



**FRASERS COMMERCIAL TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the quarter ended 31 December 2009**

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; and
- a Fifth Supplemental Deed dated 25 November 2009 (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 2009 consists of ten 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"), 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 119967/119968;
- 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").

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.

SUMMARY OF CONSOLIDATED RESULTS OF FCOT AND ITS SUBSIDIARIES
– 1Q2010 vs 1Q2009

	1/10/09- 31/12/09 (‘1Q2010’) S\$’000	1/10/08- 31/12/08 (‘1Q2009’) S\$’000	Inc / (Dec) %
Gross Revenue	29,649	24,888	19.1%
Net Property Income	23,502	18,559	26.6%
Total return for the period after income tax and before distribution ⁽¹⁾	3,575	(101,556)	NM
Available for distribution to Series A Convertible Perpetual Preferred Units ("CPPU") holders	4,748	-	NM
Available for distribution to Unitholders	7,397	9,269	(20.2%)
Total Distribution available to CPPU holders and Unitholders	12,145	9,269	31.0%
Available for distribution per Unit (cents)			
<u>CPPU Holders</u>			
For Period	1.39	-	NM
Annualised	5.50	-	NM
<u>Unitholders</u>			
For Period	0.24 ⁽²⁾	0.31 ⁽³⁾	(22.6%)
Annualised	0.95 ⁽²⁾	1.23 ⁽³⁾	(22.6%)

NM – not meaningful

Footnotes

- (1) 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 3,053.0 million. Please see section 1(d)(ii) for the details of changes in the Units. The actual distribution per Unit of 0.24 cents for the quarter has been computed based on the amount available for distribution after declaration of Series A convertible perpetual preferred units distributions.
- (3) The number of Units used to calculate the amount available for distribution per Unit ("DPU") has been restated and is based on the number of Units at the end of the period inclusive of the 2,252.0 million Units issued on 26 August 2009 pursuant to the renounceable Rights Issue and 10.6 million Units issuable as payment for management fees in the period.

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

	1/10/09- 31/12/09 S\$'000	1/10/08- 31/12/08 S\$'000	Inc / (Dec) %
Gross revenue ⁽¹⁾	29,649	24,888	19.1%
Property operating expenses ⁽²⁾	(6,147)	(6,329)	(2.9%)
Net property income ⁽³⁾	23,502	18,559	26.6%
Interest income	71	206	(65.5%)
Other income / (expenses)	104	(700)	NM
Trust expenses ⁽⁴⁾	(3,630)	(3,914)	(7.3%)
Allowance for impairment of receivables ⁽⁵⁾	(634)	(710)	(10.7%)
Finance costs	(10,093)	(12,706)	(20.6%)
Net income before net changes in unrealised foreign exchange loss, fair values of investment properties, other investment and derivative financial instruments, income tax and distribution	9,320	735	NM
Unrealised foreign exchange loss	(12)	(26,330)	(100.0%)
Net change in fair value of investment properties ⁽⁶⁾	(4,354)	(51,386)	(91.5%)
Net change in fair value of other investment and derivative financial instruments	-	(26,708)	NM
Realised (loss) / gain on derivative financial instruments ⁽⁷⁾	(1,009)	2,269	NM
Net loss in unrealised foreign exchange loss, fair values of investment properties, other investment and derivative financial instruments	(5,375)	(102,155)	(94.7%)
Total return before income tax and distribution	3,945	(101,420)	NM
Income tax credit	(370)	(136)	172.1%
Total return for the period	3,575	(101,556)	NM

NM – not meaningful

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

	1/10/09- 31/12/09 S\$'000	1/10/08- 31/12/08 S\$'000	Inc / (Dec) %
Total return for the period	3,575	(101,556)	NM
Non-tax deductible / (non-taxable) items and other adjustments:			
Management fees paid / payable in Units	3,127	2,687	16.4%
Trustee's fees	132	219	(39.7%)
Amortisation of borrowing costs	2,097	2,759	(24.0%)
Net change in fair value of investment properties	4,354	51,386	(91.5%)
Amortisation of leasing costs	182	167	9.0%
Net change in fair value of other investment and derivative financial investments	-	26,708	NM
Deferred income tax expense	274	651	(57.9%)
Effect of recognising accounting income on a straightline basis over the lease terms	(521)	(629)	(17.2%)
Unrealised foreign exchange loss	12	26,330	(100.0%)
Allowance for impairment of receivables	634	710	(10.7%)
Realised gain on derivative financial instruments ⁽⁸⁾	(710)	-	NM
Other adjustments ⁽⁹⁾	(1,011)	(163)	NM
Net effect of non-tax deductible / (non-taxable) items and other adjustments	8,570	110,825	(92.3%)
Available for distribution to Unitholders and CPPU holders	12,145	9,269	31.0%
Distributions:			
- Series A convertible perpetual preferred units (CPPU) ⁽¹⁰⁾	4,748	-	NM
- Unitholders ⁽¹¹⁾	7,397	9,269	(20.2%)
Comprises:			
- from operations	12,145	7,613	59.5%
- from Unitholder contributions	-	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:

Gross revenue

	1/10/09- 31/12/09 S\$'000	1/10/08- 31/12/08 S\$'000	Inc./ (Dec.) %
China Square Central	4,387	4,387	0.0%
55 Market Street	1,698	1,845	(8.0%)
KeyPoint	3,625	5,073	(28.5%)
Alexandra Technopark	5,500	-	NM
Central Park	7,381	6,116	20.7%
Caroline Chisholm Centre	3,043	2,366	28.6%
Cosmo Plaza	1,209	2,178	(44.5%)
Azabu Aco	436	459	(5.0%)
Galleria Otemae	1,735	1,817	(4.5%)
Ebara Techno-Serve	635	647	(1.9%)
Total	29,649	24,888	19.1%

NM – not meaningful

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

Property operating expenses (By major items)

	1/10/09- 31/12/09 S\$'000	1/10/08- 31/12/08 S\$'000	Inc./ (Dec.) %
Property maintenance expenses	1,959	1,679	16.7%
Property management fees	456	741	(38.5%)
Property tax	1,014	1,254	(19.1%)
Utilities	1,271	1,296	(1.9%)
Professional fees	799	855	(6.5%)
Insurance	123	93	32.3%
Council rates	240	183	31.1%
Amortisation of leasing commission	182	167	9.0%
Other operating expenses	103	61	68.9%
Total	6,147	6,329	(2.9%)

NM – not meaningful

Property operating expenses (By property)

	1/10/09- 31/12/09 S\$'000	1/10/08- 31/12/08 S\$'000	Inc./ (Dec.) %
China Square Central	152	128	18.8%
55 Market Street	387	562	(31.1%)
KeyPoint	1,086	1,426	(23.8%)
Alexandra Technopark	175	-	NM
Central Park	2,037	1,759	15.8%
Caroline Chisholm Centre	449	412	9.0%
Cosmo Plaza	880	929	(5.3%)
Azabu Aco	135	174	(22.4%)
Galleria Otemae	748	723	3.5%
Ebara Techno-Serve	98	216	(54.6%)
Total	6,147	6,329	(2.9%)

NM – not meaningful

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

	1/10/09- 31/12/09 S\$'000	1/10/08- 31/12/08 S\$'000	Inc./ (Dec.) %
China Square Central	4,235	4,259	(0.6%)
55 Market Street	1,311	1,283	2.2%
KeyPoint	2,539	3,647	(30.4%)
Alexandra Technopark	5,325	-	NM
Central Park	5,344	4,357	22.7%
Caroline Chisholm Centre	2,594	1,954	32.8%
Cosmo Plaza	329	1,249	(73.7%)
Azabu Aco	301	285	5.6%
Galleria Otemae	987	1,094	(9.8%)
Ebara Techno-Serve	537	431	24.6%
Total	23,502	18,559	26.6%

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

	Group 1/10/09- 31/12/09 S\$'000	Group 1/10/08- 31/12/08 S\$'000
Management fees	3,127	2,687
Trustee's fees	132	219
Audit fees	39	139
Non-audit fees paid to the auditors of the Trust	-	141
Professional and legal fees	299	722
Other expenses	33	6
Total	3,630	3,914

- (5) Allowance for impairment of receivables pertained to the amounts receivable from a tenant of Cosmo Plaza. Please refer to section 8 page 17 for further details.
- (6) Refer to section 8 on page 18, "Valuation of the investment properties as at 31 December 2009".
- (7) Realised loss on derivative financial instruments represents the losses from the realisation of an Australian dollar forward contract undertaken to manage the foreign currency exposure on the net income from the Australian properties and termination of Singapore Dollar interest rate swaps and Japanese Yen interest rate swaps entered into by FCOT. Following these terminations, as at 31 December 2009 FCOT has no interest rate swap arrangement.

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

	1/10/09- 31/12/09 S\$'000	1/10/08- 31/12/08 S\$'000
Loss arising from the termination of interest rate swaps	(1,003)	-
Loss arising from realisation of foreign currency forward contract	(1,719)	-
Reversal of unrealised loss recognised previously on foreign currency forward contract	1,713	2,269
Realised (loss) / gain on derivative financial instruments	(1,009)	2,269

- (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.

	1/10/09- 31/12/09 S\$'000	1/10/08- 31/12/08 S\$'000
Loss arising from the termination of interest rate swaps	(1,003)	-
Reversal of unrealised loss recognised previously on foreign currency forward contract	1,713	-
Realised (loss) / gain on derivative financial instruments	710	-

- (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 90.0% of its taxable income and tax-exempt income to the unitholders.

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

	Group 31/12/09 S\$'000	Group 30/09/09 S\$'000	Trust 31/12/09 S\$'000	Trust 30/09/09 S\$'000
Non-current assets				
Investment properties ⁽¹⁾	1,864,128	1,864,263	1,260,028	1,260,000
Subsidiaries ⁽²⁾	-	-	324,941	472,926
Other investments ⁽³⁾	26,099	26,099	-	-
	1,890,227	1,890,362	1,584,969	1,732,926
Current assets				
Trade and other receivables	13,434	14,018	36,007	36,878
Cash and cash equivalents	85,367	103,825	54,606	71,274
Investment property classified as held for sale ⁽¹⁾	50,050	54,635	-	-
	148,851	172,478	90,613	108,152
Total assets	2,039,078	2,062,840	1,675,582	1,841,078
Non-current liabilities				
Interest-bearing borrowings (net of transaction costs)	789,569	321,983	476,536	152,548
Deferred tax liability ⁽⁴⁾	44,750	44,371	-	-
	834,319	366,354	476,536	152,548
Current liabilities				
Trade and other payables	31,705	34,082	43,929	46,677
Derivative financial instruments ⁽⁵⁾	-	12,171	-	12,171
Interest-bearing borrowings (net of transaction costs)	-	479,500	-	479,500
Provision for taxation	952	916	891	891
	32,657	526,669	44,820	539,239
Total liabilities	866,976	893,023	521,356	691,787
Net assets	1,172,102	1,169,817	1,154,226	1,149,291
Represented by:				
- Ordinary Units	829,602	827,317	811,726	806,791
- Series A convertible perpetual preferred units (Series A CPPUs)	342,500	342,500	342,500	342,500
	1,172,102	1,169,817	1,154,226	1,149,291

Footnotes

- (1) Please see section 8, page 18 for details of the valuations of investment properties. 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 investment in AWPf. AWPf successfully completed their recapitalisation and restructuring exercise on 22 September 2009 whereby a portion of the unitholders investment was converted into equity loan. FCOT's investment now consists of ordinary units of 39,758,513 units valued at S\$1,352,100 and equity loan at S\$24,746,615. As a result of capital restructuring, FCOT has a 39.0% indirect investment in AWPf.

- (4) Deferred tax is provided for in respect of the potential capital gains arising from the changes in fair value of the overseas properties.
- (5) Refer to Note 7 on page 7 for further details.
The details of the "derivative financial instruments" as at 31 December 2009 are as follows:-

Group and Trust		
Contract / Notional amount S\$'000	Fair values	
	Assets S\$'000	Liabilities S\$'000
<u>31/12/09</u>		
Foreign currency forward contract	-	-
Interest rates swap	-	-
Total	-	-
<u>30/09/09</u>		
Foreign currency forward contracts	7,412	1,713
Interest rates swaps	431,721	10,458
Total	439,133	12,171

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

Details of borrowings and collateral

	Group 31/12/09 S\$'000	Group 30/9/09 S\$'000
Secured borrowings (excluding transaction costs)		
Amount repayable in one year or less	-	479,500
Amount repayable after one year	823,785	323,534
	823,785	803,034

Secured borrowings

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 December 2009, 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:

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

2) A\$150.0 million Transferable Term Loan Facility

On 10 December 2009, Frasers Commercial Sub No. 3 Pte. Ltd. ("Frasers Sub 3"), a wholly-owned subsidiary of 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.

As at 31 December 2009, 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.

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) S\$12 million Revolving Loan

As at 3 November 2009, the outstanding amount of S\$4.5 million under the S\$12,000,000 Revolving Loan Agreement dated 23 April 2007 between the Trustee, as trustee of FCOT, as borrower, and Commonwealth Bank of Australia, acting through its Singapore branch, as lender, was fully repaid.

4) 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 Otemae, 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 2012.

1(c) Consolidated Cash Flow Statement

	1/10/09- 31/12/09 S\$'000	1/10/08- 31/12/08 S\$'000
Operating activities:		
Total return before income tax	3,945	(101,420)
Adjustments for:		
Finance costs	7,996	9,947
Effect of recognising accounting income on a straight-line basis over the lease term	(521)	(629)
Allowance for impairment of receivables	634	710
Foreign exchange differences	12	27,031
Amortisation of leasing costs	182	167
Interest income	(71)	(206)
Management fees paid / payable in Units	3,127	2,687
Net change in fair value of other investment and derivative financial instruments	-	26,708
Net change in fair value of investment properties	4,354	51,386
Amortisation of borrowing costs	2,097	2,759
Realised loss / (gain) on derivative financial instruments	1,009	(2,269)
Operating income before working capital changes	22,764	16,871
Changes in working capital:		
Trade and other receivables	(1,045)	(941)
Trade and other payables	(1,680)	(2,929)
Cash generated from operating activities	20,039	13,001
Tax refunded	-	1,073
Net cash provided by operating activities	20,039	14,074
Investing activities:		
Capital expenditure on investment properties	(852)	(2,256)
Interest received	57	207
Cash utilised in investing activities	(795)	(2,049)

1(c) Consolidated Cash Flow Statement (cont.)

	1/10/09- 31/12/09	1/10/08- 31/12/08
	S\$'000	S\$'000
Financing activities:		
Proceeds from borrowings	655,270	1,420
Repayment of loan	(632,221)	-
(Payment on) / proceeds from realisation of derivative financial instruments	(13,180)	2,269
Finance costs paid	(7,996)	(8,414)
Distribution paid	(6,067)	-
Decrease in restricted cash	488	1,547
Issue cost paid	(67)	-
Transaction costs on borrowings	(34,297)	(1,528)
Cash utilised in financing activities	(38,070)	(4,706)
Net (decrease) / increase in cash and cash equivalents	(18,826)	7,319
Cash and cash equivalents at beginning of period	94,195	33,491
Effect of exchange rate changes	856	5,396
Cash and cash equivalents at end of period ⁽¹⁾	76,225	46,206

Footnotes

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

	31/12/09	31/12/08
	S\$'000	S\$'000
Bank and cash balances	43,480	55,265
Fixed deposits ⁽¹⁾	41,887	-
Cash and cash equivalents at end of the period	85,367	55,265
Less: Restricted cash and deposits pledged - reserves and advance deposit ⁽²⁾	(9,142)	(9,059)
Cash and cash equivalents in the consolidated cash flow statements	76,225	46,206

- (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 1/10/09 to 31/12/09 S\$'000	Group 1/10/08 to 31/12/08 S\$'000	Trust 1/10/09 to 31/12/09 S\$'000	Trust 1/10/08 to 31/12/08 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 cost	(67)	-	(67)	-
Distribution to Unitholders	-	-	-	-
Change in unitholders' funds resulting from operations	3,060	3,428	3,060	3,428
Foreign currency translation reserve				
Movement for the period	1,717	(51,713)	-	-
	1,717	(51,713)	-	-
Balance as at 31 December	829,602	731,302	811,726	832,187

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

	1/10/09-31/12/09 Units	1/10/08-31/12/08 Units
Issued Units as at beginning of period	3,015,464,570	714,506,973
Management / property management fees paid in Units ⁽¹⁾	18,122,671	10,927,647
Issued Units as at end of period	3,033,587,241	725,434,620
Management / property management fees payable in Units ⁽²⁾	19,400,740	10,612,344
Issued and issuable Units as at end of period	3,052,987,981	736,046,964

Footnotes

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

	Management Fees	Property Management Fees
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	-
31-Mar-09 *	14,616,329	-
30-Jun-09 *	12,811,398	-
30-Sep-09 *	18,122,671	-
31-Dec-09 *	19,400,740	-
	102,204,264	3,507,381

* *Property management fees paid in cash.*

- (2) 19.4 million Units will be issued on 26 January 2010 to the Manager as payment for management fees for the quarter ended 31 December 2009. 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.

- 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 period 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

	Actual 1/10/09- 31/12/09 Units S\$'000	Actual 1/10/08- 31/12/08 Units S\$'000
<u>EPU</u>		
<u>Basic EPU</u>		
Total return after income tax, before distribution	3,575	(101,556)
Distribution payable to the holders of the Series A CPPUs	(4,748)	-
Earnings attributable to Unitholders	(1,173)	(101,556)
Weighted average number of Units in issue	3,029,254	881,095 ⁽³⁾
Basic earnings per unit (cents) ⁽¹⁾	(0.04)	(11.53) ⁽³⁾
<u>Dilutive EPU</u>		
Weighted average number of Units in issue (Dilutive)	4,475,011	881,095 ⁽³⁾
Basic earnings per unit on fully diluted (cents) ⁽²⁾	(0.04)	(11.53) ⁽³⁾
<u>DPU</u>		
Number of units issued and issuable at end of period	3,052,988	736,047
Available for distribution per Unit based on the total number of Units on issue (cents)	0.24 ⁽⁴⁾	1.26
<u>For Information Only</u>		
<u>DPU (Adjusted for Rights Units)</u>		
Based on number of units issued and issuable at end of period (cents)	0.24 ⁽⁴⁾	0.31 ^(4,5)

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) In computing the fully diluted EPU, the total return for the period after tax, before distribution and the weighted average number of Units at the end of the period are adjusted for the effects of all dilutive potential Units arising from the assumed conversion of the Series A convertible perpetual preferred units at the conversion price of S\$0.2369 to Units.
- (3) The figures have been restated for effect of Rights Issue.
- (4) The DPU in the table above is computed on the basis that none of the Series A convertible perpetual preferred units are converted into Units. Accordingly, the actual quantum of DPU payable for quarter ended 31 December 2009 may differ from the table above if any Series A convertible perpetual preferred units are converted into Units.
- (5) 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 31/12/09	Group 30/9/09	Trust 31/12/09	Trust 30/9/09
Number of units issued and issuable at end of period ('000)	3,052,988	3,033,587	3,052,988	3,033,587
Unitholders' funds at end of period (S\$'000)	829,602	827,317	811,726	806,791
Unitholders' funds per Unit (S\$)	0.27	0.27	0.27	0.27
Adjusted Unitholders' funds per Unit (excluding distributable income) (S\$)	0.27	0.27	0.26	0.26

8. Review of performance – Variance between actual results for the period 1 October 2009 to 31 December 2009 (“1Q2010”) and 1 October 2008 to 31 December 2008 (“1Q2009”)

Gross revenue for 1Q2010 was S\$4.8 million or 19.1% higher than that of the corresponding period in the prior year 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\$1.3 million and S\$0.7 million from Central Park and Caroline Chisholm Centre . This arose primarily from the strengthening of the Australian Dollar from A\$1.00:S\$0.9758 in 1Q2009 to A\$1.00:S\$1.2658 for 1Q2010

This was partially offset by :

- lower contribution from KeyPoint by S\$1.4 million due to cessation of income support in April 2009 .
- lower contribution by S\$1.0 million from Cosmo Plaza due to the loss of a significant tenant in December 2008.

Property operating expenses were lower in 1Q2010 vis-a-vis 1Q2009 mainly due to a waiver of property management fees for overseas properties with effect from 1 January 2009 which resulted in a decrease of S\$0.3 million. Lower property taxes, professional fees and utilities resulted in a further decrease of S\$0.3 million in 1Q2010 from 1Q2009 partially offset by higher property maintenance expenses. Please refer to pages 5 and 6 for the composition of the property operating expenses.

Trust expenses for 1Q2010 were S\$0.3 million lower than that for 1Q2009 mainly due to lower professional and legal fees and audit fees expenses in 1Q2010 partially offset by 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 1Q2010 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 October 2009 to December 2009.

The decrease in finance costs by S\$2.6 million in 1Q2010 as compared to 1Q2009 was due to loan repayments and lower interest arising from termination of interest rate swaps. The outstanding loan as at 1Q2010 amounted to S\$823.8 million (1Q2009 : S\$956.6 million).

Unrealised foreign exchange loss was substantially lower in 1Q2010 vis-a-vis 1Q2009 due to repayment of Japanese Yen Loan in December 2009.

Realised loss on derivative financial instruments represents the losses 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 and termination of Singapore Dollar interest rate swaps and Japanese Yen interest rate swaps.

Valuation of the investment properties as at 31 December 2009

Property	Valuation Date	Valuation Amount Millions	Independent Valuer
KeyPoint 371 Beach Road Singapore 199597	30-Sep-09 ⁽⁴⁾	\$283.0	Colliers International Consultancy & Valuation (S) Pte Ltd
Marsh & McLennan Centre & China Square Central 18, 20 & 22 Cross Street Singapore 048423	30-Sep-09 ⁽⁴⁾	\$512.5	Savills (Singapore) Pte Ltd
55 Market Street, Singapore 048941	30-Sep-09 ⁽⁴⁾	\$119.5	Savills (Singapore) Pte Ltd
Alexandra Technopark 438A/438B Alexandra Road Singapore 119967/119968	30-Sep-09 ⁽⁴⁾	\$345.0	Colliers International Consultancy & Valuation (S) Pte Ltd
Central Park 152-158 St George's Terrace Perth, Western Australia 6000 Australia	1-Nov-09 ⁽⁴⁾	\$350.5 ^(1,3) (A\$283.1)	Jones Lang LaSalle Advisory Services Pty Limited
Caroline Chisholm Centre Block 4 Section 13 Tuggeranong, Australian Capital Territory Australia	31-Oct-09 ⁽⁴⁾	\$108.3 ⁽¹⁾ (A\$87.5)	Knight Frank (Canberra) Pty Ltd
Galleria Otemae Building No. 2, Tanimachi 2-chome Chuo-ku, Osaka-shi, Osaka Japan	30-Sep-09	\$82.7 ⁽²⁾ (JPY5,370)	DTZ Debenham Tie Leung K.K.
Azabu Aco Building No. 32-7, Higashi-Azabu 2-chome Minato-ku, Tokyo Japan	30-Sep-09	\$23.6 ⁽²⁾ (JPY1,530)	DTZ Debenham Tie Leung K.K.
Ebara Techno-Serve Headquarters Building No. 1-1, 5 Chome Haneda, Tokyo Japan	30-Sep-09	\$39.0 ⁽²⁾ (JPY2,530)	DTZ Debenham Tie Leung K.K.
Cosmo Plaza 15 Nankokita 1-chome Suminoe-ku, Osaka, Japan	31-Dec-09	\$50.1 ⁽²⁾ (JPY3,250)	DTZ Debenham Tie Leung K.K.

Footnotes

1. Represents FCOT's 50.0% indirect interests. Converted at A\$1.00:S\$1.2382
2. Converted at JPY1.00:S\$0.01540
3. Amount includes capital expenditure of S\$0.74 million for the quarter
4. Based on the confirmation from the valuers, the value remains unchanged as at 30 September 2009 for Singapore properties and 31 October 2009 and 1 November 2009 for Caroline Chisholm Centre and Central Park respectively. The previous valuations of these properties were carried out on 31 July 2009.

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 2009, the carrying amounts of these investment properties approximate their fair values.

9. 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

On 4 January 2010, the Ministry of Trade and Industry ("MTI") announced that economic activity in Singapore slowed down in the fourth quarter of 2009, according to advance estimates. Singapore's GDP contracted by 6.8% in the fourth quarter on a seasonally-adjusted quarter-on-quarter annualised basis, following a 14.9% expansion in the third quarter of the year. The GDP contraction is largely due to a pull-back in the manufacturing sector, which is caused by a contraction in the output of the biomedical manufacturing and transport engineering clusters. The services sector continued to grow, albeit at a more moderate pace. Apart from a slowdown in the wholesale and retail trade, most of the other segments of the services sector such as financial services continued to grow. In year-on-year terms, the economy grew by 3.5%, better than the 0.8% growth recorded in the preceding quarter.

According to CB Richard Ellis¹, the overall improved economic outlook in the second half of 2009 led to increased activity in office leasing market as tenants became more receptive to considering relocation alternatives as part of space planning. A strong recovery in leasing activity was evident in the fourth quarter of 2009. Prime office rents averaged \$6.75 psf/month in the final quarter of 2009. This reflected a 10.0% quarter-on-quarter decrease compared with the 12.8% decrease in Q3 2009 and decrease of 18.1% in Q2 2009. On a year-on-year basis, prime rents had declined by 47.7%. Grade A rents are at \$8.10 psf/month, reflecting a 8.0% quarter-on-quarter decline, which is an improvement over the 13.3% contraction seen in Q3 2009 and 17.5% decline in Q2 2009. Grade A vacancy rose from 4.2% in Q3 2009 to 6.2% in the last quarter of 2009. This increase is mainly due to completion of new developments in the CBD area. In Q4 2008, Grade A vacancy was 0.9%. Islandwide vacancy is estimated to be at 12.2% in Q4 2009. CB Richard Ellis is cautiously optimistic of a return to positive take-up possibly in 2010 or more assuredly, in 2011.

Australia

In a statement by the Reserve Bank of Australia ('RBA') on 5 November 2009, economic conditions in Australia are said to have been stronger than expected. In contrast to other developed economies, the Australian economy is estimated to have expanded, albeit modestly, over the first half of the year and recent data suggest that this expansion has continued into the second half. Confidence has improved and spending has been supported by stimulatory settings for both monetary and fiscal policy. The Australian economy has also benefited from the strong bounce-back in Asia, particularly in China, with export volumes remaining broadly unchanged during a period in which global trade fell markedly. According to figures from the Organisation for Economic Co-Operation and Development ('OECD') released in 19 November 2009, GDP growth for 2009 is 0.8% and is projected to increase to 2.4% in 2010 and to 3.5% in 2011.

CB Richard Ellis² revealed that following on from the approval of the A\$43 billion Gorgon LNG project, a wave of optimism has seen demand for Perth CBD office space increase for the first time since the onset of the global financial crisis. As at December 2009, office vacancy within the Perth CBD rose to above 8.0%. Although over the past six months a return of confidence has seen vacancy stabilise, however as a large amount of new supply is completed during 2010, this is forecast to lead to another rise in vacancy. Large amounts of backfill space are likely to come onto the market, placing pressure particularly on the older, lower grade buildings. As a result, some further pressure on rental levels is expected in 2010, although the rate of adjustment is now much slower. The majority of the rental correction phase is now over, and following a return of demand to the market, rental levels are now converging to an equilibrium level.

Japan

In the Government of Japan's Cabinet Office's Monthly Economic Report for December 2009, it was noted that economy has been picking up, but it is short of autonomous factors and remains in a difficult situation such as a high unemployment rate. The total unemployment rate has hovered at a high 5.1% in October, decreased by 0.2 percentage points from the previous month. With the employment situation remaining severe, consumer confidence is almost flat. According to the Quarterly Financial Statements Statistics of Corporations by Industry, corporate profits during the July-September quarter of 2009 decreased by 32.4% in comparison with the previous year, thus posting a decline for the ninth consecutive quarter. Short-term business investment prospects are expected to be sluggish for the time being given the uncertainty about the economic outlook.

¹ CB Richard Ellis, MarketView Singapore, Fourth Quarter 2009, www.cbre.com.sg

² CB Richard Ellis, MarketView Pacific Region Office, Fourth Quarter 2009, www.cbre.com.au

CB Richard Ellis¹ reports that the vacancy rate in the Tokyo 23 wards in the third quarter of 2009 was 5.6% up 0.7 points from the previous quarter. The average asking rent this quarter was down 1.8% from the previous quarter. The vacancy rates for Grade A buildings in this quarter were 5.0% down 0.1 points. The vacancy rates for Grade A buildings decreased for the first time in four quarters. Demand for Grade A buildings showed signs of recovery this quarter.

Over in Osaka city, vacancy rate in the third quarter of 2009 was 9.6%; the seventh consecutive rise. More than half the buildings expecting construction this year were completed this quarter. New supply was over 40,000 tsubo in this quarter only, which is comparable to the total supply of the previous year. The average asking rent this quarter was almost unchanged from the previous quarter. The vacancy rate for Grade A buildings in Osaka city was 8.6%; a surge of 4.0 points from the previous quarter, indicating the seventh consecutive quarterly increase.

Outlook for FY2009/2010

The Ministry of Trade and Industry (MTI) expects the Singapore economy to grow by 3.0 to 5.0 per cent in 2010. The global financial crisis has eased in most countries and GDP growth in key economies around the world has turned positive, bolstered by unprecedented policy responses which spurred domestic spending. Singapore's economic outlook for 2010 will be closely linked to global conditions.

The completion of refinancing exercise has placed FCOT in a strong financial position with no debt maturing until 2012. In the coming quarter, FCOT will embark on the asset enhancement for KeyPoint to improve the competitive position of the building and capitalize on the completion of The Circle Line Nicoll Highway MRT Station. The Manager will continue to focus its efforts on improving the operational efficiency of the properties to achieve cost savings and retain existing tenants.

¹ CB Richard Ellis, Special Report, Office Market Report, 2009 Autumn Vol. 51 Japan, Q3 2009, www.cbre.co.jp

10. Distributions

10(a) Current financial period

Any distributions declared for the current financial period: Nil

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

A final distribution of 2.36 cents per Unit was declared on 21 January 2009 for FY2008. The distribution was paid on 27 February 2009 and comprised a tax exempt income component of 0.28 cents per Unit, a taxable component of 1.33 cents per Unit and a capital component of 0.75 cents per Unit.

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

No distribution has been declared/recommendeded for the quarter ended 31 December 2009.

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
26 January 2010