



**FRASERS COMMERCIAL TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE QUARTER ENDED 31 MARCH 2010**

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 (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;
- a Second Amending and Restating Deed dated 20 March 2006;
- a Supplemental Deed of Amendment dated 30 April 2007;
- a Second Supplemental Deed of Amendment dated 31 March 2009;
- a Third Supplemental Deed dated 29 July 2009;
- a Fourth Supplemental Deed dated 26 August 2009;
- a Fifth Supplemental Deed dated 25 November 2009; and
- a Sixth Supplemental Deed dated 28 January 2010 (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 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 31 March 2010 consists of ten 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;

Japan

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

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").

FCOT also has a 39.0% indirect investment in the Australian 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 City Shopping Centre, each located in Sydney, Australia.

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)⁽¹⁾ and Oversea-Chinese Banking Corporation Limited.

(1) 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 January 2010 to 31 March 2010 ("2Q") vs 1 January 2009 to 31 March 2009

- 1 October 2009 to 31 March 2010 ("1H") vs 1 October 2008 to 31 March 2009

	Group					
	1/1/2010 to 31/3/2010 S\$'000	1/1/2009 to 31/3/2009 S\$'000	Change %	1/10/2009 to 31/3/2010 S\$'000	1/10/2008 to 31/3/2009 S\$'000	Change %
Gross revenue	29,772	23,962	24%	59,421	48,850	22%
Net property income	23,608	18,668	26%	47,110	37,227	27%
Total return for the period after income tax and before distribution ⁽¹⁾	7,300	(138,526)	NM	10,875	(240,082)	NM
Available for distribution to Series A Convertible Perpetual Preferred Units ("CPPU") holders	4,645	-	NM	9,393	-	NM
Available for distribution to Unitholders	9,839	5,417	82%	17,236	14,686	17%
Total distribution available to CPPU holders and Unitholders	14,484	5,417	167%	26,629	14,686	81%
Available for distribution per Unit (cents)						
<u>CPPU Holders</u>						
For the period	1.36	-	NM	2.74	-	NM
Annualised	5.50	-	NM	5.50	-	NM
<u>Unitholders</u>						
For the period	0.32 ⁽²⁾	0.18 ⁽³⁾	78%	0.56 ⁽²⁾	0.49 ⁽³⁾	15%
Annualised	1.30 ⁽²⁾	0.73 ⁽³⁾	78%	1.13 ⁽²⁾	0.98 ⁽³⁾	15%

NM - Not meaningful

Footnotes:

- (1) Please refer to Sections 1(a) and 8 for further details on the total return for the period after income tax and before distribution.
- (2) The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 3,067,792,467. Please see Section 1(d)(ii) for the details of changes in the number of Units. The actual distribution per Unit of 0.5619 cents for the quarter has been computed based on the amount available for distribution after declaration of CPPU distributions.
- (3) The number of units used to calculate the DPU has been restated and is based on the number of issued and issuable Units at the end of the period inclusive of the 2,251,989,879 Units issued on 26 August 2009 pursuant to the renounceable Rights Issue.

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

	Group					
	1/1/2010 to 31/3/2010	1/1/2009 to 31/3/2009	Change	1/10/2009 to 31/3/2010	1/10/2008 to 31/3/2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue ⁽¹⁾	29,772	23,962	24%	59,421	48,850	22%
Property operating expenses ⁽²⁾	(6,164)	(5,294)	16%	(12,311)	(11,623)	6%
Net property income ⁽³⁾	23,608	18,668	26%	47,110	37,227	27%
Interest income	67	201	(67%)	138	407	(66%)
Trust expenses ⁽⁴⁾	(3,683)	(3,258)	13%	(7,313)	(7,172)	2%
Allowance for impairment of receivables ⁽⁵⁾	(646)	(4,052)	(84%)	(1,280)	(4,762)	(73%)
Finance costs	(11,018)	(13,245)	(17%)	(21,111)	(25,951)	(19%)
Net income / (loss) before change in foreign exchange loss, fair values of investment properties, other investment and derivative financial instruments, income tax and distribution	8,328	(1,686)	NM	17,544	(251)	NM
Foreign exchange gain / (loss)	591	5,696	(90%)	683	(21,334)	NM
Net change in fair value of investment properties ⁽⁶⁾	(953)	(143,685)	(99%)	(5,307)	(195,071)	(97%)
Net change in fair value of other investment and derivative financial instruments	323	1,492	(78%)	323	(25,216)	NM
Realised (loss) / gain on derivative financial instruments ⁽⁷⁾	(94)	(491)	(81%)	(1,103)	1,778	NM
Net gain / (loss) in foreign exchange loss, fair value of investment properties, other investment and derivative financial instruments	(133)	(136,988)	(100%)	(5,404)	(239,843)	(98%)
Total return before income tax	8,195	(138,674)	NM	12,140	(240,094)	NM
Taxation	(895)	148	NM	(1,265)	12	NM
Total return for the period	7,300	(138,526)	NM	10,875	(240,082)	NM

NM - Not meaningful

Reconciliation of Total Return for the Period after Income Tax, before Distribution to the Total Amount Distributable to Unitholders

	Group					
	1/1/2010 to 31/3/2010	1/1/2009 to 31/3/2009	Change	1/10/2009 to 31/3/2010	1/10/2008 to 31/3/2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period	7,300	(138,526)	NM	10,875	(240,082)	NM
Non tax-deductible / (non-taxable) items and other adjustments:						
Management fees paid / payable in Units	2,164	2,462	(12%)	5,291	5,149	3%
Trustees' fees	226	211	7%	358	430	(17%)
Amortisation of borrowing costs	3,094	2,924	6%	5,191	5,683	(9%)
Net change in fair value of investment properties	953	143,685	(99%)	5,307	195,071	(97%)
Amortisation of leasing costs	145	117	24%	327	284	15%
Net change in fair value of other investment and derivative financial instruments	(323)	(1,492)	(78%)	(323)	25,216	NM
Deferred income tax expense	748	(340)	NM	1,022	311	NM
Effects of recognising accounting income on a straight line basis over the lease term	(644)	(603)	7%	(1,165)	(1,232)	(5%)
Foreign exchange (gain) / loss	(591)	(5,696)	(90%)	(683)	21,334	NM
Allowance for impairment of receivables	646	4,052	(84%)	1,280	4,762	(73%)
Realised gain on derivative financial instruments ⁽⁸⁾	-	-	-	(710)	-	NM
Other adjustments ⁽⁹⁾	766	(1,377)	NM	(141)	(2,240)	NM
Net effect of non-tax deductible / (non-taxable) items and other adjustments	7,184	143,943	(95%)	15,754	254,768	(94%)
Available for distribution to Unitholders and CPPU holders	14,484	5,417	167%	26,629	14,686	81%
Distributions						
- CPPU ⁽¹⁰⁾	4,645	-	NM	9,393	-	NM
- Unitholders ⁽¹¹⁾	9,839	5,417	82%	17,236	14,686	17%
Comprise:						
- from operations	14,484	5,417	NM	26,629	13,030	104%
- from Unitholders' contributions	-	-	NM	-	1,656	NM

NM - Not meaningful

Footnotes

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

	Group					
	1/1/2010 to 31/3/2010	1/1/2009 to 31/3/2009	Change	1/10/2009 to 31/3/2010	1/10/2008 to 31/3/2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
China Square Central	4,388	4,388	-	8,775	8,775	-
55 Market Street	1,654	1,815	(9%)	3,352	3,660	(8%)
KeyPoint	3,757	4,373	(14%)	7,382	9,446	(22%)
Alexandra Technopark	5,500	-	NM	11,000	-	NM
Central Park	7,508	6,836	10%	14,889	12,952	15%
Caroline Chisholm Centre	3,058	2,430	26%	6,101	4,796	27%
Cosmo Plaza	1,221	1,127	8%	2,430	3,305	(26%)
Azabu Aco	414	463	(11%)	850	922	(8%)
Galleria Otemae	1,638	1,871	(12%)	3,373	3,688	(9%)
Ebara Techno-Serve	634	659	(4%)	1,269	1,306	(3%)
	29,772	23,962	24%	59,421	48,850	22%

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

	Group					
	1/1/2010 to 31/3/2010	1/1/2009 to 31/3/2009	Change	1/10/2009 to 31/3/2010	1/10/2008 to 31/3/2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Property maintenance expenses	1,986	1,515	31%	3,945	3,194	24%
Property management fees	459	317	45%	915	1,058	(14%)
Property tax	1,036	988	5%	2,050	2,242	(9%)
Utilities	1,333	1,222	9%	2,604	2,518	3%
Professional fees	782	771	1%	1,581	1,626	(3%)
Insurance	122	92	33%	245	185	32%
Council rates	250	185	35%	490	368	33%
Amortisation of leasing commission	145	117	24%	327	284	15%
Other operating expenses	51	87	(41%)	154	148	4%
	6,164	5,294	16%	12,311	11,623	6%

NM - Not meaningful

Footnotes

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

Property operating expenses - by property

	Group					
	1/1/2010 to 31/3/2010	1/1/2009 to 31/3/2009	Change	1/10/2009 to 31/3/2010	1/10/2008 to 31/3/2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
China Square Central	157	141	11%	309	269	15%
55 Market Street	385	417	(8%)	772	979	(21%)
KeyPoint	1,348	1,152	17%	2,434	2,578	(6%)
Alexandra Technopark	176	-	NM	351	-	NM
Central Park	2,015	1,618	25%	4,052	3,377	20%
Caroline Chisholm Centre	481	310	55%	930	722	29%
Cosmo Plaza	832	765	9%	1,712	1,694	1%
Azabu Aco	135	156	(13%)	270	330	(18%)
Galleria Otemae	548	643	(15%)	1,296	1,366	(5%)
Ebara Techno-Serve	87	92	(5%)	185	308	(40%)
	6,164	5,294	16%	12,311	11,623	6%

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

	Group					
	1/1/2010 to 31/3/2010	1/1/2009 to 31/3/2009	Change	1/10/2009 to 31/3/2010	1/10/2008 to 31/3/2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
China Square Central	4,231	4,247	(0%)	8,466	8,506	(0%)
55 Market Street	1,269	1,398	(9%)	2,580	2,681	(4%)
KeyPoint	2,410	3,221	(25%)	4,949	6,868	(28%)
Alexandra Technopark	5,324	-	NM	10,649	-	NM
Central Park	5,493	5,218	5%	10,837	9,575	13%
Caroline Chisholm Centre	2,577	2,120	22%	5,171	4,074	27%
Cosmo Plaza	389	362	7%	718	1,611	(55%)
Azabu Aco	279	307	(9%)	580	592	(2%)
Galleria Otemae	1,089	1,228	(11%)	2,076	2,322	(11%)
Ebara Techno-Serve	547	567	(4%)	1,084	998	9%
	23,608	18,668	26%	47,110	37,227	27%

NM - Not meaningful

Footnotes

(4) The composition of Trust Expenses is as follows:-

	Group					
	1/1/2010 to 31/3/2010	1/1/2009 to 31/3/2009	Change	1/10/2009 to 31/3/2010	1/10/2008 to 31/3/2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Management fees	3,097	2,462	26%	6,224	5,149	21%
Trustees' fees	226	211	7%	358	430	(17%)
Audit fees	56	71	(21%)	95	210	(55%)
Non-audit fees paid to the auditors of the Trust	-	-	-	-	141	NM
Professional and legal fees	254	438	(42%)	553	1,160	(52%)
Other expenses	50	76	(34%)	83	82	1%
	3,683	3,258	13%	7,313	7,172	2%

NM - Not meaningful

- (5) Allowance for impairment of receivables pertained to the amounts receivable from a tenant of Cosmo Plaza. Please refer to section 8 page 18 for further details.
- (6) The downward revaluation in 2Q2010 of S\$1.0 million relates to the adjustment of the changes in the carrying value of the investment properties during the quarter. The changes in the carrying value of the investment properties mainly arose from the recognition of rental income on a straight line basis in accordance with Singapore Financial Reporting Standards. The downward revaluation in 1H2010 of \$5.3 million arose from revaluation of Cosmo Plaza as at 31 December 2009 and the adjustments of the carrying value of the other properties during the half year.
- (7) Realised loss on derivative financial instruments in 2Q2010 represents the loss from the realisation of an Australian dollar forward contract undertaken to manage the foreign currency exposure on the net income from the Australian properties. The realised loss on derivative financial instruments in 1H2010 included the losses arising from the termination of Singapore Dollar interest rate swaps and Japanese Yen interest rate swaps entered into by FCOT during the quarter ended 31 December 2009.

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

	Group					
	1/1/2010 to 31/3/2010	1/1/2009 to 31/3/2009	Change	1/10/2009 to 31/3/2010	1/10/2008 to 31/3/2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Loss arising from interest rate swaps	-	-	-	(1,003)	-	NM
Loss arising from realisation of foreign currency forward contract	(94)	(491)	(81%)	(1,813)	(491)	NM
Reversal of unrealised loss previously recognised on foreign currency forward contract	-	-	-	1,713	2,269	(25%)
	(94)	(491)	(81%)	(1,103)	1,778	NM

NM - Not meaningful

Footnotes

- (8) This relates to the loss arising from termination of interest rate swaps and reversal of unrealised loss recognised previously on foreign currency forward contract. These are non-taxable items and have no impact on distributable income.

	Group					
	1/1/2010 to 31/3/2010	1/1/2009 to 31/3/2009	Change	1/10/2009 to 31/3/2010	1/10/2008 to 31/3/2009	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	-	-	-	1,713	-	NM
	-	-	-	710	-	NM

NM - Not meaningful

- (9) 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.
- (10) Each Series A CPPUs shall entitle the Series A CPPUs 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 CPPUs.
- (11) FCOT's distribution policy is to distribute at least 90% of its taxable income and tax-exempt income to the Unitholders.

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

	Group		Trust	
	31/03/2010	30/09/2009	31/03/2010	30/09/2009
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Non-current assets</u>				
Investment properties ⁽¹⁾	1,881,437	1,864,263	1,260,029	1,260,000
Subsidiaries ⁽²⁾	-	-	324,941	472,926
Other investments ⁽³⁾	26,099	26,099	-	-
	1,907,536	1,890,362	1,584,970	1,732,926
<u>Current assets</u>				
Investment property classified as held for sale ⁽¹⁾	50,115	54,635	-	-
Trade and other receivables	11,117	14,018	35,916	36,878
Derivative financial instruments ⁽⁴⁾	1,939	-	1,016	-
Cash and cash equivalents	99,310	103,825	70,025	71,274
	162,481	172,478	106,957	108,152
Total assets	2,070,017	2,062,840	1,691,927	1,841,078
<u>Current liabilities</u>				
Trade and other payables	35,653	34,082	48,103	46,677
Derivative financial instruments ⁽⁴⁾	74	12,171	53	12,171
Interest-bearing borrowings (net of transaction costs)	-	479,500	-	479,500
Provision for taxation	939	916	891	891
	36,666	526,669	49,047	539,239
Net current assets/(liabilities)	125,815	(354,191)	57,910	(431,087)
<u>Non-current liabilities</u>				
Interest-bearing borrowings (net of transaction costs)	797,199	321,983	478,121	152,548
Deferred tax liability ⁽⁵⁾	47,142	44,371	-	-
	844,341	366,354	478,121	152,548
Total liabilities	881,007	893,023	527,168	691,787
Net assets	1,189,010	1,169,817	1,164,759	1,149,291
<u>Represented by:</u>				
Ordinary Units	846,510	827,317	822,259	806,791
CPPU	342,500	342,500	342,500	342,500
	1,189,010	1,169,817	1,164,759	1,149,291

Footnotes

- (1) The investment properties were valued at their fair values based on independent valuations. KeyPoint, China Square Central, 55 Market Street and Alexandra Technopark were valued as at 31 July 2009 and the values as at 30 September 2009 remained unchanged based on confirmation from the valuers. Central Park and Caroline Chisholm Centre were valued as at 31 July 2009 and the values as at 1 November 2009 and 31 October 2009 respectively remained unchanged based on confirmation from the valuers. Galleria Otemae, Azabu Aco and Ebara Techno-Serve were valued as at 30 September 2009 and Cosmo Plaza was valued as at 31 December 2009. The properties were adjusted for subsequent capitalised capital expenditure.

KeyPoint and Alexandra Technopark were valued by Colliers International Consultancy & Valuation (S) Pte Ltd while China Square Central and 55 Market Street were valued by Savills (Singapore Pte Ltd). Central Park and Caroline Chisholm Centre were valued by Jones Lang LaSalle Advisory Services Pty Limited and Knight Frank (Canberra) Pty Ltd respectively. All the properties in Japan were valued by DTZ Debenham Tie Leung K.K. The independent valuers are licenced and experienced valuers and the valuations were carried out using the capitalisation approach and discounted cash flow method. As at 31 March 2010, the carrying amounts of the investment properties approximate their fair values.

The Manager has determined that Cosmo Plaza does not meet the long term investment strategy of FCOT and continues to explore a potential divestment. Thus, it has been reclassified to Investment property held for sale.

- (2) The decreases in FCOT's investments in subsidiaries are due to redemption of redeemable preference shares in Frasers Commercial Investments No. 1 Pte. Ltd. and redemption of loan to Frasers Commercial Investments No. 3 Pty Ltd, partially offset by investment in redeemable preference shares of Frasers Commercial Sub No. 3 Pte. Ltd. which was incorporated on 3 November 2009.
- (3) Other investments of the Group represent the 39% indirect interest in AWPF.
- (4) The details of the derivative financial instruments as at 31 March 2010 and 30 September 2009 are as follows:-

	Group			Trust		
	Contract / Notional amount	Fair values		Contract / Notional amount	Fair values	
		Assets	Liabilities		Assets	Liabilities
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
31/03/2010						
Foreign currency forward contract	3,594	-	24	3,594	-	24
Interest rate swaps	497,952	1,939	50	376,000	1,016	29
	501,546	1,939	74	379,594	1,016	53
30/09/2009						
Foreign currency forward contract	7,412	-	1,713	7,412	-	1,713
Interest rate swaps	431,721	-	10,458	431,721	-	10,458
	439,133	-	12,171	439,133	-	12,171

- (5) Deferred tax is provided for in respect of the potential capital gains arising from the changes in fair value of the overseas properties.

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

Amount repayable in one year or less, or on demand

Group			
As at 31/03/2010		As at 30/09/2009	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	479,500	-

Amount repayable after one year

Group			
As at 31/03/2010		As at 30/09/2009	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
829,709	-	323,534	-

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 have 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.

The SGD Facility has been drawn down in full on 3 November 2009 to repay the balance of S\$475.0 million loan note facility under the Loan Note Subscription Agreement – Frasers Commercial Trust dated 22 March 2006 (as amended from time to time) (the "Loan Note Facility") between the Trustee, as trustee of FCOT, as borrower and CommCapital S.ar.l, Commonwealth Bank of Australia acting through its Singapore branch, CommBank Europe Limited and Commonwealth Bank of Australia acting through its Offshore Banking Unit, as lenders.

As at 31 March 2010, the outstanding amount under the SGD Facility amounts to S\$500.0 million. The SGD Facility bears interest at the swap-offer rate plus a margin.

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

- mortgages over FCOT's Singapore properties, namely China Square Central, 55 Market Street, Keypoint and Alexandra Technopark (collectively, the "Singapore Properties");
- security assignments over the relevant leases, lease guarantees, insurance contracts and sale and purchase agreements in respect of Singapore Properties; and
- 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 the Trustee, as trustee of FCOT, entered into a facility agreement pursuant to which Commonwealth Bank of Australia, Singapore Branch has 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.

Part of the AUD Facility has been drawn down on 15 December 2009 and used to repay the outstanding amount under the Yen Bi-Lateral Cash Advance Facility Agreement dated 16 July 2007 (as amended from time to time) between, the Trustee, as trustee of FCOT, as borrower and Commonwealth Bank of Australia acting through its Singapore branch, as lender. The balance undrawn amount of A\$24.6 million has since been cancelled.

As at 31 March 2010, the outstanding amount under the AUD Facility amounts to A\$125.4 million. The AUD Facility bears interest at the BBSY rate plus a margin.

Details of any collateral (cont'd)

As security under the AUD Facility, FCOT and its relevant subsidiaries have granted in favour of JP Morgan Chase Bank N.A., Singapore Branch, 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 Osaka No. 1 TMK ("Frasers Osaka TMK") and Frasers Commercial Tozai No. 2 TMK ("Frasers Tozai TMK"), issued bonds amounting to ¥3,900,000,000 ("Cosmo Bonds") and ¥7,140,000,000 ("Tozai Bonds") with fixed interest rates of 3.01% and 2.45% respectively 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 Osaka TMK and Frasers Tozai TMK are tokutei mokuteki kaisha, entities established under the Japan Law Regarding Securitisation of Assets (No.105 of 1998, as amended) and are indirectly wholly-owned subsidiaries of FCOT. Frasers Osaka TMK and Frasers Tozai TMK hold the beneficial interest in the relevant trust that holds legal title to FCOT's Japanese properties, namely Cosmo Plaza, Galleria Ottemae, Azabu Aco and Ebara Techno-Serve.

On 4 November 2008, ¥97.5 million (S\$1.5 million based on the exchange rate of S\$1.00 to ¥64.58) of the Cosmo Bonds was repaid with the proceeds of a purchase price adjustment received from the vendor of Cosmo Plaza. The Cosmo Bonds and the Tozai Bonds will mature on 1 August 2012 and 1 November 2012 respectively. Bondholders have recourse to Frasers Osaka TMK and Frasers Tozai TMK, issuers of the bonds.

FCOT and its relevant subsidiaries will have no debt facilities maturing until August 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			
	1/1/2010 to 31/3/2010	1/1/2009 to 31/3/2009	1/10/2009 to 31/3/2010	1/10/2008 to 31/3/2009
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities:				
Total return before income tax	8,195	(138,674)	12,140	(240,094)
Adjustments for:-				
Finance costs	7,924	10,321	15,920	20,268
Effect of recognising accounting income on a straight-line basis over the lease term	(644)	(603)	(1,165)	(1,232)
Allowance for impairment of receivables	646	4,052	1,280	4,762
Unrealised foreign exchange differences	(436)	(5,698)	(424)	21,333
Amortisation of leasing costs	145	117	327	284
Interest income	(67)	(201)	(138)	(407)
Management fees paid / payable in Units	2,164	2,462	5,291	5,149
Net change in fair value of other investment and derivative financial instruments	(323)	(1,492)	(323)	25,216
Net change in fair value of investment properties	953	143,685	5,307	195,071
Amortisation of borrowing costs	3,094	2,924	5,191	5,683
Realised loss on derivative financial instruments	94	491	1,103	(1,778)
Operating income before working capital changes	21,745	17,384	44,509	34,255
Changes in working capital:-				
Trade and other receivables	3,790	(474)	2,745	(1,415)
Trade and other payables	1,243	829	(3,516)	(2,100)
Cash generated from operations	26,778	17,739	43,738	30,740
Tax (paid) / refunded	(305)	3,580	(305)	4,653
Net cash generated from operating activities	26,473	21,319	43,433	35,393
Investing activities:				
Capital expenditure on investment properties	(768)	(415)	(1,620)	(2,671)
Interest received	49	54	106	261
Net cash used in investing activities	(719)	(361)	(1,514)	(2,410)
Financing activities:				
Proceeds from borrowings	-	-	655,270	1,420
Repayment of loan	-	(20)	(632,221)	(20)
Payment on realisation of derivative financial instruments	(94)	(491)	(13,274)	1,778
Payment for derivative financial instruments	(718)	-	(718)	-
Finance costs paid	(7,954)	(6,381)	(12,871)	(14,795)
Distributions paid	(1,851)	(17,371)	(7,918)	(17,371)
Decrease in restricted cash	207	1,080	695	2,627
Issue costs paid	(107)	-	(174)	-
Transaction costs on borrowings	(1,044)	-	(35,341)	(1,528)
Net cash used in financing activities	(11,561)	(23,183)	(46,552)	(27,889)
Net increase / (decrease) in cash and cash equivalents	14,193	(2,225)	(4,633)	5,094
Cash and cash equivalents at beginning of period	76,225	46,685	94,195	33,491
Effect of exchange rate changes on cash and cash equivalents	(44)	(710)	812	5,165
Cash and cash equivalents at end of period	90,374	43,750	90,374	43,750

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)

Cash and cash equivalents

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

	Group	
	31/3/2010	31/3/2009
	S\$'000	S\$'000
Bank and cash balances	50,463	51,250
Fixed deposits ⁽¹⁾	48,847	-
	99,310	51,250
Less: Restricted cash and deposits pledged - reserves and advance deposits ⁽²⁾	(8,936)	(7,500)
Cash and cash equivalents	90,374	43,750

- (1) The fixed deposits include rights proceeds earmarked for capital expenditure and working capital.
- (2) 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).

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

	Group		Trust	
	1/10/2009 to 31/3/2010	1/10/2008 to 31/3/2009	1/10/2009 to 31/3/2010	1/10/2008 to 31/3/2009
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Movement from 1 October to 31 December</u>				
Balance at beginning of period	827,317	881,143	806,791	884,551
Operations				
Change in net assets attributable to Unitholders resulting from operations	3,575	(101,556)	7,942	(55,792)
Distributions to Unitholders	(6,067)	-	(6,067)	-
Change in Unitholders' funds resulting from operations	(2,492)	(101,556)	1,875	(55,792)
Unitholders' contributions				
Issue of Units - management fees	3,127	3,428	3,127	3,428
Issue costs	(67)	-	(67)	-
Change in Unitholders' funds	3,060	3,428	3,060	3,428
Foreign currency translation reserve				
Movement for the period	1,717	(51,713)	-	-
Balance at end of period	829,602	731,302	811,726	832,187
<u>Movement from 1 January to 31 March</u>				
Balance at beginning of period	829,602	731,302	811,726	832,187
Operations				
Change in net assets attributable to Unitholders resulting from operations	7,300	(138,526)	10,327	(116,125)
Distributions to Unitholders	-	(11,850)	-	(11,850)
Distributions to CPPU holders	(1,851)	-	(1,851)	-
Change in Unitholders' funds resulting from operations	5,449	(150,376)	8,476	(127,975)
Unitholders' contributions				
Issue of Units - management fees	2,164	1,721	2,164	1,721
Issue costs	(107)	(5,520)	(107)	(5,520)
Change in Unitholders' funds	2,057	(3,799)	2,057	(3,799)
Foreign currency translation reserve				
Movement for the period	9,402	15,318	-	-
Balance at end of period	846,510	592,445	822,259	700,413

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

Issued Units

Balance at beginning of period
Management / property management fees paid in Units ⁽¹⁾
Balance at end of period

1/1/2010 to 31/3/2010	1/1/2009 to 31/3/2009	1/10/2009 to 31/3/2010	1/10/2008 to 31/3/2009
Units	Units	Units	Units
3,033,587,241	725,434,620	3,015,464,570	714,506,973
19,400,740	10,612,344	37,523,411	21,539,991
3,052,987,981	736,046,964	3,052,987,981	736,046,964

Issued and issuable Units

Issued Units at end of period
Management / property management fees payable in Units ⁽²⁾
Issued and issuable Units at end of period

3,052,987,981	736,046,964	3,052,987,981	736,046,964
14,804,486	14,616,329	14,804,486	14,616,329
3,067,792,467	750,663,293	3,067,792,467	750,663,293

Number of Units that may be issued on conversion of CPPU
outstanding as at the end of the period ⁽³⁾

1,445,757,704	-	1,445,757,704	-
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Footnotes:

(1) Management and property management fees paid/payable in Units comprise the following:-

	Management fees	Property Management Fees
30-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	-
31-Mar-09 *	14,616,329	-
30-Jun-09 *	12,811,398	-
30-Sep-09 *	18,122,671	-
31-Dec-09 *	19,400,740	-
31-Mar-10 * ⁽²⁾	14,804,486	-
	117,008,750	3,507,381

* Property management fees paid in cash.

(2) 14,804,486 Units will be issued on 23 April 2010 to the Manager as partial payment for management fees for the quarter ended 31 March 2010. This accounts for approximately 70% of the Manager's management fees for the quarter ended 31 March 2010. The price of Units issued is determined based on the Volume Weighted Average Price of the Units for the ten business days preceding the date of issue pursuant to the Trust Deed. The remaining management fees for the quarter ended 31 March 2010 will be paid in cash.

(3) The CPPUs 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 the issuance of the CPPUs at a conversion price of \$0.2369

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 year compared with those of the financial year ended 30 September 2009.

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

Not applicable.

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

	1/1/2010 to 31/3/2010	1/1/2009 to 31/3/2009
	S\$'000	S\$'000
Total return after income tax and before distribution	7,300	(138,526)
Distribution to CPPU holders	(4,645)	-
Earnings attributable to Unitholders	2,655	(138,526)
EPU		
Basic EPU		
Weighted average number of Units in issue	3,047,383,323	895,689,886 ⁽³⁾
Basic earnings per Unit (cents) ⁽¹⁾	0.09	(15.47) ⁽³⁾
Diluted EPU		
Weighted average number of Units	4,493,141,027 ⁽²⁾	895,689,886 ⁽³⁾
Basic earnings per Unit on a fully diluted basis (cents)	0.09 ⁽⁴⁾	(15.47) ⁽³⁾
DPU		
Number of Units issued and issuable at end of period	3,067,792,467	750,663,293
Available for distribution per Unit based on the total number of Units on issue (cents)	0.32 ⁽⁵⁾	0.72
For information only		
DPU (adjusted for rights issue)		
Based on number of Units issued and issuable at end of period (cents)	0.32 ⁽⁵⁾	0.18 ^(5, 6)

Footnotes:

- (1) In computing the basic earnings per Unit, earnings attributable to Unitholders and the weighted average number of Units at the end of the period are used.
- (2) For the purpose of the calculation of 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\$0.2369 per CPPU.
- (3) The figures have been restated for effect of Rights Issue.
- (4) The diluted EPU is the same as basic EPU as the potential effects on the conversion of CPPUs into ordinary Units are anti-dilutive.
- (5) The DPU in the table above is computed on the basis that none of the CPPUs are converted into Units. Accordingly, the actual quantum of DPU payable for quarter ended 31 March 2010 may differ from the table above if any CPPUs are converted into Units.
- (6) The DPU is computed based on the issued and issuable Units at end of period plus 2,251,989,879 Rights Units pursuant to the renounceable underwritten 3-for-1 Rights Issue.

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

	Group		Trust	
	31/03/2010	30/09/2009	31/03/2010	30/09/2009
Unitholders' funds at end of period (S\$'000)	846,510	827,317	822,259	806,791
Number of Units issued and issuable at the end of the period ('000)	3,067,792	3,033,587	3,067,792	3,033,587
Unitholders' funds per Unit (S\$)	0.28	0.27	0.27	0.27
Adjusted Unitholders' funds per Unit (excluding distributable income) (S\$)	0.27	0.27	0.27	0.26

8. Review of performance

(a) Variance between results for the period from 1 January 2010 to 31 March 2010 ("2Q2010") and 1 January 2009 to 31 March 2009

Gross revenue for 2Q2010 was S\$5.8 million or 24% higher than that of the corresponding period mainly due to the following:

- a full quarter contributions of S\$5.5 million from Alexandra Technopark acquired in August 2009.
- an increase of S\$0.7 million and S\$0.6 million from Central Park and Caroline Chisholm Centre respectively. This arose primarily from the strengthening of the Australian Dollar from A\$1.00:S\$1.013 for the period from 1 January to 31 March 2009 to A\$1.00:S\$1.2733 for 2Q2010.

This was partially offset by lower contribution from the following:

- 55 Market Street by S\$0.2 million due to lower reversionary rental rates.
- KeyPoint by S\$0.6 million due to cessation of income support in April 2009 .
- Azabu Aco, Galleria Otomae and Ebara Techno-Serve by S\$0.3 million due to weakening of Japanese Yen from JPY1:S\$0.01604 for the period from 1 January to March 2009 to JPY1:S\$0.01544 for 2Q2010.

Property operating expenses were S\$0.9 million or 16% higher than that of the corresponding period mainly due to higher level of expenses incurred, particularly for property maintenance expenses. Please refer to pages 5 and 6 for the composition of the property operating expenses.

Trust expenses for 2Q2010 were S\$0.4 million higher than that of the corresponding period mainly due to higher management fees arising from full quarter fees contribution from Alexandra Technopark. The management fees are computed based on a percentage of the property values and performance. Please refer to page 7 for the composition of the trust expenses.

The allowance for impairment of receivables in 2Q2010 related to rental receivable from a significant tenant of Cosmo Plaza who is in financial difficulty. The allowance of S\$0.6 million represents the rental that is in arrears from January to March 2010.

The decrease in finance costs by S\$2.2 million in 2Q2010 as compared to the corresponding period was due to lower quantum of loans and lower interest rates.

The lower foreign exchange gain in 2Q2010 vis-a-vis the corresponding period was mainly due to repayment of Japanese Yen Loan in December 2009.

The fair value gain of derivative financial instruments in 2Q2010 of S\$0.3 million arose from the interest rate swaps, interest rate caps and foreign currency contract entered into during the current quarter. The details of these derivative financial instruments are summarised in section 1(b)(i) on page 10.

Realised loss on derivative financial instruments represents the loss from the realisation of an Australian dollar forward contract undertaken to manage the foreign currency exposure on the net income from the Australian properties for the current quarter.

8. Review of performance (cont'd)

(b) Variance between results for the period from 1 October 2009 to 31 March 2010 ("1H2010") and 1 October 2008 to 31 March 2009

Gross revenue for 1H2010 was S\$10.6 million or 22% higher than that of the corresponding period mainly due to the following:

- a full quarter contributions of S\$11.0 million from Alexandra Technopark acquired in August 2009.
- an increase of S\$1.9 million and S\$1.3 million from Central Park and Caroline Chisholm Centre . This arose primarily from the strengthening of the Australian Dollar from A\$1.00:S\$0.9944 during the period from 1 October 2008 to 31 March 2009 to A\$1.00:S\$1.2696 for 1H2010.

This was partially offset by lower contribution from the following:

- 55 Market Street by S\$0.3 million due to lower reversionary rental rates.
- KeyPoint by S\$2.1 million due to cessation of income support in April 2009 .
- Cosmo Plaza by S\$0.9 million due to the loss of a significant tenant in December 2008.
- Azabu Aco, Galleria Ottemae and Ebara Techno-Serve by S\$0.4 million due to weakening of Japanese Yen from JPY1:S\$0.01589 for the period from 1 October 2008 to 31 March 2009 to JPY1:S\$0.01544 for 1H2010.

Property operating expenses for 1H2010 were S\$0.7 million or 6% higher than that of the corresponding period mainly due to higher level of expenses incurred, particularly for property maintenance expenses. Please refer to pages 5 and 6 for the composition of the property operating expenses.

Trust expenses for 1H2010 were S\$0.1 million higher than the corresponding period mainly due to higher management fees arising from full half year fees contribution from Alexandra Technopark. The management fees are computed based on a percentage of the property values and performance. Please refer to page 7 for the composition of the trust expenses.

The allowance for impairment of receivables in 1H2010 related to rental receivable from a significant tenant of Cosmo Plaza who is in financial difficulty. The allowance of S\$1.3 million represents the rental that is in arrears from October 2009 to March 2010.

The decrease in finance costs by S\$4.8 million in 1H2010 as compared to the corresponding period was due to lower quantum of loans and lower interest rates.

The foreign exchange gain in 1H2010 vis-a-vis the foreign exchange loss in the corresponding period was mainly due to repayment of Japanese Yen Loan in December 2009.

The fair value gain of derivative financial instruments in 1H2010 of S\$0.3 million arose from the interest rate swaps, interest rate caps and foreign currency contract entered into during the current quarter. The details of these derivative financial instruments are summarised in section 1(b)(i) on page 10.

Realised loss on derivative financial instruments represents the losses from the realisation of Australian dollar forward contracts undertaken to manage the foreign currency exposure on the net income from the Australian properties for 1H2010 and termination of Singapore Dollar interest rate swaps and Japanese Yen interest rate swaps during 1Q2010.

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

In a statement released on 14 April 2010, the Ministry of Trade and Industry ("MTI") announced that it expects the Singapore economy to grow at 7.0% to 9.0% in 2010, following a 4.0% contraction in 2009. This is an upgrade from the earlier forecast of 4.5% to 6.5%. Major economies have emerged from the recession, financial markets have stabilised and trade flows and industrial production have picked up strongly. The recovery in Asia is expected to be strong. However, weaker recovery is expected for the G3 economies, largely supported by fiscal stimulus measures and inventory accumulation in the first half of the year. MTI expects the outlook for the second half of the year to remain uncertain, with sovereign debt risks in Europe and asset price inflation in Asia being the main causes for concern. These factors could weigh on the pace of growth in major economies in the later part of 2010.

DTZ⁽¹⁾ reported an improvement in islandwide office occupancy with increased demand and no new office space completion for Q1 2010. Occupancy rose 0.7% from Q4 2009 to 92.4% in Q1 2010. DTZ estimated that shadow space shrank by 31.9% from 387,000 sq ft in Q4 2009 to 263,000 sq ft in Q1 2010. Average gross rents of prime offices in Raffles Place eased marginally by 1.3% quarter-on-quarter to \$7.80 per sq ft per month, whilst average gross rents in the Anson Road/Tanjong Pagar area rose 3.8% to \$5.50 per sq ft per month. According to DTZ, tenants took advantage of attractive rentals to move to better quality buildings. Expansions, though not widespread, came mainly from financial institutions, IT companies, law firms and other business support companies. With improving conditions, landlords are more reluctant to reduce rents despite substantial new supply in the pipeline. DTZ expects recovery in office rents to be moderate over the next 3 years as, with average completions of about 2.5 million sq ft per annum coming onstream.

Australia

In the Statement on Monetary Policy released in February 2010 by the Reserve Bank of Australia ('RBA'), the Australian economy has continued to perform better than expected, supported by stimulatory monetary and fiscal policies, strong trade links with Asia and a sound financial system. Compared with other economies, the downturn in Australia was relatively mild. A range of indicators such as employment, retail sales and surveys on various businesses suggest that the economy expanded at a solid pace in late 2009. GDP is expected to grow by 3.25% to 3.50% in both 2010 and 2011. The high level of business investment in Australia continues to be backed by the resources sector. Despite significant improvement in confidence, businesses continue to remain cautious about increasing capital spending. With the strengthening of economic conditions, it is expected that the monetary policy will be adjusted further over time to keep inflation in check.

According to Colliers International ("Colliers")⁽²⁾, signs of an economic recovery have helped to stabilise Perth's CBD vacancy level. Data from Colliers indicated that grade A buildings experienced a sharp increase in vacancy in the first half of 2009, rising from 1.5% to 10.8%. Leasing transactional activity picked up in the second half of 2009 and early 2010 with A-Grade vacancy easing to 8.9% as at January 2010. Improving business sentiment, particularly in the resources sector, led to greater tenant demand and improving office leasing market conditions. Colliers also noted significant pre-commitment levels of about 72% of office under construction. Significant projects completed in 2009 are also largely occupied. On the investment front, the recent acquisition of a 50% stake in the brand new A-Grade office the "Alluvion" indicates a re-emergence of interest in the Perth CBD market from listed property trusts, overseas investment funds as well as local investors.

⁽¹⁾ DTZ Press Release, "Brakes put fall in office rents as occupancy improved, says DTZ Research", 31 March 2010

⁽²⁾ Colliers International, Market Indicators Report, Perth CBD Office, Autumn 2010

10. Commentary on the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next 12 months (cont'd)

Japan

In the Government of Japan's Cabinet Office's Monthly Economic Report for March 2010, it was noted that the economy has been picking up steadily, though recovery remains uncertain with the unemployment situation remaining severe. The total unemployment rate has hovered at a high of 4.9% in January, decreasing by 0.3% from the previous month. Corporate profits are improving. According to the Quarterly Financial Statements Statistics of Corporations by Industry, corporate profits during the October to December quarter of 2009 increased by 102.2% from the previous year, signalling an increase for the first time in ten quarters, due mainly to cost reductions and increase in sales. Though there is an improvement in outlook, small enterprises are cautious about the immediate future. The number of bankrupt companies is decreasing moderately.

CB Richard Ellis⁽³⁾ reports that the vacancy rate in Tokyo's 23 wards was 6.5% in the fourth quarter of 2009, up 0.9 points from the previous quarter. The average asking rent for this quarter was 13,580 yen/tsubo, down 1.6% from the previous quarter. The increases in vacancy rate were caused by vacant offices left behind by large tenants, as well as new supply of untenanted space coming into the market during the quarter.

In Osaka, the vacancy rate in the fourth quarter of 2009 was 10.3%; up 0.7 points from the previous quarter. This is the eighth consecutive quarterly rise. This quarter saw a temporary slowdown in the wave of new building completions. The overall vacancy rate increased due to tenants vacating their existing premises and moving into the buildings which were newly completed in the past quarters, as well as due to consolidation of offices due to organizational restructuring. The average asking rent this quarter was 8,690 yen/tsubo, down 1.3% from the previous quarter.

Outlook for FY2009/2010

In view of the exceptionally strong growth for the Singapore economy in the first quarter and the overall improved outlook for external economies for the rest of 2010, MTI is upgrading Singapore's economic growth forecast to 7.0% to 9.0% for 2010 from the previous forecast of 4.5% to 6.5%. While downside risks remain, such as a sovereign debt crisis in Europe or a slowdown due to withdrawal of fiscal measures, these have been outweighed by stronger signs that global economic conditions are improving. Singapore's economic outlook for 2010 will be closely linked to global conditions.

The Manager will continue to focus its efforts on improving the operational efficiency of the properties to achieve cost savings as well to improve occupancies and rents.

⁽³⁾ CB Richard Ellis, Office Market Report Japan, 4Q2009 Vol. 52, www.cbre.co.jp

10. Distributions

(a) Current financial period

Name of distribution:

- (1) Distribution to Unitholders for the period from 1 October 2009 to 31 March 2010 ("Unitholders' Distribution")
- (2) Distribution to CPPU holders for the period from 1 October 2009 to 31 March 2010 ("CPPU Distribution")

(b)(i) Distribution rate

	Unitholders' Distribution	CPPU Distribution ⁽¹⁾		
	For the period from 1 October 2009 to 31 March 2010	For the period from 1 October 2009 to 8 March 2010	For the period from 9 March 2010 to 31 March 2010	Total 1 October 2009 to 31 March 2010
	cents	cents	cents	cents
Taxable income component	0.3980	1.6970	0.2455	1.9425
Tax-exempt income component	0.1639	0.6989	0.1011	0.8000
Total	0.5619	2.3959	0.3466	2.7425

(1) The non-renounceable offer of the CPPUs by FCL Investments Pte Ltd (the "Vendor") was completed on 9 March 2010 and 36,342,116 CPPUs were transferred to the respective securities accounts of the relevant Unitholders who had accepted the non-renounceable offer. The Vendor is entitled to receive a pro-rated portion of the CPPU distribution that were transferred for the period from 1 October 2009 to (and including) the day immediately before the transfer of the CPPUs (8 March 2010) which is 2.3959 cents. The balance 0.3466 cents will be available to the 36,342,116 CPPUs held by registered CPPU holders as at the Books Closure Date.

The Books Closure Date and Payment Dates for the Unitholders' distribution and CPPU distribution are the same as stated in Section 10 (d) and 10(e) below.

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

No distributions were declared for the corresponding period of the immediate preceding financial period.

(c) Tax rate

Taxable income distribution

Qualifying investors and individuals (other than those who hold their Units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from carrying on of a trade, business or profession.

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

Other investors will receive their distributions after deduction of tax at the rate of 17.0%.

Tax exempt income distribution

Tax exempt income distribution is exempt from tax in the hands of all Unitholders.

(d) Date payable: 27 May 2010

(e) Books closure date: 3 May 2010

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

Not applicable

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
22 April 2010