**

**Details of any collateral (cont'd)**

(1) S\$500.0 million Transferable Term Loan Facility (cont'd)

As security under the SGD Facility, FCOT granted in favour of OCBC as security trustee under the SGD Facility, such security which includes the following:

- (a) mortgages over FCOT's Singapore properties, namely China Square Central, 55 Market Street, Keypoint and Alexandra Technopark (collectively, the "Singapore Properties");
- (b) security assignments over the relevant leases, lease guarantees, insurance contracts and sale and purchase agreements in respect of Singapore Properties; and
- (c) charge and assignment over all of FCOT's present and future rights, title and interest, in all bank accounts into which the rental proceeds from the Singapore Properties are paid.

(2) A\$150.0 million Transferable Term Loan Facility

On 10 December 2009, Frasers Commercial Sub No. 3 Pte. Ltd. ("Frasers Sub 3"), a wholly-owned subsidiary of FCOT, entered into a facility agreement pursuant to which Commonwealth Bank of Australia, Singapore Branch agreed to extend to Frasers Sub 3, a transferable term loan facility of A\$150.0 million (the "AUD Facility") for a term of three years from the date of drawdown of the AUD Facility.

On 16 May 2011, A\$22.0 million of the AUD Facility was prepaid. As at 30 June 2011, the outstanding amount under the AUD Facility amounted to A\$103.4 million. The AUD Facility bears interest at the BBSY rate plus a margin.

As security under the AUD Facility, FCOT and its relevant subsidiaries have granted in favour of CBA Corporate Services (NSW) Pty Ltd, as security trustee under the AUD Facility, the following securities:

- (a) mortgage over FCOT's interest in Central Park;
- (b) equitable mortgages and/or charges over all units or shares (where applicable) issued by the relevant subsidiaries of FCOT;
- (c) fixed and floating charges over FCOT's interest in Central Park and Caroline Chisholm Centre;
- (d) security assignment over the relevant leases, lease guarantees, insurance contracts, income support deeds and sale and purchase agreements in respect of the relevant subsidiaries of FCOT;
- (e) security assignment over the loans in respect of certain relevant subsidiaries of FCOT;
- (f) charge and assignment of all bank accounts of the Trustee, as trustee of FCOT, and its relevant subsidiaries, into which distributions of net rental proceeds from Central Park and Caroline Chisholm Centre are paid;
- (g) guarantee by the Trustee, as trustee of FCOT, and certain relevant subsidiaries of FCOT; and
- (h) a debenture.

(3) Fixed Rate Term Specified Bonds

Frasers Commercial Tozai No. 2 TMK ("Frasers Tozai TMK"), issued bonds amounting to ¥7,140,000,000 ("Tozai Bonds") with fixed interest rates of 2.45% to Credit Suisse Securities (Japan) Limited ("Credit Suisse"). On 30 September 2008, Credit Suisse transferred the Tozai Bonds to Shinsei Trust & Bank Co., Ltd, on the same terms and conditions.

Frasers Tozai TMK is a tokutei mokuteki kaisha, established under the Japan Law Regarding Securitisation of Assets (No.105 of 1998, as amended) and is controlled and sponsored by FCOT. Frasers Tozai TMK hold the beneficial interest in the relevant trust that holds legal title to FCOT's Japanese properties, namely Galleria Otemae, Azabu Aco and Ebara Techno-Serve.

The Tozai Bonds will mature on 1 November 2012. Bondholders have recourse to Frasers Tozai TMK, issuers of the bonds.

Pursuant to the divestment by FCOT of its interest in Cosmo Plaza, FCOT, its subsidiaries and its sponsored entities have no longer any obligations or liabilities to Credit Suisse, as holders of the ¥3,900,000,000 bonds issued by Frasers Commercial Osaka No. 1 TMK (which holds the legal title of Cosmo Plaza).

FCOT and its relevant subsidiaries have no debt facilities maturing until 1 November 2012.

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			
	1/4/2011 to 30/6/2011 S\$'000	1/4/2010 to 30/6/2010 S\$'000	1/10/2010 to 30/6/2011 S\$'000	1/10/2009 to 30/6/2010 S\$'000
<b><u>Operating activities:</u></b>				
Total return before income tax	4,004	3,887	40,509	16,027
Adjustments for:-				
Interest expenses	8,100	7,895	24,867	23,815
Effect of recognising accounting income on a straight-line basis over the lease term	(876)	(455)	(1,567)	(1,620)
Allowance for impairment of receivables	-	621	2	1,901
Unrealised foreign exchange differences	-	371	-	(53)
Amortisation of leasing commission	140	193	419	520
Interest income	(114)	(64)	(323)	(202)
Management fees paid /payable in Units	2,710	3,070	8,075	8,361
Net change in fair value of other investment and derivative financial instruments	614	2,790	(2,521)	2,443
Net change in fair value of investment properties	1,157	530	1,880	5,837
Amortisation of borrowing costs	4,001	3,088	10,201	8,279
Realised loss /(gain) on derivative financial instruments	25	(216)	91	911
Net loss / (gain) on divestments	3,620	-	(12,803)	-
<b>Operating income before working capital changes</b>	<b>23,381</b>	<b>21,710</b>	<b>68,830</b>	<b>66,219</b>
Changes in working capital:-				
Trade and other receivables	50	2,448	773	5,193
Trade and other payables	2,602	2,645	(5,813)	(871)
<b>Cash generated from operations</b>	<b>26,033</b>	<b>26,803</b>	<b>63,790</b>	<b>70,541</b>
Tax (paid) /refunded	(142)	204	(1,363)	(101)
<b>Net cash generated from operating activities</b>	<b>25,891</b>	<b>27,007</b>	<b>62,427</b>	<b>70,440</b>
<b><u>Investing activities:</u></b>				
Capital expenditure on investment properties	(551)	(1,633)	(1,947)	(3,253)
Disposal of subsidiaries <sup>(1)</sup>	-	-	(3,956)	-
Proceeds from disposal of other investment	29,111	-	29,111	-
Interest received	126	86	325	192
<b>Net cash generated from / (used in) investing activities</b>	<b>28,686</b>	<b>(1,547)</b>	<b>23,533</b>	<b>(3,061)</b>
<b><u>Financing activities:</u></b>				
Proceeds from borrowings	-	-	-	655,270
Repayment of loan	(29,190)	-	(29,190)	(632,221)
Realisation of derivative financial instruments	(25)	192	(91)	(13,082)
Payment for derivative financial instruments	(84)	-	(250)	(718)
Finance costs paid	(7,560)	(7,461)	(24,980)	(20,332)
Distributions paid	(27,366)	(26,631)	(54,036)	(34,549)
Decrease / (increase) in restricted cash	78	1,266	399	(1,927)
Issue costs paid	-	-	-	(174)
Transaction costs on borrowings	-	(102)	-	(35,443)
<b>Net cash used in financing activities</b>	<b>(64,147)</b>	<b>(32,736)</b>	<b>(108,148)</b>	<b>(83,176)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(9,570)</b>	<b>(7,276)</b>	<b>(22,188)</b>	<b>(15,797)</b>
Cash and cash equivalents at beginning of period	76,934	86,486	88,340	94,195
Effect of exchange rate changes	(1,629)	(3,573)	(417)	(2,761)
<b>Cash and cash equivalents at end of period <sup>(2)</sup></b>	<b>65,735</b>	<b>75,637</b>	<b>65,735</b>	<b>75,637</b>



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

Footnotes

(1) Analysis of disposal of subsidiaries

	Group	
	1/10/2010 to 30/6/2011	1/10/2009 to 30/6/2010
	S\$'000	S\$'000
Investment property held for sale	(48,797)	-
Restricted cash and deposits	(1,961)	-
Bank and cash balances	(3,956)	-
Other current assets	(540)	-
Current liabilities	3,704	-
Non-current liabilities	59,069	-
Net liabilities disposed	7,519	-
Realisation of translation differences	8,904	-
Gain on disposal	(16,423)	-
Consideration received <sup>(a)</sup>	-	-
Less: Cash of subsidiaries disposed of	(3,956)	-
Net cash outflow	(3,956)	-

<sup>(a)</sup> Less than S\$1,000

(2) Cash and cash equivalents

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

	Group	
	30/6/2011	30/6/2010
	S\$'000	S\$'000
Bank and cash balances	42,622	45,268
Fixed deposits <sup>(a)</sup>	31,970	41,926
	74,592	87,194
Less: Restricted cash and deposits pledged - reserves and advance deposits <sup>(b)</sup>	(8,857)	(11,557)
Cash and cash equivalents	65,735	75,637

<sup>(a)</sup> The fixed deposits include rights proceeds earmarked for capital expenditure and working capital.

<sup>(b)</sup> Restricted cash represent bank deposits that are not freely available for use by the Group. They comprise bank deposits in Japan required to be maintained to comply with the requirements of the Japanese Yen Fixed Rate Term Specified Bond Facilities (Please refer to section 1(b)(ii) on the specified bond facilities) and bank deposit in Singapore required to be maintained to comply with the requirements of the SGD Facility.

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

	Group		Trust	
	1/10/2010 to 30/6/2011 S\$'000	1/10/2009 to 30/6/2010 S\$'000	1/10/2010 to 30/6/2011 S\$'000	1/10/2009 to 30/6/2010 S\$'000
<b><u>Movement from 1 October to 31 December</u></b>				
<b>Balance at beginning of period</b>	<b>858,223</b>	<b>827,317</b>	<b>847,557</b>	<b>806,791</b>
<b><u>Operations</u></b>				
Change in net assets attributable to Unitholders resulting from operations	<b>10,867</b>	<b>3,575</b>	<b>8,625</b>	<b>7,942</b>
<b><u>Unitholders' transactions</u></b>				
Issue of Units - management fees	2,710	3,127	2,710	3,127
Issue costs	-	(67)	-	(67)
Distributions to Unitholders	(17,226)	(6,067)	(17,226)	(6,067)
Distributions to CPPU holders	(9,444)	-	(9,444)	-
<b>Change in Unitholders' funds resulting from Unitholders' transactions</b>	<b>(23,960)</b>	<b>(3,007)</b>	<b>(23,960)</b>	<b>(3,007)</b>
<b><u>Foreign currency translation reserve</u></b>				
Movement for the period	<b>11,156</b>	<b>1,717</b>	-	-
<b>Balance at end of period</b>	<b>856,286</b>	<b>829,602</b>	<b>832,222</b>	<b>811,726</b>
<b><u>Movement from 1 January to 31 March</u></b>				
<b>Balance at beginning of period</b>	<b>856,286</b>	<b>829,602</b>	<b>832,222</b>	<b>811,726</b>
<b><u>Operations</u></b>				
Change in net assets attributable to Unitholders resulting from operations	<b>24,415</b>	<b>7,300</b>	<b>9,627</b>	<b>10,327</b>
<b><u>Unitholders' transactions</u></b>				
Issue of Units - management fees	2,655	2,164	2,655	2,164
Issue costs	-	(107)	-	(107)
Distributions to CPPU holders	-	(1,851)	-	(1,851)
<b>Change in Unitholders' funds resulting from Unitholders' transactions</b>	<b>2,655</b>	<b>206</b>	<b>2,655</b>	<b>206</b>
<b><u>Foreign currency translation reserve</u></b>				
Realisation of cumulative translation differences on disposal of subsidiaries	(8,904)	-	-	-
Movement for the period	(7,320)	9,402	-	-
	<b>(16,224)</b>	<b>9,402</b>	-	-
<b>Balance at end of period</b>	<b>867,132</b>	<b>846,510</b>	<b>844,504</b>	<b>822,259</b>

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

	Group		Trust	
	1/10/2010 to 30/6/2011 S\$'000	1/10/2009 to 30/6/2010 S\$'000	1/10/2010 to 30/6/2011 S\$'000	1/10/2009 to 30/6/2010 S\$'000
<b><u>Movement from 1 April to 30 June</u></b>				
<b>Balance at beginning of period</b>	<b>867,132</b>	<b>846,510</b>	<b>844,504</b>	<b>822,259</b>
<b><u>Operations</u></b>				
Change in net assets attributable to Unitholders resulting from operations	<b>3,417</b>	<b>3,563</b>	<b>(947)</b>	<b>1,845</b>
<b><u>Unitholders' transactions</u></b>				
Issue of Units - management fees	2,711	3,070	2,711	3,070
Distributions to Unitholders	(17,973)	(17,238)	(17,973)	(17,238)
Distributions to CPPU holders	(9,393)	(9,393)	(9,393)	(9,393)
<b>Change in Unitholders' funds resulting from Unitholders' transactions</b>	<b>(24,655)</b>	<b>(23,561)</b>	<b>(24,655)</b>	<b>(23,561)</b>
<b><u>Foreign currency translation reserve</u></b>				
Movement for the period	<b>9,617</b>	<b>(19,079)</b>	-	-
<b>Balance at end of period</b>	<b>855,511</b>	<b>807,433</b>	<b>818,902</b>	<b>800,543</b>

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

	1/4/2011 to 30/6/2011	1/4/2010 to 30/6/2010	1/10/2010 to 30/6/2011	1/10/2009 to 30/6/2010
	Units	Units	Units	Units
<b>Issued Units</b>				
Balance at beginning of period	624,162,978	3,052,987,981 <sup>(1)</sup>	3,089,710,334 <sup>(1)</sup>	3,015,464,570 <sup>(1)</sup>
Management fees paid in Units - Pre Unit Consolidation	-	14,804,486 <sup>(1)</sup>	31,104,666 <sup>(1)</sup>	52,327,897 <sup>(1)</sup>
Adjustments arising from Unit Consolidation <sup>(2)</sup>	-	-	(2,496,652,022)	-
Management fees paid in Units - post Unit Consolidation	3,410,192	-	3,410,192	-
Balance at end of period	627,573,170	3,067,792,467	627,573,170	3,067,792,467
<b>Issued and issuable Units</b>				
Issued Units at end of period	627,573,170	3,067,792,467 <sup>(1)</sup>	627,573,170	3,067,792,467 <sup>(1)</sup>
Management fees payable in Units <sup>(3)</sup>	3,366,852	21,917,867 <sup>(1)</sup>	3,366,852	21,917,867 <sup>(1)</sup>
Issued and issuable Units at end of period	630,940,022	3,089,710,334	630,940,022	3,089,710,334
Number of Units that may be issued on conversion of CPPU outstanding as at the end of the period <sup>(4)</sup>	289,151,540	1,445,757,704 <sup>(1)</sup>	289,151,540	1,445,757,704 <sup>(1)</sup>

(1) These relate to the actual number of issued and issuable Units before the consolidation of every five existing Units (the "Unit Consolidation") held by the Unitholders into one consolidated Unit pursuant to the completion of the Unit Consolidation on 11 February 2011.

(2) The adjustment arose from the Unit Consolidation and any fractions of consolidated Units arising from the Unit Consolidation were disregarded.

(3) 3,366,852 Units will be issued to the Manager as payment for management fees for the quarter ended 30 June 2011. This accounts for approximately 85% of the Manager's management fees for that quarter. The price of Units issued is determined based on the volume weighted average price of the Units for the ten business days preceding 30 June 2011. The remaining management fees will be paid in cash.

(4) The CPPU holders have the right to convert the CPPUs into Units on specific conversion dates after a period of 3 years commencing from the date of issue of the CPPUs on 26 August 2009 at a conversion price of \$0.2369. On 11 February 2011, pursuant to the Unit Consolidation, the conversion price is adjusted to \$1.1845.

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 nor 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 2010.

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

	1/4/2011 to 30/6/2011	1/4/2010 to 30/6/2010	1/10/2010 to 30/6/2011	1/10/2009 to 30/6/2010
	S\$'000	S\$'000	S\$'000	S\$'000
Total return for the period	3,417	3,563	38,699	14,438
Distribution to CPPU holders	(4,697)	(4,697)	(14,090)	(14,090)
Earnings attributable to Unitholders	(1,280)	(1,134)	24,609	348
<b>Basic EPU</b>				
Weighted average number of Units in issue	626,673,779	612,712,523 <sup>(4)</sup>	623,279,890	609,362,521 <sup>(4)</sup>
Basic earnings per Unit (cents) <sup>(1)</sup>	(0.20)	(0.19)	3.95	0.06
<b>Diluted EPU</b>				
Weighted average number of Units in issue	915,825,318 <sup>(2)</sup>	901,864,064 <sup>(2),(4)</sup>	912,431,430 <sup>(2)</sup>	898,514,062 <sup>(2),(4)</sup>
Basic earnings per Unit on a fully diluted basis (cents)	(0.20) <sup>(3)</sup>	(0.19) <sup>(3)</sup>	2.70	0.04
<b>DPU</b>				
Number of Units issued and issuable at end of period	630,940,022	617,942,067 <sup>(4)</sup>	630,940,022	617,942,067 <sup>(4)</sup>
Available for distribution per Unit based on the total number of issue and issuable Units (cents)	1.38 <sup>(5)</sup>	1.25	4.23 <sup>(5)</sup>	4.05

**Footnotes:**

- (1) Basic earnings per Unit ("EPU") is computed using the earnings attributable to Unitholders and the weighted average number of Units at the end of the period.
- (2) In computing the diluted EPU, the weighted average number of Units in issue is adjusted to take into account the conversion of the CPPUs at the conversion price of S\$1.1845 per CPPU.
- (3) The diluted EPU is the same as EPU as the potential effects of the conversion of CPPUs into Units are anti-dilutive.
- (4) The weighted average number of Units has been adjusted for the effects of the Unit Consolidation.
- (5) The DPU in the table above is computed on the basis that none of the CPPUs is converted into Units. Accordingly, the actual quantum of DPU payable for quarter ended 30 June 2011 may differ from the table above if any CPPUs are converted into Units.

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

	Group		Trust	
	30/6/2011	30/9/2010	30/6/2011	30/9/2010
Unitholders' funds at end of period (S\$'000)	855,511	858,223	818,902	847,557
Number of Units issued and issuable at the end of the period ('000)	630,940	620,857 <sup>(1)</sup>	630,940	620,857 <sup>(1)</sup>
Unitholders' funds per Unit (S\$)	1.36	1.38 <sup>(1)</sup>	1.30	1.37 <sup>(1)</sup>
Adjusted Unitholders' funds per Unit (excluding distributable income) (S\$)	1.33	1.34 <sup>(1)</sup>	1.28	1.32 <sup>(1)</sup>

<sup>(1)</sup> The number of Units issued and issuable, Unitholders' funds per Unit and adjusted Unitholders' funds per Unit as at 30 September 2010 have been adjusted for the effects of the Unit Consolidation.

**8. Review of performance**

**(a) Variance between results for the period from 1 April 2011 to 30 June 2011 ("3Q2011") and 1 April 2010 to 30 June 2010 ("3Q2010")**

Gross revenue for 3Q2011 was S\$30.6 million, and 5% higher than 3Q2010 mainly due to the following:

- higher revenue contribution from Central Park by S\$2.0 million mainly due to increase in occupancy rate and rental rates. The strengthening of the Australia dollar against the Singapore dollar from A\$1.00 : S\$1.2171 in 3Q2010 to A\$1.00 : S\$1.3186 in 3Q2011 also contributed to the higher revenue;
- higher revenue contribution from Caroline Chisholm Centre by S\$0.3 million mainly due to increase in rental revenue and the strengthening of the Australia dollar; and
- higher revenue contribution from KeyPoint by S\$0.3 million due to increase in occupancy rates.

The above contributions were offset by the loss of revenue contribution from Cosmo Plaza by S\$1.2 million following the divestment on 18 January 2011.

Property operating expenses for 3Q2011 were \$5.7 million, 13% lower than those of 3Q2010 mainly due to the divestment of Cosmo Plaza and lower property maintenance and property tax expenses. Please refer to page 5 for the composition of property operating expenses.

Net property income for 3Q2011 was S\$24.9 million, 10% higher than that of 3Q2010. This is mainly attributable to higher income contributions from Central Park, Caroline Chisholm Centre and KeyPoint.

Trust expenses for 3Q2011 totalled S\$0.6 million, which is 21% lower compared to those of 3Q2010. This was mainly contributed by lower trustee fees due to the decrease in gross asset value subsequent to the divestment of Cosmo Plaza and the investment in AWPf.

The allowance for impairment of receivables of S\$0.6 million in 3Q2010 relates to rental and other income receivable from a significant tenant of Cosmo Plaza who was in financial difficulty. There was no impairment in the current quarter as the tenancy expired in August 2010.

The increase in finance costs by S\$1.1 million in 3Q2011 as compared to that of 3Q2010 was mainly due to the following:

- expensing of capitalised borrowing costs attributable to the partially prepaid AUD Facility; and
- higher interest expense which arose from the higher rates of interest rate swaps entered into in May 2010 in respect of the SGD Facility for the purpose of fixing a portion of the floating rate borrowings.

This was partially offset by a reduction in interest expense on the Cosmo Bonds due to the divestment of Cosmo Plaza and lower interest expense on the AUD Facility after the partial payment in May 2011.

The revaluation loss on investment properties in 3Q2011 and 3Q2010 was mainly due to adjustment of the changes in the carrying values of the investment properties arising from the recognition of rental income on a straight-line basis in accordance with Singapore Financial Reporting Standards.

The net change in fair value of other investment and derivative financial instruments in 3Q2011 of S\$0.6 million relates to changes in the fair values of interest rate swaps and interest rate caps and foreign currency forward contracts. The net fair value loss of S\$2.8 million in 3Q2010 comprised fair value loss of S\$5.5 million on interest rate swaps and interest rate caps and fair value gain of S\$2.7 million on investment in AWPf.

The loss on divestment in 3Q2011 arose from the disposal of investment in AWPf on 12 May 2011.

## 8. Review of performance (cont'd)

### (b) Variance between results for the period from 1 October 2010 to 30 June 2011 ("YTD 3Q2011") and 1 October 2009 to 30 June 2010 ("YTD 3Q2010")

Gross revenue for YTD 3Q2011 was S\$89.2 million, 1% higher compared to YTD 3Q2010 mainly due to the following:

- higher revenue contribution from Central Park by S\$2.7 million mainly due to increase in occupancy rate and rental rates. The strengthening of the Australia dollar against the Singapore dollar from A\$1.00 : S\$1.2521 in YTD 3Q2010 to A\$1.00 : S\$1.2964 in YTD 3Q2011 also contributed to the higher revenue;
- higher revenue contribution from Caroline Chisholm Centre by S\$0.4 million mainly due to increase in revenue and the strengthening of the Australia dollar; and
- higher revenue contribution from KeyPoint by S\$0.8 million due to higher occupancy rate.

This was partially offset by lower revenue contribution from Cosmo Plaza by S\$2.8 million due to the expiry of a significant tenancy in August 2010 and the divestment of Cosmo Plaza in January 2011.

Property operating expenses for YTD 3Q2011 were S\$17.5 million, 7% lower compared to YTD 3Q2010 mainly due to the divestment of Cosmo Plaza and lower property maintenance and property tax expenses. Please refer to page 5 for the composition of property operating expenses.

Net property income for YTD 3Q2011 was S\$71.7 million, 3% higher than that of YTD 3Q2010. This is largely attributable to higher income contribution from Central Park, Caroline Chisholm Centre and KeyPoint.

Trust expenses for YTD 3Q2011 totalled S\$1.5 million, 17% lower compared to those of YTD 3Q2010. This is mainly due to lower trustee fees and write back of accruals of professional fees no longer required in 2Q2011.

The allowance for impairment of receivables of S\$1.9 million in YTD 3Q2010 relates to rental and other income receivable from a significant tenant of Cosmo Plaza who was in financial difficulty. There was no impairment during YTD 3Q2011 as the tenancy expired in August 2010.

The increase in finance costs by S\$3.0 million in YTD 3Q2011 as compared to that of YTD 3Q2010 was mainly due to the following:

- expensing of capitalised borrowing costs attributable to the partially prepaid AUD Facility during 3Q2011; and
- higher interest expense due to higher rates of interest rate swaps entered into in January 2010 and May 2010 in respect of the AUD Facility and SGD Facility respectively for the purpose of fixing a portion of the floating rate borrowings.

The increase was partially offset by a reduction in interest expense on the Cosmo Bonds due to the divestment of Cosmo Plaza and lower interest expense on the AUD Facility after the partial payment in May 2011.

The revaluation loss on investment properties in YTD 3Q2011 of S\$1.9 million was due to adjustment of the changes in the carrying values of the investment properties arising from the recognition of rental income on a straight-line basis in accordance with Singapore Financial Reporting Standards. The revaluation loss in YTD 3Q2010 of \$5.8 million included such adjustment and a downward revaluation of Cosmo Plaza in December 2009.

The net change in fair value of other investment and derivative financial instruments in YTD 3Q2011 of S\$2.5 million comprised mainly the fair value gain on the investment in AWPf of S\$2.6 million. The net fair value change in YTD 3Q2010 comprised the fair value gain on the investment in AWPf of S\$2.7 million and offset by fair value losses of S\$5.1 million on interest rate swaps and interest rate caps.

Other income of S\$0.9 million recognised during YTD 3Q2011 relates to payments received pursuant to a settlement.

The net gain on divestments comprised the gain on divestment of Cosmo Plaza of S\$16.4 million and the loss on divestment of AWPf of S\$3.6 million.

**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 in a statement released on 14 July 2011 that the economy grew by 0.5% on a year-on-year basis, down from the 9.3% growth in the previous quarter. On the Singapore office market, CBRE<sup>(1)</sup> reported that the office leasing activity in Q2 2011 remained stable and in line with the start of the year. The overall quantum of supply has increased noticeably and this is likely to moderate the pace of rental growth going forward.

**Australia**

In the Statement on Monetary Policy released in May 2011 by the Reserve Bank of Australia, GDP is expected to grow by around 4.25% over 2011 as production of coal and iron ore recovers. The forecasts for 2012 and 2013 have been revised down slightly, mostly reflecting the effects outside the mining sector of the appreciation of the exchange rate, although growth is expected to remain at an above-average pace over this period. In year-average terms, GDP is expected to grow by 2.5% in 2010/11, 4.5% in 2011/12 (reflecting the base effect of the impact of floods in 2011) and 3.75% in 2012/13. On the Perth office market, Colliers<sup>(2)</sup> highlighted that strong investment spending in the resource sector continues to drive business expansion within complementary and related sectors. This has been the main driver for high net absorption over 2010. Colliers predicts that based on the strong employment conditions experienced in recent quarters together with Access Economics 2011 forecast; it is anticipated net absorption will run at similar levels over the next 12 months.

**Japan**

In the Government of Japan's Cabinet Office's Monthly Economic Report for July 2011, it was highlighted that upward movements are observed in the Japanese economy while difficulties continue to prevail, due to the Great East Japan Earthquake. The economy is expected to resume picking up as progress is being made in restoring the supply chains and, thereby, production activities are recovering. However, it should also be noted that there is still a risk of the adverse effects of deflation on the economy and a concern about a possible deterioration of the employment situation.

In the Tokyo office market, DTZ<sup>(3)</sup> reports that the vacancy rate for the Tokyo CBD grade A offices fell to 6.25% in Q2 2011 from 7.10% in Q1. This was the first fall in five quarters. Despite the falling vacancy, the overall market has not completely turned as rents are still on the decline. Office consolidations for cost reduction remain popular rather than corporate expansions. In the Osaka city, office market continued on its downward trend, however it showed a slight improvement in Q2 2011. The grade A office vacancy rate in the Osaka CBD fell by 0.95% to 9.95%. It was the first time that the vacancy rate has been below the 10% level in three quarters. A fall in the vacancy was partly a result of no new supply in the quarter. The amount of supply in 2011 is less than half the amount of 2010, providing more opportunities to owners to fill their buildings. Although some occupiers in Tokyo might have thought about office dispersion to the west, it appeared only a few new companies moved to the Osaka market in the end. In fact, new demand for high quality buildings has been from existing tenants within Osaka.

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<sup>1</sup> CB Richard Ellis, "MarketView Singapore", 2Q 2011

<sup>2</sup> Colliers International, "Perth CBD Office", 1H 2011

<sup>3</sup> DTZ Research, "Property Times –Slight improvement after the disaster", Japan Q2 2011

**10. Distributions**

**(a) Current financial period**

Not applicable

**(b)(i) Distribution rate**

Not applicable

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

Not applicable

**(c) Tax rate**

Not applicable

**(d) Date payable:** Not applicable

**(e) Books closure date:** Not applicable

**11. If no distribution has been declared/recommendeded, a statement to that effect**

No distribution has been declared / recommended for the quarter ended 30 June 2011.

**12. Directors' confirmation**

*Confirmation by Directors pursuant to clause 705(5) of the Listing Manual of SGX-ST*

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of Frasers Centrepoint Asset Management (Commercial) Ltd (as Manager of FCOT) which may render these interim financial results to be false or misleading.

For and on behalf of the Board of Directors of Frasers Centrepoint Asset Management (Commercial) Ltd

Dr Chua Yong Hai  
Director

Low Chee Wah  
Director

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.

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

Anthony Cheong Fook Seng  
Company Secretary  
29 July 2011