



FRASERS COMMERCIAL TRUST
(previously known as Allco Commercial Real Estate Investment Trust)
FINANCIAL STATEMENTS ANNOUNCEMENT
for the year ended 31 December 2008

FRASERS COMMERCIAL TRUST ("FCOT" or the "Trust") is a real estate investment trust established under a Trust Deed dated 12 September 2005 entered into between Frasers Centrepoint Asset Management (Commercial) Ltd (formerly known as Allco (Singapore) Limited) (as manager of FCOT) (the "Manager") and British and Malayan Trustees Limited (as trustee of FCOT) (the "Trustee"), as amended by a First Amending and Restating Deed dated 23 February 2006 and amended by a Second Amending and Restating Deed dated 20 March 2006, and a Supplemental Deed of Amendment dated 30 April 2007 (the "Trust Deed").

The principal activities of FCOT and its subsidiaries (the "Group") are those relating to investment in a diverse portfolio of real estate and real estate related assets with the prime objectives 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 31 December 2008 consists of nine properties as follows:-

- 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"), and in the KeyPoint property ("KeyPoint") located at 371 Beach Road, Singapore;
- 100.0% indirect interests in Cosmo Plaza located in Osaka, Japan ("Cosmo Plaza"), 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"); and
- 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") (previously referred to as the Centrelink Headquarters).

FCOT also has a 20.6% indirect investment in Allco Wholesale Property Fund ("AWPF"), an Australian registered managed investment scheme. AWPF is managed by a third party fund manager, and holds a 50.0% interest in the Ernst & Young Centre, a 50.0% interest in the World Square Retail Complex and Public Car Park, and a 100.0% interest in Neeta Shopping Centre, each located in Sydney, Australia.

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SUMMARY OF CONSOLIDATED RESULTS OF FCOT AND ITS SUBSIDIARIES (ACTUAL VS FORECAST)

	4Q2008			FY2008		
	Actual S\$'000	Forecast (1) S\$'000	Inc/(Dec) %	Actual S\$'000	Forecast (1) S\$'000	Inc/(Dec) %
Gross Revenue ⁽²⁾	24,888	16,296	52.7%	106,954	64,831	65.0%
Net Property Income ⁽²⁾	18,559	13,758	34.9%	80,959	54,733	47.9%
Total return for the period after income tax and before distribution ⁽³⁾	(101,556)	8,329	NM	(202,382)	33,135	NM
Available for distribution to Unitholders	9,269	10,761	(13.9%)	45,840	42,812	7.1%
Available for distribution per Unit (cents)						
For Period	1.26 ⁽⁴⁾	1.52	(17.1%)	6.35 ⁽⁵⁾	6.04	5.1%
Annualised	5.01 ⁽⁴⁾	6.04	(17.1%)	6.35 ⁽⁵⁾	6.04	5.1%

NM – not meaningful

Footnotes

- (1) The forecast, for both 4Q2008 and FY2008, is based on management's forecast for the period FY2008 shown in the Circular dated 26 June 2007 ("Circular"). FCOT is required to disclose any variance between the forecast and the actual results for the quarter and the interim period.
- (2) The actual gross revenue and the net property income from Central Park, Caroline Chisholm Centre and AWPf have been translated at the average monthly spot exchange rate for the quarter and the financial year. The exchange rate for the forecast on Central Park, Caroline Chisholm Centre and AWPf is assumed to be A\$1.00:S\$1.1904. The Trust has entered into foreign exchange derivative financial instruments to fix the exchange rates in respect of the forecast income from these investments at these exchange rates.
- (3) Refer to sections 1(a) and 8 for further details on the total return for the period after income tax and before distribution.
- (4) The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 736.05 million Units. Please see section 1(d)(ii) for the details of changes in the Units.
- (5) DPU of 6.35 cents for FY2008 comprises DPU of 3.99 cents for 1H2008 and 2.36 cents for 2H2008. The DPU for 1H2008 is computed based on 714.64 million units issued and issuable as at 30 June 2008 while the DPU for 2H2008 is computed based on 736.05 million units issued and issuable as at 31 December 2008.

Refer to Section 9 for details.

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

	4Q2008 S\$'000	4Q2007 S\$'000	Inc/(Dec) %	FY2008 S\$'000	FY2007 S\$'000	Inc/(Dec) %
Gross revenue ⁽¹⁾	24,888	26,635	(6.6%)	106,954	75,247	42.1%
Property operating expenses						
- Repairs and maintenance	(308)	(142)	116.9%	(1,271)	(710)	79.0%
- Property management fees	(741)	(790)	(6.2%)	(3,188)	(2,020)	57.8%
- Property tax	(1,254)	(538)	133.1%	(4,671)	(1,089)	328.9%
- Other property operating expenses ⁽²⁾	(4,026)	(4,551)	(11.5%)	(16,865)	(10,006)	68.5%
	(6,329)	(6,021)	5.1%	(25,995)	(13,825)	88.0%
Net property income	18,559	20,614	(10.0%)	80,959	61,422	31.8%
Interest income	206	841	(75.5%)	1,718	3,635	(52.7%)
Other (expenses) / income ⁽³⁾	(700)	(390)	79.5%	(2,640)	174	NM
Trust expenses ⁽⁴⁾	(3,914)	(4,999)	(21.7%)	(16,004)	(11,312)	41.5%
(Allowance for) / Reversal of impairment of receivables	(710)	(2,009)	(64.7%)	1,299	(2,009)	NM
Realised gain on derivative financial instruments ⁽⁵⁾	2,269	-	NM	6,038	-	NM
Finance costs ⁽⁶⁾	(12,706)	(7,691)	65.2%	(42,296)	(19,512)	116.8%
Net income before net changes in unrealised foreign exchange (loss)/gain, fair values of investment properties, other investment and derivative financial instruments, income tax and distribution	3,004	6,366	(52.8%)	29,074	32,398	(10.3%)
Unrealised foreign exchange (loss)/gain	(26,330)	407	NM	(31,455)	540	NM
Net change in fair value of investment properties ⁽⁷⁾	(51,386)	120,649	NM	(164,634)	271,932	NM
Net change in fair value of other investment and derivative financial instruments ⁽⁸⁾	(26,708)	(2,193)	NM	(47,334)	15,265	NM
Net (loss) / gain in unrealised foreign exchange (loss)/gain, fair values of investment properties, other investment and derivative financial instruments	(104,424)	118,863	NM	(243,423)	287,737	NM
Total return before income tax and distribution	(101,420)	125,229	NM	(214,349)	320,135	NM
Income tax expense ⁽⁹⁾	(136)	(8,937)	(98.5%)	11,967	(31,088)	NM
Total return for the period after income tax, before distribution	(101,556)	116,292	NM	(202,382)	289,047	NM
Distribution	-	-	NM	(45,775)	(29,177)	56.9%
Total return for the period	(101,556)	116,292	NM	(248,157)	259,870	NM

NM – not meaningful

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Reconciliation of Total Return for the Period After Income Tax, Before Distribution to the Total Amount Distributable to Unitholders:

	4Q2008 S\$'000	4Q2007 S\$'000	Inc/(Dec) %	FY2008 S\$'000	FY2007 S\$'000	Inc/(Dec) %
Total return for the period after income tax, before distribution	(101,556)	116,292	NM	(202,382)	289,047	NM
Non-tax deductible / (non-taxable) items and other adjustments:						
Property management fees paid / payable in Units	-	790	(100%)	831	2,020	(58.9%)
Management fees paid / payable in Units	2,687	2,945	(8.8%)	11,476	7,771	47.7%
Trustee's fees	219	210	4.3%	968	534	81.3%
Amortisation of borrowing costs	2,759	2,289	20.5%	10,465	5,891	77.6%
Net change in fair value of investment properties	51,386	(120,649)	NM	164,634	(271,932)	NM
Amortisation of leasing costs	167	54	209.3%	472	138	242.0%
Net change in fair value of other investment and derivative financial investments	26,708	2,193	NM	47,334	(15,265)	NM
Deferred income tax (written back)/expense	651	10,801	(94.0%)	(12,441)	30,801	NM
Effect of recognising accounting income on a straightline basis over the lease terms	(629)	(1,606)	(60.8%)	(3,575)	(3,316)	7.8%
Unrealised foreign exchange loss/(gain)	26,330	(407)	NM	31,455	(540)	NM
(Allowance for) / Reversal of impairment of receivables	710	2,009	(64.7%)	(1,299)	2,009	NM
Other adjustments ⁽¹⁰⁾	(163)	646	NM	(2,098)	368	NM
Net effect of non-tax deductible / (non-taxable) items and other adjustments	110,825	(100,725)	NM	248,222	(241,521)	NM
Available for distribution to Unitholders ⁽¹¹⁾	9,269	15,567	(40.5%)	45,840	47,526	(3.5%)
Comprises:						
- from operations	7,613	14,733	-	32,064	40,266	-
- from Unitholder contributions	1,656	834	-	13,776	7,260	-

NM - Not meaningful

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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, turnover rent, income support and distributions from AWPf.
- (2) Refer to section 8 for explanation on variances. The breakdown of the "other property operating expenses" by major items and by property is as follows:-

Other property operating expenses (By major items)

	4Q2008 S\$'000	4Q2007 S\$'000	FY2008 S\$'000	FY2007 S\$'000
Property maintenance expenses	1,243	2,109	5,862	4,331
Utilities	1,296	1,009	5,219	2,413
Other professional fees	855	739	3,601	1,289
Insurance	93	88	402	327
Council rates	183	251	861	877
Amortisation of leasing commission	167	95	472	175
Other operating expenses	189	260	448	594
Total	4,026	4,551	16,865*	10,006

* Property operating expenses for FY2008 represents the full year expenses for the properties acquired in 2H2007. (i.e. FY2007 property operating expenses represented those that arose subsequent to their acquisitions).

Other property operating expenses (By property)

	4Q2008 S\$'000	4Q2007 S\$'000	FY2008 S\$'000	FY2007 S\$'000
China Square Central	(3)	63	25	64
55 Market Street	322	387	1,177	870
KeyPoint*	842	510	3,161	510
Central Park	1,432	1,880	6,579	6,343
Caroline Chisholm Centre*	325	431	1,498	759
Cosmo Plaza*	451	694	1,972	873
Galleria Otemae*	500	432	1,818	432
Ebara Techno-Serve*	42	49	193	49
Azabu Aco*	115	105	442	106
Total	4,026	4,551	16,865	10,006

* These properties were acquired in 2H2007 and accordingly the property operating expenses for FY2007 represents those that arose subsequent to their acquisitions. The property operating expenses for FY2008 represents their full year expenses.

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(3) *Other expenses/income comprises realised foreign exchange loss and for FY2008, the balance included a write-off of property development expenses previously capitalised in respect of the proposed hotel development at China Square Central (reflected in 3Q2008 results).*

(4) *The composition by major items in "Trust Expenses" is as follows:-*

	Group 4Q2008 S\$'000	Group 4Q2007 S\$'000	Group FY2008 S\$'000	Group FY2007 S\$'000
Management fees	2,687	2,897	11,476	7,771
Trustee's fees	220	103	969	430
Audit fees	144	163	417	389
Non-audit fees paid to the auditors of the Trust	69	332	401	332
Professional and legal fees [#]	648	230	1,928	549
Write-off of capital raising expenses	-	991	-	991
Other expenses	146	283	813	850
Total	3,914	4,999	16,004	11,312

The higher professional and legal fees incurred in FY2008 vis-a-vis FY2007 was mainly due to legal fees incurred in respect of the extension of the Loan Note Facilities and other general legal advice.

(5) *Realised gains on derivative financial instruments represent the gains from termination of Japanese Yen and Australian Dollar currency hedging entered into by the Trust.*

(6) *Finance costs were higher in 4Q2008 as compared to 4Q2007 due to the full quarter's effect of bank borrowings utilised to fund the acquisition of KeyPoint (acquired on 31 October 2007), and the higher margins on the Loan Note Facility and the Japanese Yen Bi-Lateral Cash Advance Facility in 4Q2008 under the terms of the extension of the Loan Note Facility. Finance costs for FY2008 is higher principally due to the higher margins and the full year effect of bank borrowings utilised to fund acquisition of the properties in 2H2007.*

(7) *Refer to section 8 on page 20, "Valuation of the investment properties".*

(8) *This represents the changes in fair values of the Group's investment in AWPf and in derivative financial instruments. The derivative financial instruments comprise foreign currency forward contracts and interest rate swaps entered into by the Trust to manage its foreign currency and interest rate risks.*

	4Q2008 S\$'000	4Q2007 S\$'000	FY2008 S\$'000	FY2007 S\$'000
Change in fair value of interest in AWPf	(19,387)	5,323	(37,371)	18,663
Change in fair value of derivative financial instruments	(7,321)	(7,516)	(9,963)	(3,398)
Fair value movements	(26,708)	(2,193)	(47,334)	15,265

(9) *Income tax expense for FY2008 includes income tax and withholding tax provisions of S\$0.4 million arising from the subsidiaries of the Trust and a write-back of deferred capital gains tax liability of S\$12.4 million.*

(10) *Other adjustments comprise primarily the differences between the cash available to be distributed and the accounting profit available for distribution in foreign jurisdictions and other non-tax deductible/ non-taxable items and the write-off of property development expenses previously capitalised in respect of the proposed hotel development at China Square Central.*

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- (11) *FCOT's distribution policy is to distribute 100.0% of its taxable income and tax-exempt income for the financial period from 12 September 2005 (date of constitution) to 31 December 2006 and for the financial year ended 31 December 2007, and thereafter to distribute at least 90.0% of its taxable income and tax-exempt income.*

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

	Group 31/12/08 S\$'000	Group 31/12/07 S\$'000	Trust 31/12/08 S\$'000	Trust 31/12/07 S\$'000
Non-current assets				
Investment properties ⁽¹⁾	1,659,137	1,876,105	1,033,000	1,089,900
Subsidiaries	-	-	570,293	570,293
Other investments ⁽²⁾	26,312	75,090	-	-
Other receivables ⁽³⁾	8,726	10,000	8,726	10,000
Deferred tax assets ⁽⁴⁾	1,156	2,366	-	-
	1,695,331	1,963,561	1,612,019	1,670,193
Current assets				
Trade and other receivables	7,282	10,182	18,187	18,570
Derivative financial instruments ⁽⁵⁾	-	2,378	-	2,378
Cash and cash equivalents	55,265	61,838	16,078	33,803
	62,547	74,398	34,265	54,751
Total assets	1,757,878	2,037,959	1,646,284	1,724,944
Current liabilities				
Trade and other payables	34,876	37,309	28,715	26,050
Interest-bearing borrowings (net of transaction costs)	616,390	615,857	616,390	615,857
Derivative financial instruments ⁽⁵⁾	11,579	4,252	11,579	4,252
Provision for taxation	(2,995)	810	891	891
	659,850	658,228	657,575	647,050
Non-current liabilities				
Deferred tax liability ⁽⁴⁾	36,693	63,734	-	-
Interest-bearing borrowings (net of transaction costs)	330,033	266,324	156,522	125,859
	366,726	330,058	156,522	125,859
Total liabilities (excluding net assets attributable to Unitholders)	1,026,576	988,286	814,097	772,909
Net assets attributable to Unitholders	731,302	1,049,673	832,187	952,035

Footnotes

- (1) *Please see section 8, page 20 for details of the valuations of investment properties. The decrease is due to the downward revaluations of investment properties.*
- (2) *Other investments of the Group represent the investment in AWPf. As at 31 December 2008, FCOT held 39,758,513 units (4Q2007:48,000,000 units) in AWPf.*
- (3) *Other receivables relate to amounts due from Unicorn Square Limited, the master lessee of China Square Central, for future capital, advertising and promotion expenditure in relation to the property. The decrease is due to the Trust submitting claims of capital expenditure to Unicorn Square Limited in FY2008.*

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(4) *Deferred tax is provided for in respect of the potential capital gains or losses arising from the changes in fair value of the overseas properties and the investment in AWPf.*

(5) *The derivative financial instruments relate to the fair values of interest rate swaps transacted to manage interest rate risk, and the fair values of foreign currency swaps and forward contracts transacted to manage currency fluctuations on the foreign currency denominated income of the Group. The breakdown of the "derivative financial instruments" is as follows:-*

"Derivative financial instruments" in Current Assets

	Group 31/12/08 S\$'000	Group 31/12/07 S\$'000	Trust 31/12/08 S\$'000	Trust 31/12/07 S\$'000
Mark-to-market values on:-				
- Interest rates swaps	-	2,196	-	2,196
- Foreign currency forward contracts	-	182	-	182
Total	-	2,378	-	2,378

"Derivative financial instruments" in Current Liabilities

	Group 31/12/08 S\$'000	Group 31/12/07 S\$'000	Trust 31/12/08 S\$'000	Trust 31/12/07 S\$'000
Mark-to-market values on:-				
- Interest rates swaps	10,784	3,048	10,784	3,048
- Foreign currency forward contracts	795	1,204	795	1,204
Total	11,579	4,252	11,579	4,252

As at 31 December 2008, FCOT has interest rate swaps hedging its interest rate risks over 45.5% of its Singapore Dollar and Japanese Yen floating rate debt facilities.

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

Details of borrowings and collateral

	Group 31/12/08 S\$'000	Group 31/12/07 S\$'000
Secured borrowings (excluding transaction costs)		
Amount repayable in one year or less	554,520	620,000
Amount repayable after one year	332,032	268,416
Unsecured borrowings		
Amount repayable in one year or less, or on demand	70,000	Nil
	956,552	888,416

- 1) A loan note facility has been arranged by CBA Asia Limited in three tranches ("**Loan Note Facility**"). The details of the Loan Note Facility are described in the table below.

Details of Loan Note Facility

Tranche	Issue Date	Facility Limit S\$'m	Outstanding Loan Notes S\$'m	Interest Rate	Maturity Date
A	30 Mar 2006	179.0	179.0	Floating Interest Rate of the relevant Singapore three month swap offer rate (" SOR ") plus a margin	31 Dec 2009 ¹
B	22 Nov 2006	70.0	-	SOR plus a margin	22 Nov 2008 ²
C	31 Oct 2007	371.0	371.0	SOR plus a margin	31 Dec 2009 ¹

As security for the Loan Note Facility, the Trustee and its relevant subsidiaries have granted certain collateral in favour of a security trustee on behalf of certain financiers including:

1. a first registered mortgage over its interests in China Square Central, 55 Market Street, Central Park and KeyPoint;
 2. equitable mortgages over all units and shares (as applicable) issued in each of the following FCOT subsidiaries:
 - a. ARC Trust;
 - b. Frasers Commercial Investments No.3 Pty Limited;
 - c. Frasers Commercial Sub No.1 Pte. Ltd.;
 - d. Frasers Commercial Investments No.1 Pte. Ltd.;
 - e. Frasers Commercial Investments No.2 Pte. Ltd.; and
 - f. Central Park Landholding Trust.
 3. an equitable mortgage over the units issued to Frasers Commercial Investments No.2 Pte. Ltd. in AWPf;
 4. registered fixed and floating charges over all the assets of Central Park Landholding Trust and ARC Trust;
1. On or before 31 July 2009, the Trustee as issuer of loan notes under the Loan Note Facility must redeem sufficient loan notes so that the aggregate amount outstanding under Facility A and Facility C of the Loan Note Facility as at 1 August 2009 is no more than S\$150,000,000.
 2. On 21 November 2008, S\$70,000,000 of Loan Notes issued pursuant to Tranche B of the Loan Note Facility was redeemed using the proceeds from a loan extended by F&N Treasury Pte. Ltd., a wholly owned subsidiary of Fraser & Neave Limited ("**F&N Loan**"). (See Note 5 below for details of the F&N Loan)

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5. *security assignments over the relevant leases, lease guarantees, insurance contracts, income support deeds and sale and purchase agreements in respect of China Square Central, 55 Market Street, Central Park and KeyPoint;*
6. *registered charges over the rental proceeds accounts into which the rent in respect of China Square Central, 55 Market Street, Central Park, and KeyPoint will be paid; and*
7. *registered charges over the accounts into which distributions and dividends from FCOT subsidiaries will be paid.*

(together "**Loan Note Collateral**").

- 2) *A Japanese Yen Bi-Lateral Cash Advance Facility equivalent to ¥9,783,587,805 was arranged with Commonwealth Bank of Australia, Singapore Branch based on a JPY LIBOR BBA rate plus margin. The loan will mature on 10 September 2012. This facility is secured against the Loan Note Collateral described above.*
- 3) *A S\$12,000,000 Revolving Loan Facility was arranged with Commonwealth Bank of Australia, Singapore Branch based on SOR plus a margin. This facility will mature on 22 April 2009. This facility is secured against the Loan Note Collateral described above.*
- 4) *Two Japanese Yen Fixed Rate Term Specified Bond Facilities, of ¥3,900,000,000 ("**Cosmo Bonds**") and ¥7,140,000,000 ("**Tozai Bonds**"), were arranged with Credit Suisse Securities (Japan) Limited ("**Credit Suisse**") with fixed interest rates of 3.01% and 2.44% respectively. On 30 September 2008, Credit Suisse transferred the Tozai Bonds to Shinsei Trust & Bank Co., Ltd, on the same terms and conditions. The bonds will mature on 1 August 2012 and 1 November 2012 respectively. The bondholders have recourse to the issuer of the bonds, a tokutei mokuteki kaisha (an entity established under the Japan Law Regarding Securitisation of Assets (No.105 of 1998, as amended)), which is an indirect wholly owned subsidiary of FCOT, and which holds a beneficial interest in the relevant trust that holds legal title to each of Cosmo Plaza, Galleria Otemae, Azabu Aco and Ebara Techno-Serve.*
- 5) *A S\$70,000,000 term loan was extended by F&N Treasury Pte. Ltd., to the Trustee on 21 November 2008 ("**F&N Loan**"). The F&N Loan has an initial term of six months and bears interest at 3.73% per annum. The proceeds of the F&N Loan were utilised to redeem S\$70,000,000 of Loan Notes issued pursuant to the Loan Note Facility. The F&N Loan is unsecured.*

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1(c) Consolidated Cash Flow Statement

	4Q2008	4Q2007	FY2008	FY2007
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities:				
Total return before income tax	(101,420)	125,229	(214,349)	320,135
Adjustments for:				
Finance costs	12,706	7,691	42,296	19,512
Distribution income from other investment	-	(564)	(495)	(7,319)
Effect of recognising accounting income on a straight-line basis over the lease term	(630)	(1,606)	(3,575)	(3,316)
Allowance for / (Reversal of) impairment of receivables	710	2,009	(1,299)	2,009
Foreign exchange differences	27,031	(163)	32,380	(366)
Amortisation of leasing costs	167	54	472	176
Interest income	(207)	(841)	(1,718)	(3,635)
Management fees paid / payable in Units	2,686	2,945	11,476	7,771
Net change in fair value of other investment and derivative financial instruments	26,708	2,193	47,334	(15,265)
Net change in fair value of investment properties	51,386	(120,649)	164,634	(271,932)
Realised gains on derivative financial instruments	(2,269)	-	(6,038)	-
Property management fee paid / payable in Units	-	790	831	2,020
Operating income before working capital changes	16,868	17,088	71,949	49,790
Changes in working capital:				
Trade and other receivables	(941)	1,553	9,103	(7,973)
Trade and other payables	(2,929)	12,983	(15,941)	31,533
Restricted cash and deposits pledged	-	(35,353)	-	(35,353)
Cash generated from operating activities	12,998	(3,729)	65,111	37,997
Tax (paid)/refunded	1,073	(8)	(5,349)	(909)
Net cash provided by operating activities	14,071	(3,737)	59,762	37,088

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	4Q2008	4Q2007	FY2008	FY2007
	S\$'000	S\$'000	S\$'000	S\$'000
Investing activities:				
Net cash outflow on purchase of investment properties	-	(379,254)	-	(758,531)
Capital expenditure on investment properties	(2,256)	-	(3,517)	(1,955)
Interest received	207	841	1,718	3,635
Proceeds from disposal of investment	-	-	11,408	-
Distribution received	-	737	495	7,552
Cash generated from/(utilised in) investing activities	(2,049)	(377,676)	10,104	(749,299)
Financing activities:				
Proceeds from borrowings	1,420	380,916	4,520	640,641
Repayment of borrowings	-	-	-	(55,000)
Proceeds from issuance of new Units	-	-	-	206,699
Proceeds from realisation of derivative financial instruments	2,270	-	6,039	-
Finance costs paid	(8,414)	(5,402)	(23,930)	(13,621)
Distribution paid	-	-	(54,911)	(35,999)
Decrease in restricted cash	1,547	-	26,294	-
Issue cost paid	-	-	-	(6,518)
Transaction costs on borrowings	(1,528)	(2,419)	(14,418)	(5,670)
Cash utilised in financing activities	(4,705)	373,095	(56,406)	730,532
Net increase in cash and cash equivalents	7,317	(8,318)	13,460	18,321
Cash and cash equivalents at beginning of period	33,491	34,803	26,485	8,164
Effect of exchange rate changes	5,398	-	6,261	-
Cash and cash equivalents at end of period ⁽¹⁾	46,206	26,485	46,206	26,485

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Footnotes

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

	31/12/2008 S\$'000	31/12/2007 S\$'000
Bank and cash balances	55,265	59,428
Fixed deposits	-	2,410
Cash and cash equivalents at end of the period	55,265	61,838
Less: Restricted cash and deposits pledged - reserves and advance deposit *	(9,059)	(35,353)
Cash and cash equivalents in the consolidated cash flow statements	46,206	26,485

- * Restricted cash and deposits pledged 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 a bank deposit held in escrow in Singapore for purposes of the income support deed in relation to KeyPoint.

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1(d)(i) Statements of changes in net assets attributable to Unitholders

	Group 1/1/08 to 31/12/08 S\$'000	Group 1/1/07 to 31/12/07 S\$'000	Trust 1/1/08 to 31/12/08 S\$'000	Trust 1/1/07 to 31/12/07 S\$'000
<u>Movement from 1/1/08 to 30/9/08</u>				
Balance at beginning of period	1,049,673	579,416	952,035	544,062
Operations				
Change in net assets attributable to Unitholders from operations	(100,823)	172,754	(22,194)	126,978
Distributions to Unitholders	(45,775)	(29,177)	(45,775)	(29,177)
Change in net assets resulting from operations	(146,598)	143,577	(67,969)	97,801
Unitholders contributions				
Issue of Units				
- Management and property management fees	9,620	7,842	9,620	7,842
- Pursuant to rights issue	-	206,699	-	206,699
- Acquisition fees	-	1,446	-	-
Issue expenses	-	(6,518)	-	(2,147)
Distribution to Unitholders	(9,135)	(6,822)	(9,135)	(6,822)
Change in assets resulting from unitholders	485	202,647	485	205,572
Foreign currency translation reserve				
Movement for the period	(22,417)	27,539	-	-
	(22,417)	27,539	-	-
Balance as at 30 September	881,143	953,179	884,551	847,435
<u>Movement from 1/10/08 to 31/12/08</u>				
Operations				
Change in net assets attributable to Unitholders from operations	(101,556)	116,292	(55,792)	101,060
Distributions to Unitholders	-	-	-	-
Change in net assets resulting from operations	(101,556)	116,292	(55,792)	101,060
Unitholders contributions				
Issue of Units				
- Pursuant to rights issue	-	-	-	-
- Management and property management fees	3,428	2,289	3,428	3,735
Issue expenses	-	(595)	-	(195)
Distribution to Unitholders	-	-	-	-
Change in assets resulting from unitholders	3,428	1,694	3,428	3,540
Foreign currency translation reserve				
Movement for the period	(51,713)	(21,492)	-	-
	(51,713)	(21,492)	-	-
Balance of net assets attributable to Unitholders at end of period	731,302	1,049,673	832,187	952,035

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

	4Q2008 Units	4Q2007 Units	FY2008 Units	FY2007 Units
Issued Units as at beginning of period	714,506,973	698,472,849	700,731,701	495,310,734
Management / property management fees paid in Units ⁽²⁾	10,927,647	2,258,852	24,702,919	5,445,244
Rights issue				198,749,242
Acquisition fees paid in Units				1,226,481
Issued Units as at end of period	725,434,620	700,731,701	725,434,620	700,731,701
Management / property management fees payable in Units ⁽¹⁾	10,612,344	5,201,802	10,612,344	5,201,802
Issued and issuable Units as at end of period	736,046,964	705,933,503	736,046,964	705,933,503

Footnotes

- (1) 10.612 million Units will be issued on 22 January 2009 to the Manager as payment for management fees for the quarter ended 31 December 2008. The price of Units issued is determined based on the VWAP of the Units for the ten business days preceding the date of issue pursuant to the Trust Deed.
- (2) Management and property management fees paid/payable in Units comprise the following:-

	Management Fee	Property Management Fee
31-Dec-06	-	277,417
31-Mar-07	1,018,491	266,464
30-Jun-07	1,312,076	311,944
30-Sep-07	1,786,862	471,990
31-Dec-07	4,102,141	1,099,661
31-Mar-08 *	3,664,817	-
30-Jun-08	3,828,748	1,079,905
30-Sep-08 *	10,927,647	-
31-Dec-08 *	10,612,344	-
	37,253,126	3,507,381

* Property management fees paid in cash.

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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).**

The figures have not been audited nor reviewed by the Trust’s auditors.

3. **Where the figures have been audited or reviewed, the auditor’s report (including any qualifications or emphasis of matter).**

Not applicable.

4. **Whether the same accounting principles and methods of computation as in the issuer’s most recent audited financial statements have been applied**

FCOT has adopted the same accounting principles and methods of computation as set out in the audited financial statements for the financial year ended 31 December 2007.

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**

	Actual 4Q2008	Actual 4Q2007	Actual FY2008	Actual FY2007
Weighted average number of Units	721,396,142	700,461,621	712,128,427	589,113,037
Earnings per Unit (cents) - basic and diluted on the weighted average number of Units on issue number of Units on issue				
-Basic (cents)	(14.08)	16.60	(28.42)	49.06
-Fully diluted (cents)	(14.08)	16.60	(28.42)	49.06
Earnings per Unit - basic and diluted on the weighted average number of Units on issue restated for Rights issue				
Number of units issued and issuable at end of period	736,046,964	705,933,503	736,046,964	705,933,503
Available for distribution per Unit - basic and diluted based on the total number of Units on issue (cents)	1.26	2.21	6.35 ⁽¹⁾	6.73

The diluted EPU and DPU are the same as the basic EPU and DPU as there are no dilutive instruments on issue during the period.

Footnotes

- (1) *DPU of 6.35 cents for FY2008 comprises DPU of 3.99 cents for 1H2008 and 2.36 cents for 2H2008. The DPU for 1H2008 is computed based on 714.64 million units issued and issuable as at 30 June 2008 while the DPU for 2H2008 is computed based on 736.05 million units issued and issuable as at 31 December 2008.*

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7. Net asset value per Unit based on issued and issuable Units at the end of the period

	Group 31/12/2008	Group 31/12/2007	Trust 31/12/2008	Trust 31/12/2007
Number of units issued and issuable at end of period	736,046,964	705,933,503	736,046,964	705,933,503
Net Asset Value at end of period (S\$'000)	731,302	1,049,673	832,187	952,035
Net Asset Value per Unit (S\$)	0.99	1.49	1.13	1.35
Adjusted Net Asset Value per Unit (excluding distributable income) (S\$)	0.97	1.42	1.11	1.28

8. Review of performance – Variance between actual results for the period 1 October 2008 to 31 December 2008 (“4Q2008”) and 1 October 2007 to 31 December 2007 (“4Q2007”)

Gross revenue for 4Q2008 was S\$1.7 million or 6.6% lower than the corresponding period in the prior year mainly due to the following:

- lower contribution of S\$3.3 million from Central Park and Caroline Chisholm Centre. This arose from the weakening of the Australian Dollar from A\$1.00:S\$1.2941 in 4Q2007 to A\$1.00:S\$0.9758 for 4Q2008 and the termination of the income support for Central Park from 14 August 2008 following the completion of the acquisition of the Manager by Frasers Centrepoint Limited.
- no contribution from AWPf for 4Q2008 (see note on AWPf below).

This was partially offset by:

- full quarter's contribution from KeyPoint of S\$5.1 million in 4Q2008 (4Q2007: S\$3.9 million). KeyPoint was acquired on 31 October 2007.
- higher revenue from the Japanese properties of S\$0.8 million due to the strengthening of the Japanese Yen against Singapore Dollar from ¥1.00:S\$0.0129 to ¥1.00:S\$0.01574.

Property operating expenses were higher in 4Q2008 as compared to those in 4Q2007 mainly due to higher property taxes for the Japanese properties and maintenance expenses, partially offset by lower other property operating expenses. In 4Q2007 there were no property taxes for the Japanese properties due to prepayment by the previous owners prior to FCOT's acquisition. Other property operating expenses decreased S\$0.5 million in 4Q2008 from 4Q2007 due mainly to lower expenses being recorded in Singapore Dollar terms for the Australian properties (as a result of the weaker Australian Dollar against the Singapore Dollar). Please refer to page 5 for the composition of the other property operating expenses.

Trust expenses for 4Q2007 was S\$1.1 million higher than that for 4Q2008 mainly due to a write-off of expenses amounting to S\$1.0 million associated with the aborted capital raising exercise in December 2007, and lower management fees in 4Q2008. Management fees are computed based on a percentage of the property values and performance, and due to the lower valuations in 2008, the resulting management fees was lower. Higher professional and legal fees incurred in 4Q2008 partially offset the decrease in trust expenses.

Allowance for impairment of receivables pertained to the Central Park income support receivable. The impairment recognised in 4Q2007 was reversed in 1Q2008 after the amount was subsequently recovered.

Realised gain on derivative financial instruments arose from the realisation of the Australian Dollar forward contract undertaken to manage the foreign currency exposure on the net income from the Australian properties.

Finance costs were S\$5.0 million higher in 4Q2008 as compared to 4Q2007 due mainly to the full quarter effect of additional bank borrowings utilised to fund the acquisition of KeyPoint, and the higher margins on the Loan Note Facility and the Japanese Yen Bi-Lateral Cash Advance Facility in 4Q2008 under the terms of the extension of the Loan Note Facility.

Unrealised foreign exchange losses in 4Q2008 arose mainly from the Japanese Yen Bi-Lateral Cash Advance Facility as a result of the Japanese Yen strengthening against the Singapore Dollar as at 31 December 2008.

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There is a corresponding increase in the carrying values of the investment properties in Japan as a result, but the effect of this foreign exchange movement is taken to the foreign currency translation reserve.

Valuations of Cosmo Plaza and KeyPoint were completed as at 31 December 2008, resulting in a reduction in the fair values of these properties of S\$51.4 million (see note on valuation of investment properties below).

Net change in fair value of other investment and derivative financial instruments for 4Q2008 arose from unrealised fair value losses of the derivative financial instruments entered into by FCOT and the investment in AWPf. FCOT had entered into interest rate swaps to fix the base interest rates on its bank loans when it acquired each of its properties and at other times in accordance with its interest rate risk management policy. These derivative financial instruments are carried at fair value, and resulted in an unrealised loss of S\$7.3 million in 4Q2008 due to the decline in market interest rates.

In view of the weaker Australian economy and softening in the Sydney commercial and retail property markets, the Manager has made its own assessment of the carrying values of the AWPf investment properties. The Manager is of the view that the market value of these investment properties have declined. Consequently, the Trust has adjusted the carrying amount of its investment in AWPf to reflect its lower fair value assessment. The decline in the Australian Dollar against the Singapore Dollar in 4Q2008 further compounded the decline in the carrying value of AWPf in Singapore Dollar terms.

Note on AWPf

Under its existing debt facilities, AWPf has been restricted from paying any distributions since March 2008. Consequently, FCOT received total distributions of S\$0.49 million in FY2008 vis-a-vis S\$7.3 million in FY2007. Distributions from AWPf are not expected to resume until AWPf refinances its existing debt facilities. The Manager is exploring the potential divestment of the units held in AWPf. Portfolio review and detailed performance analysis undertaken by the Manager determined that the investment in AWPf does not meet the long term investment strategy of FCOT.

Note on Cosmo Plaza

A significant tenant of Cosmo Plaza, Restoration Asset KK ("Restoration Asset"), is in financial difficulty. Restoration Asset holds a 3 year lease over 66.8% of the net lettable area of Cosmo Plaza. The annual rental from its lease represents 3.9% of FCOT's gross revenue for FY2008. The security deposit provided by Restoration Asset has been drawn upon to cover the rental arrears for the period up to 31 December 2008 and accordingly no allowance for impairment of the rental receivable was required. The remaining security deposit will only be sufficient to cover a portion of Restoration Asset's January 2009 rental obligation.

The Manager has determined that Cosmo Plaza does not meet the long term investment strategy of FCOT and is exploring a potential divestment. The divestment of this asset will be conditional upon a number of factors and appropriate updates to Unitholders will be made in due course.

Review of performance – Variance between actual results for the financial year 2008 ("FY2008") and financial year 2007 ("FY2007").

Gross revenue, property operating expenses and net property income for FY2008 were higher than FY2007 due to the acquisition of the Japanese properties and KeyPoint in the second half of FY2007. In addition, FY2008 also enjoyed the full year's contribution from 55 Market Street and the Caroline Chisholm Centre as their rental income commenced in 2Q2007 and 3Q2007 respectively. It should be noted that the gross revenue for FY2007 included a one-off S\$4.3 million distribution from AWPf arising from its profit on the sale on 222 Exhibition Street in Melbourne, Australia.

Similarly, trust expenses were S\$4.7 million higher in FY2008 than FY2007 mainly due to the cost of management of the additional assets in the portfolio.

Realised gain of S\$6.0 million in derivative financial instruments pertained to the termination of three interest rate swaps in 2Q2008 and Japanese Yen and Australian Dollar forward contracts in 3Q2008 and 4Q2008. The termination of the interest rate swaps was made possible due to an increase in market-based fixed term interest rate swaps above the fixed interest rate swaps previously contracted by FCOT. As a result, FCOT is partially exposed to lower short term floating interest rates. The Japanese Yen and Australian Dollar forward contracts terminated in 3Q2008 were no longer required, and were realised at a gain due to the favourable movements in the foreign exchange rates.

Finance costs for FY2008 were S\$22.8 million higher than those for FY2007 due to the additional borrowings undertaken by the Group to fund the acquisition of new properties and the increased borrowing costs under the terms of the extension of the Loan Note Facility.

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The net change in the fair value of the investment properties in FY2008 was a loss of S\$164.6 million, as compared to a gain of S\$271.9 million for FY2007. (see note on valuation of investment properties below). The loss arose from downward revaluations of Keypoint, Central Park, Caroline Chisholm Centre, Cosmo Plaza, Galleria Otemae, Azabu Aco and Ebara Techno-Serve, partially offset by upward revaluations of China Square Central and 55 Market Street.

Net change in fair value of other investment and derivative financial instruments for FY2008 comprised unrealised losses from the derivative financial instruments entered into by FCOT and a decrease in the fair value of the investment in AWPf. FCOT had entered into interest rate swaps to fix the interest rates on its bank loans when it acquired each of its properties and at other times in accordance its interest rate risk management policy. These derivative financial instruments are carried at fair value, and resulted in an unrealised loss of S\$10.0 million for FY2008 due to the decline in market interest rates.

In view of the weaker Australian economy and softening in the Sydney commercial and retail property markets, the Manager has made its own assessment of the carrying values of the AWPf investment properties. The Manager is of the view that the market value of these investment properties have declined. Consequently, the Trust has adjusted the carrying amount of its investment in AWPf to reflect its lower fair value assessment. The decline in the Australian Dollar against the Singapore Dollar in 4Q2008 further compounded the decline in the carrying value of AWPf in Singapore Dollar terms.

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Valuation of the investment properties

Property	Valuation Date	Valuation Amount Millions	Independent Valuer
KeyPoint 371 Beach Road, Singapore 199597	31 December 2008	S\$310.0	Savills Singapore Pte Ltd
Cosmo Plaza 15 Nankokita 1-chome, Suminoe-ku, Osaka, Japan	31 December 2008	S\$72.5 (JPY4,529.0)	K.K. Halifax Associates
Marsh & McLennan Centre & China Square Central 18, 20 & 22 Cross Street, Singapore 048423	30 September 2008	S\$575.0	Jones Lang LaSalle Property Consultants Pte Ltd
55 Market Street, Singapore 048941	30 September 2008	S\$148.0	Jones Lang LaSalle Property Consultants Pte Ltd
Central Park 152-158 St George's Terrace Perth, Western Australia Australia	30 September 2008	S\$284.8 (A\$290.0)	Jones Lang LaSalle WA Pty Ltd
Galleria Otemae Building No. 2, Tanimachi 2-chome, Chuo-ku, Osaka-shi, Osaka Japan	30 September 2008	S\$102.0 (JPY6,370.0)	Rich Appraisal Institute Co., Ltd
Azabu Aco Building No. 32-7, Higashi-Azabu 2- chome Minato-ku, Tokyo Japan	30 September 2008	S\$29.6 (JPY1,850.0)	Rich Appraisal Institute Co., Ltd
Ebara Techno-Serve Headquarters Building No. 1-1, 5 Chome, Haneda, Tokyo Japan	30 September 2008	S\$45.0 (JPY2,810.0)	Rich Appraisal Institute Co., Ltd
Caroline Chisholm Centre Block 4 Section 13, Tuggeranong, Australian Capital Territory Australia	30 June 2008	S\$92.0 (A\$93.75)	Colliers International Consultancy and Valuation Pty Limited

The independent valuers are licenced and experienced valuers, and the valuations were carried out using the capitalisation approach and discounted cash flow analysis. As at 31 December 2008, the carrying amounts of these investment properties approximate their fair values.

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9. Variance between the forecast or prospect statement and the actual results

9(a) Consolidated Income Statement (for the Group) Actual vs. Forecast

	4Q2008			FY2008		
	Actual S\$'000	Forecast ⁽¹⁾ S\$'000	Inc/(Dec) %	Actual S\$'000	Forecast ⁽¹⁾ S\$'000	Inc/(Dec) %
Gross revenue ⁽²⁾	24,888	16,296	52.7%	106,954	64,831	65.0%
Property operating expenses						
- Maintenance expenses	(308)	(163)	90.1%	(1,271)	(646)	96.7%
- Property management fees	(741)	(468)	58.3%	(3,188)	(1,863)	71.1%
- Property tax	(1,254)	(245)	411.8%	(4,671)	(973)	380.1%
- Other property operating expenses	(4,026)	(1,663)	142.1%	(16,865)	(6,616)	154.9%
	(6,329)	(2,538)	149.4%	(25,995)	(10,098)	157.4%
Net property income	18,559	13,758	34.9%	80,959	54,733	47.9%
Interest income	206	52	296.2%	1,718	205	738.0%
Other (expenses) / income	(700)	-	NM	(2,640)	-	NM
Trust expenses	(3,914)	(2,390)	63.8%	(16,004)	(9,507)	68.3%
Reversal of allowance for impairment of receivables	(710)	-	NM	1,299	-	NM
Derivative financial instruments realised	2,269	-	NM	6,038	-	NM
Finance costs	(12,706)	(2,735)	364.6%	(42,296)	(10,880)	288.8%
Net income before net changes in unrealised foreign exchange (loss)/gain, fair values of investment properties, other investment and derivative financial instruments, income tax and distribution	3,004	8,685	(65.4%)	29,074	34,551	(15.9%)
Unrealised foreign exchange (loss) / gain	(26,330)	-	NM	(31,455)	-	NM
Net gain/(loss) on changes in fair values of investment properties, other investment and derivative financial instruments	(78,094)	-	NM	(211,968)	-	NM
Total return before income tax	(101,420)	8,685	NM	(214,349)	34,551	NM
Income tax expense	(136)	(356)	NM	11,967	(1,416)	NM
Total return for the period	(101,556)	8,329	NM	(202,382)	33,135	NM

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	4Q2008			FY2008		
	Actual S\$'000	Forecast ⁽¹⁾ S\$'000	Inc/(Dec) %	Actual S\$'000	Forecast ⁽¹⁾ S\$'000	Inc/(Dec) %
Non-tax deductible / (non-taxable) items and other adjustments:						
Property management fees paid / payable in Units	-	468	(100.0%)	831	1,863	(55.4%)
Management fees paid / payable in Units	2,687	1,622	65.7%	11,476	6,451	77.9%
Trustee's fees	219	-	NM	968	-	NM
Amortisation of borrowing costs	2,759	1,221	126.0%	10,465	4,860	115.3%
Net change in fair value of investment properties	51,386	-	NM	164,634	-	NM
Amortisation of leasing commission	167	52	221.2%	472	206	129.1%
Net change in fair value of other investment and derivative financial instruments	26,708	-	NM	47,334	-	NM
Deferred income tax expense	651	-	NM	(12,441)	-	NM
Unrealised foreign exchange losses	26,330	-	NM	31,455	-	NM
Effect of recognising accounting income on a straightline basis over the lease terms	(629)	(931)	(32.4%)	(3,575)	(3,703)	(3.5%)
(Allowance for) / Reversal of impairment of receivables	710	-	NM	(1,299)	-	NM
Other adjustments	(163)	-	NM	(2,098)	-	NM
Net effect of non-tax deductible / (non-taxable) items and other adjustments	110,825	2,432	NM	248,222	9,677	NM
Available for distribution to Unitholders	9,269	10,761	(13.9%)	45,840	42,812	7.1%
Number of Units Issued and Issuable at end of period ⁽³⁾	736,047	708,262	3.9%	736,047	708,262	3.9%
Available distribution per Unit (in cents)	1.26	1.52	(17.1%)	6.35⁽⁴⁾	6.04	5.1%

Footnotes

- (1) The forecast, for both 4Q2008 and FY2008, is based on management's forecast for FY2008 shown in the Circular dated 26 June 2007 ("Circular"). FCOT is required to disclose any variance between the forecast and the actual results for the quarter and the interim period.
- (2) The actual gross revenue and expenses from Central Park, Caroline Chisholm Centre and AWPf have been translated at the average monthly spot exchange rate for the period (being A\$1.00:S\$0.9758). The exchange rate for the forecast on Central Park, The Chisholm Centre and AWPf is assumed to be A\$1.00:S\$1.1904. The Trust has entered into foreign exchange derivative financial instruments to fix the exchange rates in respect of the forecast income from these investments at these exchange rates.
- (3) The forecast number of Units for FY2008 is based on management's forecast shown on page 80 in the Circular.
- (4) DPU of 6.35 cents for FY2008 comprises DPU of 3.99 cents for 1H2008 and 2.36 cents for 2H2008. The DPU for 1H2008 is computed based on 714.64 million units issued and issuable as at 30 June 2008 while the DPU for 2H2008 is computed based on 736.05 million units issued and issuable as at 31 December 2008.

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9(b) Breakdown of total gross revenue and net property income (by property)

	4Q2008			FY2008		
	Actual S\$'000	Forecast ⁽¹⁾ S\$'000	Inc./ (Dec.) %	Actual S\$'000	Forecast ⁽¹⁾ S\$'000	Inc./ (Dec.) %
China Square Central	4,387	4,411	(0.5%)	17,550	17,550	-
55 Market Street	1,845	1,695	8.8%	7,089	6,741	5.2%
KeyPoint ⁽³⁾	5,073	-	NM	21,366	-	NM
Central Park ⁽²⁾	6,116	6,543	(6.5%)	30,900	26,030	18.7%
Caroline Chisholm Centre ⁽²⁾	2,366	2,956	(20.0%)	11,538	11,760	(1.9%)
Cosmo Plaza ⁽³⁾	2,178	-	NM	7,878	-	NM
Azabu Aco ⁽³⁾	459	-	NM	1,572	-	NM
Galleria Otemae ⁽³⁾	1,817	-	NM	6,299	-	NM
Ebara Techno-Serve ⁽³⁾	647	-	NM	2,267	-	NM
AWPF (Distribution) ⁽²⁾	-	691	NM	495	2,750	(82.0%)
Total gross revenue	24,888	16,296	52.7%	106,954	64,831	65.0%

	4Q2008			FY2008		
	Actual S\$'000	Forecast ⁽¹⁾ S\$'000	Inc./ (Dec.) %	Actual S\$'000	Forecast ⁽¹⁾ S\$'000	Inc./ (Dec.) %
China Square Central	4,260	4,279	(0.4%)	16,999	17,024	(0.1%)
55 Market Street	1,282	1,188	7.9%	4,967	4,723	5.2%
KeyPoint ⁽³⁾	3,648	-	NM	15,914	-	NM
Central Park ⁽²⁾	4,357	5,050	(13.7%)	22,329	20,090	11.1%
Caroline Chisholm Centre ⁽²⁾	1,954	2,550	(23.4%)	9,677	10,146	(4.6%)
Cosmo Plaza ⁽³⁾	1,248	-	NM	4,244	-	NM
Azabu Aco ⁽³⁾	285	-	NM	935	-	NM
Galleria Otemae ⁽³⁾	1,094	-	NM	3,708	-	NM
Ebara Techno-Serve ⁽³⁾	431	-	NM	1,691	-	NM
AWPF (Distribution) ⁽²⁾	-	691	NM	495	2,750	(82.0%)
Total net property income	18,559	13,758	34.9%	80,959	54,733	47.9%

NM – Not Meaningful

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Footnotes

- (1) *The forecast, for both 4Q2008 and FY2008, is based on management's forecast for the period FY2008 shown in the Circular dated 26 June 2007 ("Circular"). FCOT is required to disclose any variance between the forecast and the actual results for the quarter and the interim period.*
- (2) *The actual gross revenue and expenses from Central Park, Caroline Chisholm Centre and AWPf have been translated at the average monthly spot exchange rate for the period (being A\$1.00:S\$0.9758). The exchange rate for the forecast on Central Park, Caroline Chisholm Centre and AWPf is assumed to be A\$1.00:S\$1.1904. The Trust has entered into foreign exchange derivative financial instruments to fix the exchange rates in respect of the forecast income from these investments at these exchange rates.*
- (3) *Cosmo Plaza, Galleria Otemae, Azabu Aco, Ebara Techno-Serve and KeyPoint are not included in the forecast, as these properties were acquired in 2H2007 following the release of the forecast shown in the Circular.*

Review of Performance – Actual vs. Forecast 1 October 2008 to 31 December 2008

Gross revenue achieved for the period was S\$8.6 million (52.7%) above forecast. This was mainly due to the following:

- contributions from properties acquired in 2H2007, being Cosmo Plaza, Azabu Aco, Galleria Otemae, Ebara Techno-Serve and KeyPoint. These properties, which were not included in the forecast, contributed an additional S\$10.2 million to gross revenue;
- lower contribution from Central Park and Caroline Chisholm Centre due to weakening of Australian Dollar; and
- nil contributions from AWPf vs forecast of S\$0.7 million

Property operating expenses were higher than forecast mainly due to the addition to FCOT's portfolio of Cosmo Plaza, Azabu Aco, Galleria Otemae, Ebara Techno-Serve and KeyPoint.

The actual results for the quarter included unrealised foreign exchange loss of S\$26.3 million which were not forecast. Actual trust expenses were higher than forecast mainly due to higher management fees. Management fees are computed based on a combination of the value of the properties and the performance of FCOT for the period. As the portfolio of properties is larger than forecast with the addition of Cosmo Plaza, Azabu Aco, Galleria Otemae, Ebara Techno-Serve and KeyPoint, management fees were higher than forecast.

Actual finance costs were S\$10.0 million above forecast due mainly to interest paid/payable on the additional loans undertaken for the acquisition of Cosmo Plaza, Azabu Aco, Galleria Otemae, Ebara Techno-Serve and KeyPoint, and increased borrowing costs for the extended debt term.

A gain of S\$2.3 million was recorded in 4Q2008 which was not forecast, arising from the realisation of the Australian Dollar currency forward contract undertaken to manage the foreign currency exposure on the net income from the Australian properties.

The net loss in the fair values of investment properties, other investment and derivative financial instruments was S\$78.1 million, which was not forecast. This was due to:

- the net loss in fair value of investment properties of S\$51.4 million;
- the net loss in fair value of other investment of S\$19.4 million; and
- the net loss in fair value of derivative financial instruments of S\$7.3 million

As a result of the above factors, the total return for the period was a loss of S\$101.6 million compared to a forecast profit of S\$8.3 million.

After adjusting for non-tax deductible/non-taxable items, such as the management fees paid in Units, unrealised foreign exchange gains, and change in fair value of other investment and derivative financial instruments, the actual amount available for distribution was S\$1.5 million (13.9%) lower for 4Q2008 than forecast.

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Review of Performance – Actual vs. Forecast 1 January 2008 to 31 December 2008 (“FY2008”)

The actual gross revenue for FY2008 was S\$42.1 million (65.0%) higher than forecast. This was mainly due to the following:

- contributions from the properties acquired in 2H2007 which were not included in the forecast, being KeyPoint and the four properties in Japan;
- higher than forecast revenue for Central Park and 55 Market Street; offset by
- lower than forecast distributions from AWPf.

Actual property operating expenses for FY2008 were S\$15.9 million (157.4%) higher than forecast mainly due to the properties acquired in 2H2007 that were not included in the forecast as set out above.

Trust expenses were S\$6.5 million (68.3%) higher than forecast due to higher management fees. Management fees computations are based on a combination of the value of the properties in FCOT’s portfolio and the revenue performance for the year. As the portfolio of properties has increased compared to the forecast, management fees were higher than forecast.

Realised gains of S\$6.0 million in derivative financial instruments were not included in the forecast and pertained to the termination of three interest rate swaps in 2Q2008 and Japanese Yen and Australian Dollar forward contracts in 3Q2008 and 4Q2008. The termination of the interest rate swaps was made possible due to an increase in market-based fixed term interest rate swaps above the fixed interest rate swaps previously contracted by FCOT. As a result, FCOT is partially exposed to lower short term floating interest rates. The Japanese Yen and Australian Dollar forward contracts terminated in 3Q2008 were no longer required, and were realised at a gain due to the favourable movements in the foreign exchange rates.

Finance costs for FY2008 were S\$31.4 million (288.8%) above forecast due to the additional loans entered into during 2H2007 to fund the acquisition of the four properties in Japan and KeyPoint, and increased borrowing costs for the extended debt term.

The net loss on investment properties, other investment and derivative financial instruments amounted to S\$212.0 million, which were not forecast. This was due to:

- the net loss in fair value of investment properties of S\$164.6 million;
- the net loss in fair value of other investment of S\$37.4 million; and
- the net loss in fair value of derivative financial instruments of S\$10.0 million

The net loss in fair value of investment properties was due to the downward revaluations of KeyPoint, Central Park, Caroline Chisholm Centre, Cosmo Plaza, Galleria Otemae, Azabu Aco and Ebara Techno-Serve, partially offset by upward revaluations of China Square Central and 55 Market Street. The net loss in fair value of other investment was mainly due to a lower unit value of AWPf units as at 31 December 2008 and the net loss in fair value of derivative financial instruments was due to the decline in market interest rates.

As a result of the above factors, total return for FY2008 was a loss of S\$202.4 million, as compared to the forecast profit of S\$33.1 million. After adjusting for the non-tax deductible / non taxable items, total distributable income for FY2008 was S\$45.8 million, or S\$3.0 million higher than forecast.

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

Preliminary estimates by the Ministry of Trade and Industry (“MTI”) showed that Singapore’s gross domestic product (“GDP”) contracted by 3.7% in 4Q2008 on a year-on-year basis, following a decline of 0.2% in the previous quarter. Overall, Singapore’s economy is estimated to have grown by 1.2% for the full year in 2008 as compared with 7.7% in 2007. In 2009, MTI estimates the economy to come in between a decline of 2.0% to 5.0%.

DTZ Research highlights that in view of the deteriorating global financial situation and the large supply of new office space coming on stream in Singapore, occupancy rates and rents are expected to decline further for 2009. In 4Q2008, prime office rents in Raffles Place fell 15.8% quarter-on quarter to an average of S\$16 per sq ft per month. The average office occupancy in Raffles Place fell 1.3% quarter-on-quarter to 95.6% in 4Q2008.

The Manager of FCOT is cognisant of the increasingly challenging market conditions in Singapore and is focused on its leasing and tenant management efforts.

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Japan

According to the World Bank, real GDP growth for Japan is estimated at 0.5% in 2008 and projected at -0.1% in 2009.

The Government of Japan's Cabinet Office highlights Japan has been hit by a rare downturn in global financial markets and the economy is experiencing falling exports and production. Japan has been officially in recession since September last year after its GDP shrank for two consecutive quarters.

Responding to the current economic and financial situation, the Japanese government has pledged to cut spending and aim to balance its budget by March 2012. The Japanese government has also announced three economic stimulus packages since September 2008, supporting employment and corporate financing.

In Tokyo, the vacancy rates in the central 5 wards of Tokyo as of November 2008 increased 0.2% month-on-month to 2.9%. CB Richard Ellis ("CBRE") reports "contributing factors include vacancies in large-scale prime buildings in urban areas due to office relocations requested by the head-quarters and a slow-down in office relocations against the backdrop of an uncertain economy."

Similarly in Osaka, CBRE notes some tenants have downsized their operations and reduced office space, resulting in a softening office demand. The vacancy rate for A-class buildings in Osaka as of November 2008 was 3.0%, a marginally 0.3% increased month-on-month.

Australia

The International Monetary Fund projects real GDP is expected to grow 2.2% in 2008 and 0.05% in 2009, making Australia the only developed country with non-negative economic growth in 2009.

DTZ Research reports, "Australia is well placed to weather the crisis, with a highly regulated banking industry ensuring banks remain well capitalised. This along with the A\$20 billion budget surplus will hopefully result in the economy emerging out of this slowdown ahead of other countries, enabling investors to capitalise on early growth prospects. While growth in the Australian economy will slow in 2009, with considerable population increases forecast in coming years, the resultant demand will be significant and will drive asset price growth through 2010 and 2011."

DTZ Research notes demand for commodities from China which has driven the economy of Western Australia has slowed, however it remains strong and is expected to remain robust in coming years.

According to CBRE, the Perth CBD office market is expected to experience a continued low vacancy rate of around 1.7% in January 2009, with approximately 80% of new supply already pre-committed. Perth's CBD estimated net effective rental rate in January 2009 is A\$850 per sqm per annum, almost doubling the past two years.

In Canberra, office vacancy rate is expected to rise over the next few years as supply exceeds demand, with a concomitant rise in incentives and slowing in rental growth. Savills Research notes that vacancy in Canberra had increased to 6.1% in July 2008, up from 2.2% in January 2008, due largely to a significant increase in new supply at Canberra International Airport Business Parks. Despite this softening in demand, average gross grade A rents in Canberra remained averaging A\$395 per sqm per annum.

Whilst Australia is universally considered to have a stronger financial system and be better placed than many economies to weather the softening global conditions, it's domestic conditions is likely to be adversely impacted to some degree. However for FCOT's Australian properties, this is somewhat mitigated by the fact that the tenancies are mostly subject to long average lease terms and fixed review rentals. Moreover a majority of the tenants are blue-chip and government tenants, which provides more certainty over the future income stream from these properties.

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11. Distributions

11(a) Current financial period

Name of distribution: Distribution for the period from 1 July 2008 to 31 December 2008

11(b)(i) Distribution rate 2.36 cents per Unit.

Distribution type	Distribution for period from 1/7/08 to 31/12/08 (cents)	Distribution for period from 1/1/08 to 30/06/08 (cents)	Total distribution for FY2008 (cents)
Taxable income component	1.33	2.07	3.40
Tax exempt income component	0.28	0.76	1.04
Capital *	0.75	1.16	1.91
Total	2.36	3.99	6.35

* Capital distribution of 0.75 cents per Unit has been declared for the period from 1 July 2008 to 31 December 2008. Under the interpretation of the law relating to recognition of dividend income for income tax purposes, dividends and distributions declared by subsidiaries are only distributable when the monies are physically received by the Trust in Singapore at the balance sheet date. As certain amounts of these dividends and distributions from overseas subsidiaries were received subsequent to the respective period ends, capital distributions are declared.

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

A final distribution of 3.74 cents per Unit was declared on 1 February 2008 for FY2007. The distribution was paid on 29 February 2008 and comprised a tax exempt income component of 1.69 cents per Unit, a taxable income component of 1.93 cents per Unit and a capital component of 0.12 cents per Unit. Coupled with an interim distribution of 2.99 cents per Unit for FY2007 paid on 29 August 2007, the total distribution was 6.73 cents per Unit for the financial year ended 31 December 2007.

11(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 the carrying on of a trade, business or profession.

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

Other investors will receive their distributions after deduction of tax at the rate of 18.0%.

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 to Unitholders for tax purposes and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units. No tax will be deducted at source from this component.

11(d) Date payable : 27 February 2009

11(e) Books closure date : 3 February 2009

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

Not applicable.

13. Segmented revenue and results.

	FY2008			
	Singapore	Australia	Japan	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Property income and expenses				
Gross revenue	46,005	42,933	18,016	106,954
Property operating expenses	(8,125)	(10,432)	(7,438)	(25,995)
Segment net property income	37,880	32,501	10,578	80,959
Net change in fair value of investment properties	(58,189)	(65,195)	(41,250)	(164,634)
Interest income				1,718
Other income				(2,640)
Trust expenses				(16,004)
Borrowing costs				(42,296)
Reversal of allowance for impairment of receivables				1,299
Realised gain on derivative financial instruments				6,038
Unrealised foreign exchange (loss)/gain				(31,455)
Net change in fair value of other investment and derivative financial instruments				(47,334)
Income tax				11,967
Total return for the year				(202,382)
Assets and liabilities				
Segment assets	1,041,960	403,192	249,255	1,694,407
Unallocated assets				63,471
Total assets				1,757,878
Segment liabilities	(7,631)	(56,491)	(173,510)	(237,632)
Unallocated liabilities *				(788,944)
Total liabilities (excluding net assets attributable to unitholders)				(1,026,576)

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	FY2007			
	Singapore	Australia	Japan	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Property income and expenses				
Gross revenue	25,784	43,988	5,475	75,247
Property operating expenses	(3,013)	(9,102)	(1,710)	(13,825)
Segment net property income	22,771	34,886	3,765	61,422
Net change in fair value of investment properties	199,681	80,034	(7,783)	271,932
Interest income				3,635
Other income				714
Trust expenses				(11,312)
Allowance for impairment of receivables				(2,009)
Finance costs				(19,512)
Net change in fair value of other investment and derivative financial instruments				15,265
Income tax				(31,088)
Total return for the year				289,047
Assets and liabilities				
Segment assets	1,099,900	621,981	237,305	1,959,186
Unallocated assets				78,773
Total assets				2,037,959
Segment liabilities	(14,683)	(55,175)	(131,762)	(201,620)
Unallocated liabilities *				(786,666)
Total liabilities (excluding net assets attributable to unitholders)				(988,286)

* The unallocated liabilities primarily comprise Singapore Dollars Loan Note Facility and Japanese Yen Bi-Lateral Cash Advance Facility.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to section 9.

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15. Breakdown of Sales

	1/1/08 to 31/12/08	1/1/07 to 31/12/07	Increase / (Decrease)
	S\$'000	S\$'000	%
Gross Revenue (first half)	56,063	29,749	88.5%
Gross Revenue (second half)	50,891	45,498	11.9%
Total Gross Revenue	106,954	75,247	42.1%
Net (Loss) / Income after Tax (first half)	(24,901)	165,656	NM
Net (Loss) / Income after Tax (second half)	(177,481)	123,391	NM
Total Net (Loss) / Income after Tax	(202,382)	289,047	NM

16. Breakdown of Total Distributions

	1/1/08 to 31/12/08	1/1/07 to 31/12/07
	S\$'000	S\$'000
Interim Distribution (first half)	28,496	14,458
Full Year Distribution (second half)	17,344	25,808
Total Distributions	45,840	40,266

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
Fraser Centrepoint Asset Management (Commercial) Limited
(formerly known as Allco (Singapore) Limited)
(Company registration no. 200503404G)
As Manager of FRASERS COMMERCIAL TRUST

Anthony Cheong Fook Seng
Company Secretary
21 January 2009