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

FRASERS COMMERCIAL TRUST ("FCOT" or the "Trust") is a real estate investment trust established under a Trust Deed dated 12 September 2005, (as restated, amended and supplemented), entered into between Frasers Centrepoint Asset Management (Commercial) Ltd (as manager of FCOT) (the "Manager") and British and Malayan Trustees Limited (as trustee of FCOT) (the "Trustee").

The principal activities of FCOT and its subsidiaries (the "Group") are those relating to investment in a portfolio of commercial real estate and real estate related assets with the primary objective of delivering regular and stable distributions to unitholders, and to achieve long-term growth in such distributions and the net asset value per unit of FCOT ("Unit").

The property portfolio of FCOT as at 31 December 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.

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

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").

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.

On 24 November 2010, FCOT obtained approval-in-principle from Singapore Exchange Securities Trading Limited in respect of the proposed consolidation (the "Unit Consolidation") of every five existing Units in FCOT held by the Unitholders as at a books closure date to be determined into one Unit. The Unit Consolidation is subject to the approval of the Unitholders at the Extraordinary General Meeting to be held on 28 January 2011.

On 18 January 2011, FCOT announced the divestment of its interest in Cosmo Plaza through the sale of all common shares and preferred shares in Frasers Commercial Osaka No. 1 TMK and Frasers Commercial Master Lessee KK by Frasers Commercial Osaka SPC No. 1 Pte. Ltd., a company sponsored and controlled by FCOT and Frasers Commercial Osaka SPC No. 2 Pte. Ltd. a subsidiary of FCOT, for a total consideration of Japanese Yen 4. As the divestment was completed subsequent to 31 December 2010, the divestment had no impact on the financial statements of FCOT for the quarter ended 31 December 2010.

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In relation to the acquisition of Alexandra Technopark under Rule 1015 of the Listing Manual of Singapore Exchange Trading Securities Limited and the issue of new Units in FCOT pursuant to the Rights Issue, the sole financial adviser was DBS Bank Ltd. and the joint lead managers and underwriters were DBS Bank Ltd., BNP Paribas, Singapore Branch, Cazenove & Co. (Singapore) Pte. Limited (a Standard Chartered group company)(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 October 2010 to 31 December 2010 ("1Q2011") vs 1 October 2009 to 31 December 2009 ("1Q2010")**

| | Group | | |
|---|---|---|---|
| | **1/10/2010 to 31/12/2010** | **1/10/2009 to 31/12/2009** | **Change** |
| | **S$'000** | **S$'000** | **%** |
| Gross revenue | 28,981 | 29,649 | (2%) |
| Net property income | 22,946 | 23,502 | (2%) |
| Total return for the period after income tax and before distribution | 10,867 | 3,575 | 204% |
| Income available for distribution to Series A Convertible Perpetual Preferred Units ("CPPU") holders | 4,748 | 4,748 | - |
| Income available for distribution to Unitholders | 7,896 | 7,397 | 7% |
| Total income available for distribution to CPPU holders and Unitholders | 12,644 | 12,145 | 4% |
| **Income available for distribution per Unit (cents)** | | | |
| **CPPU Holders** | | | |
| For the period | 1.39 | 1.39 | - |
| Annualised | 5.50 | 5.50 | - |
| **Unitholders** | | | |
| For the period | 0.25 (1) | 0.24 | 4% |
| Annualised | 0.99 (1) | 0.95 | 4% |

NM - Not meaningful

**Footnotes:**

(1) The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 3,120,815,000. Please see Section 1(d)(ii) for the details of changes in the number of Units.

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

| | Group | | |
|---|---|---|---|
| | 1/10/2010 to 31/12/2010 | 1/10/2009 to 31/12/2009 | Change |
| | S$'000 | S$'000 | % |
| Gross revenue (1) | 28,981 | 29,649 | (2%) |
| Property operating expenses (2) | (6,035) | (6,147) | (2%) |
| **Net property income** (3) | **22,946** | **23,502** | (2%) |
| Interest income | 93 | 71 | 31% |
| Manager's management fees | (3,188) | (3,127) | 2% |
| Trust expenses | (563) | (503) | 12% |
| Allowance for impairment of receivables | (2) | (634) | (100%) |
| Finance costs (4) | (11,801) | (10,093) | 17% |
| **Net income before changes in foreign exchange, fair value of investment properties, other investment and derivative financial instruments, income tax and distribution** | **7,485** | **9,216** | (19%) |
| Foreign exchange gain | 193 | 92 | 110% |
| Net change in fair value of investment properties (5) | 51 | (4,354) | NM |
| Net change in fair value of other investment and derivative financial instruments (6) | 3,844 | - | NM |
| Realised loss on derivative financial instruments (7) | (95) | (1,009) | (91%) |
| **Total return before income tax** | **11,478** | **3,945** | 191% |
| Taxation | (611) | (370) | 65% |
| **Total return for the period** | **10,867** | **3,575** | 204% |

NM - Not meaningful

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

| | Group | | |
|---|---|---|---|
| | 1/10/2010 to 31/12/2010 | 1/10/2009 to 31/12/2009 | Change |
| | S$'000 | S$'000 | % |
| **Total return for the period** | **10,867** | **3,575** | 204% |
| Non tax-deductible / (non-taxable) items and other adjustments: | | | |
| Management fees paid / payable in Units | 2,710 | 3,127 | (13%) |
| Trustees' fees | 193 | 132 | 46% |
| Amortisation of borrowing costs | 3,132 | 2,097 | 49% |
| Net change in fair value of investment properties | (51) | 4,354 | NM |
| Net change in fair value of other investment and derivative financial instruments | (3,844) | - | NM |
| Deferred income tax expense | 524 | 274 | 91% |
| Effects of recognising accounting income on a straight line basis over the lease term | 103 | (521) | NM |
| Allowance for impairment of receivables | 2 | 634 | (100%) |
| Realised gain on derivative financial instruments (7) | - | (710) | NM |
| Other non tax deductible items and temporary differences (8) | (992) | (817) | 21% |
| **Net effect of (non-taxable) / non-tax deductible items and other adjustments** | **1,777** | **8,570** | (79%) |
| **Income available for distribution to Unitholders and CPPU holders** | **12,644** | **12,145** | 4% |
| Income available for distribution attributable to: | | | |
| - CPPU holders (9) | 4,748 | 4,748 | - |
| - Unitholders (10) | 7,896 | 7,397 | 7% |
| | **12,644** | **12,145** | 4% |

NM - Not meaningful

**Footnotes**

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

| | Group | | |
|---|---|---|---|
| | 1/10/2010 to 31/12/2010 | 1/10/2009 to 31/12/2009 | Change |
| | S$'000 | S$'000 | % |
| China Square Central | 4,387 | 4,387 | - |
| 55 Market Street | 1,387 | 1,698 | (18%) |
| KeyPoint | 3,884 | 3,625 | 7% |
| Alexandra Technopark | 5,500 | 5,500 | - |
| Central Park | 7,281 | 7,381 | (1%) |
| Caroline Chisholm Centre | 3,105 | 3,043 | 2% |
| Cosmo Plaza | 651 | 1,209 | (46%) |
| Azabu Aco | 438 | 436 | - |
| Galleria Otemae | 1,699 | 1,735 | (2%) |
| Ebara Techno-Serve | 649 | 635 | 2% |
| | **28,981** | **29,649** | (2%) |

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

| | Group | | |
|---|---|---|---|
| | 1/10/2010 to 31/12/2010 | 1/10/2009 to 31/12/2009 | Change |
| | S$'000 | S$'000 | % |
| Property maintenance expenses | 1,746 | 1,959 | (11%) |
| Property management fees | 455 | 456 | - |
| Property tax | 872 | 1,014 | (14%) |
| Utilities | 1,326 | 1,271 | 4% |
| Professional fees | 821 | 799 | 3% |
| Insurance | 120 | 123 | (2%) |
| Council rates | 259 | 240 | 8% |
| Amortisation of leasing commission | 164 | 182 | (10%) |
| Other operating expenses | 272 | 103 | 164% |
| | **6,035** | **6,147** | (2%) |

NM - Not meaningful

**Footnotes**

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

| | Group | | |
|---|---|---|---|
| | **1/10/2010 to 31/12/2010** | **1/10/2009 to 31/12/2009** | **Change** |
| | **S$'000** | **S$'000** | **%** |
| China Square Central | 4,237 | 4,235 | - |
| 55 Market Street | 1,074 | 1,311 | (18%) |
| KeyPoint | 2,796 | 2,539 | 10% |
| Alexandra Technopark | 5,329 | 5,325 | - |
| Central Park | 5,103 | 5,344 | (5%) |
| Caroline Chisholm Centre | 2,679 | 2,594 | 3% |
| Cosmo Plaza | (231) | 329 | NM |
| Azabu Aco | 312 | 301 | 4% |
| Galleria Otemae | 1,100 | 987 | 11% |
| Ebara Techno-Serve | 547 | 537 | 2% |
| | **22,946** | **23,502** | (2%) |

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

| | Group | | |
|---|---|---|---|
| | **1/10/2010 to 31/12/2010** | **1/10/2009 to 31/12/2009** | **Change** |
| | **S$'000** | **S$'000** | **%** |
| Interest expenses | 8,669 | 7,984 | 9% |
| Amortisation of borrowing costs | 3,132 | 2,097 | 49% |
| Other fees | - | 12 | NM |
| | **11,801** | **10,093** | 17% |

(5) The upward revaluation in 1Q2011 of S$51,000 relates to the adjustment of the changes in 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 the Singapore Financial Reporting Standards and the increase in leasing fees capitalised, net of amortisation.

NM - Not meaningful

**Footnotes**

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

| | Group | | |
|---|---|---|---|
| | 1/10/2010 to 31/12/2010 | 1/10/2009 to 31/12/2009 | Change |
| | S$'000 | S$'000 | % |
| Fair value gain on derivative financial instruments | 1,200 | - | NM |
| Fair value gain on other investment | 2,644 | - | NM |
| | **3,844** | **-** | NM |

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

| | Group | | |
|---|---|---|---|
| | 1/10/2010 to 31/12/2010 | 1/10/2009 to 31/12/2009 | Change |
| | S$'000 | S$'000 | % |
| Loss arising from termination of interest rate swaps | - | (1,003) | NM |
| Loss arising from realisation of foreign currency forward contrac | (95) | (1,719) | (94%) |
| Reversal of unrealised loss previously recognised on foreign currency forward contract | - | 1,713 | NM |
| | **(95)** | **(1,009)** | (91%) |

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

| | Group | | |
|---|---|---|---|
| | 1/10/2010 to 31/12/2010 | 1/10/2009 to 31/12/2009 | Change |
| | 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

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

(9) 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.

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

NM - Not meaningful

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

| | Group | | Trust | |
|---|---|---|---|---|
| | 31/12/2010 | 30/09/2010 | 31/12/2010 | 30/09/2010 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Non-current assets** | | | | |
| Investment properties (1) | 1,926,397 | 1,906,351 | 1,298,900 | 1,298,900 |
| Subsidiaries | - | - | 320,737 | 320,737 |
| Fixed assets | 14 | 14 | 14 | 14 |
| Other investment (2) | 32,522 | 29,878 | - | - |
| | **1,958,933** | **1,936,243** | **1,619,651** | **1,619,651** |
| **Current assets** | | | | |
| Investment property held for sale (1) | 48,797 | 48,859 | - | - |
| Trade and other receivables | 9,713 | 9,008 | 34,464 | 37,240 |
| Derivative financial instruments (3) | 691 | 441 | 131 | 99 |
| Cash and bank balances | 77,847 | 99,557 | 47,431 | 70,212 |
| | **137,048** | **157,865** | **82,026** | **107,551** |
| **Total assets** | **2,095,981** | **2,094,108** | **1,701,677** | **1,727,202** |
| **Current liabilities** | | | | |
| Trade and other payables | 30,599 | 36,446 | 38,098 | 48,797 |
| Derivative financial instruments (3) | 4,391 | 5,346 | 4,391 | 5,109 |
| Provision for taxation | 24 | 911 | - | 891 |
| | **35,014** | **42,703** | **42,489** | **54,797** |
| **Net current assets** | **102,034** | **115,162** | **39,537** | **52,754** |
| **Non-current liabilities** | | | | |
| Interest-bearing borrowings (net of transaction costs) | 811,379 | 802,371 | 484,465 | 482,348 |
| Deferred tax liability (4) | 50,802 | 48,311 | - | - |
| | **862,181** | **850,682** | **484,465** | **482,348** |
| **Total liabilities** | **897,195** | **893,385** | **526,954** | **537,145** |
| **Net assets** | **1,198,786** | **1,200,723** | **1,174,723** | **1,190,057** |
| **Represented by:** | | | | |
| Ordinary Unitholders' funds | 856,286 | 858,223 | 832,223 | 847,557 |
| CPPU holders' funds | 342,500 | 342,500 | 342,500 | 342,500 |
| | **1,198,786** | **1,200,723** | **1,174,723** | **1,190,057** |

**Footnotes**

(1) The investment properties were valued at their fair values based on independent valuations as at 30 September 2010 and subsequently adjusted for capital expenditure. As at 31 December 2010, the carrying amounts of the investment properties approximate their fair values.

As at 30 September 2009, the Manager had determined that Cosmo Plaza no longer meet the long term investment strategy of FCOT and explored its potential divestment. Thus, it has been reclassified to "Investment property held for sale". On 18 January 2011, FCOT announced the divestment of Cosmo Plaza. As the divestment was completed subsequent to 31 December 2010, the divestment had no impact on the financial statements of FCOT for the quarter ended 31 December 2010.

The increase in "Investment properties" (non current) was mainly due to appreciation of Australia Dollar as at 31 December 2010 as compared to 30 September 2010 and capital expenditure.

(2) Other investment of the Group represents the 39% indirect interest in AWPF.

(3) Derivative financial instruments relate to fair values of interest rate swaps and caps entered into in respect of FCOT's borrowings and fair value of foreign currency forward contract.

(4) 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 31/12/2010 | | As at 30/09/2010 | |
| Secured S$'000 | Unsecured S$'000 | Secured S$'000 | Unsecured S$'000 |
| - | - | - | - |

**Amount repayable after one year**

| Group | | | |
|---|---|---|---|
| As at 31/12/2010 | | As at 30/09/2010 | |
| Secured S$'000 | Unsecured S$'000 | Secured S$'000 | Unsecured S$'000 |
| 834,637 | - | 828,461 | - |

**Details of any collateral**

The secured borrowings comprise the following:-

(1) S$500.0 million Transferable Term Loan Facility

On 22 September 2009, British and Malayan Trustees Limited (the "Trustee"), as trustee of Frasers Commercial Trust ("FCOT"), entered into a facility agreement pursuant to which DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited ("OCBC"), Standard Chartered Bank and Commonwealth Bank of Australia, Singapore Branch 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.

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

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

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

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

(a) mortgages over FCOT's Singapore properties, namely China Square Central, 55 Market Street, Keypoint and Alexandra Technopark (collectively, the "Singapore Properties");

(b) security assignments over the relevant leases, lease guarantees, insurance contracts and sale and purchase agreements in respect of Singapore Properties; and

(c) charge and assignment over all of FCOT's present and future rights, title and interest, in all bank accounts into which the rental proceeds from the Singapore Properties are paid.

(2) A$150.0 million Transferable Term Loan Facility

On 10 December 2009, Frasers Commercial Sub No. 3 Pte. Ltd. ("Frasers Sub 3"), a wholly-owned subsidiary of FCOT, entered into a facility agreement pursuant to which Commonwealth Bank of Australia, Singapore Branch 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.

As at 31 December 2010, the outstanding amount under the AUD Facility amounted 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) 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 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 | |
|---|---|---|
| | 1/10/2010 to 31/12/2010 | 1/10/2009 to 31/12/2009 |
| | S$'000 | S$'000 |
| **Operating activities:** | | |
| Total return before income tax | 11,478 | 3,945 |
| Adjustments for:- | | |
| Finance costs | 8,669 | 7,996 |
| Effect of recognising accounting income on a straight-line basis over the lease term | 103 | (521) |
| Allowance for impairment of receivables | 2 | 634 |
| Unrealised foreign exchange differences | - | 12 |
| Amortisation of leasing commission | 164 | 182 |
| Interest income | (93) | (71) |
| Management fees paid / payable in Units | 2,710 | 3,127 |
| Net change in fair value of other investment and derivative financial instruments | (3,844) | - |
| Net change in fair value of investment properties | (51) | 4,354 |
| Amortisation of borrowing costs | 3,132 | 2,097 |
| Realised loss on derivative financial instruments | 95 | 1,009 |
| **Operating income before working capital changes** | **22,365** | **22,764** |
| Changes in working capital:- | | |
| Trade and other receivables | (1,382) | (1,045) |
| Trade and other payables | (5,511) | (1,680) |
| **Cash generated from operations** | **15,472** | **20,039** |
| Tax paid | (1,090) | - |
| **Net cash generated from operating activities** | **14,382** | **20,039** |
| **Investing activities:** | | |
| Capital expenditure on investment properties | (1,181) | (852) |
| Interest received | 93 | 57 |
| **Net cash used in investing activities** | **(1,088)** | **(795)** |
| **Financing activities:** | | |
| Proceeds from borrowings | - | 655,270 |
| Repayment of loan | - | (632,221) |
| Realisation of derivative financial instruments | (95) | (13,180) |
| Payment for derivative financial instruments | (83) | - |
| Finance costs paid | (8,687) | (7,996) |
| Distributions paid | (26,670) | (6,067) |
| Decrease in restricted cash | 343 | 488 |
| Issue costs paid | - | (67) |
| Transaction costs on borrowings | - | (34,297) |
| **Net cash used in financing activities** | **(35,192)** | **(38,070)** |
| **Net decrease in cash and cash equivalents** | **(21,898)** | **(18,826)** |
| Cash and cash equivalents at beginning of period | 88,340 | 94,195 |
| Effect of exchange rate changes | 532 | 856 |
| **Cash and cash equivalents at end of period** | **66,974** | **76,225** |

**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 following:

| | Group | |
|---|---|---|
| | 31/12/2010 | 31/12/2009 |
| | S$'000 | S$'000 |
| Bank and cash balances | 40,896 | 43,480 |
| Fixed deposits [1] | 36,951 | 41,887 |
| | 77,847 | 85,367 |
| Less: Restricted cash and deposits pledged - reserves and advance deposits [2] | (10,873) | (9,142) |
| Cash and cash equivalents | 66,974 | 76,225 |

(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) and bank deposit in Singapore required to be maintained to comply with the requirements of the S$500.0 million Transferable Term Loan Facility.

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

| | Group | | Trust | |
|---|---|---|---|---|
| | 1/10/2010 to 31/12/2010 | 1/10/2009 to 31/12/2009 | 1/10/2010 to 31/12/2010 | 1/10/2009 to 31/12/2009 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Balance at beginning of period** | **858,223** | **827,317** | **847,557** | **806,791** |
| **Operations** | | | | |
| Change in net assets attributable to Unitholders resulting from operations | 10,867 | 3,575 | 8,626 | 7,942 |
| Distributions to Unitholders | (26,670) | (6,067) | (26,670) | (6,067) |
| **Change in Unitholders' funds resulting from operations** | **(15,803)** | **(2,492)** | **(18,044)** | **1,875** |
| **Unitholders' contributions** | | | | |
| Issue of Units - management fees | 2,710 | 3,127 | 2,710 | 3,127 |
| Issue costs | - | (67) | - | (67) |
| **Change in Unitholders' funds** | **2,710** | **3,060** | **2,710** | **3,060** |
| **Foreign currency translation reserve** | | | | |
| Movement for the period | **11,156** | **1,717** | **-** | **-** |
| **Balance at end of period** | **856,286** | **829,602** | **832,223** | **811,726** |

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

| | 1/10/2010 to 31/12/2010 | 1/10/2009 to 31/12/2009 |
|---|---|---|
| | Units | Units |
| __Issued Units__ | | |
| Balance at beginning of period | 3,089,710,334 | 3,015,464,570 |
| Management fees paid in Units | 14,575,794 | 18,122,671 |
| Balance at end of period | 3,104,286,128 | 3,033,587,241 |
| __Issued and issuable Units__ | | |
| Issued Units at end of period | 3,104,286,128 | 3,033,587,241 |
| Management fees payable in Units (1) | 16,528,872 | 19,400,740 |
| Issued and issuable Units at end of period | 3,120,815,000 | 3,052,987,981 |
| Number of Units that may be issued on conversion of CPPU outstanding as at the end of the period (2) | 1,445,757,704 | 1,445,757,704 |

(1) 16,528,872 Units will be issued to the Manager as payment for management fees for the quarter ended 31 December 2010. This accounts for approximately 85% of the Manager's management fees for that quarter. The price of Units issued is determined based on the volume weighted average price of the Units for the ten business days preceding 31 December 2010. The remaining management fees will be paid in cash.

(2) The CPPU holders have the right to convert the CPPUs into Units on specific conversion dates after a period of 3 years commencing from the date of issue of the CPPUs on 26 August 2009 at a conversion price of $0.2369.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", or an equivalent standard)**

These figures have not been audited nor reviewed by the auditors.

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

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the company's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the financial year ended 30 September 2010.

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

Not applicable.

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

| | 1/10/2010 to 31/12/2010 | 1/10/2009 to 31/12/2009 |
|---|---|---|
| | S$'000 | S$'000 |
| Total return after income tax and before distribution | 10,867 | 3,575 |
| Distribution to CPPU holders | (4,748) | (4,748) |
| Earnings attributable to Unitholders | 6,119 | (1,173) |
| **EPU** | | |
| **Basic EPU** | | |
| Weighted average number of Units in issue | 3,100,325,314 | 3,029,253,559 |
| Basic earnings per Unit (cents) [(1)] | 0.20 | (0.04) |
| **Diluted EPU** | | |
| Weighted average number of Units[(2)] | 4,546,083,018 | 4,475,011,263 |
| Basic earnings per Unit on a fully diluted basis (cents) | 0.20 [(3)] | (0.04) [(3)] |
| **DPU** | | |
| Number of Units issued and issuable at end of period | 3,120,815,000 | 3,052,987,981 |
| Available for distribution per Unit based on the total number of issued and issuable Units [(4)] (cents) | 0.25 | 0.24 |

**Footnotes:**

(1) In computing the basic earnings per Unit, earnings attributable to Unitholders and the weighted average number of Units for 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 diluted EPU is the same as basic EPU as the potential effects on the conversion of CPPUs into Units are anti-dilutive.

(4) The DPU in the table above is computed on the basis that none of the CPPUs is converted into Units. Accordingly, the actual quantum of DPU payable for quarter ended 31 December 2010 may differ from the table above if any CPPUs are converted into Units.

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

| | Group | | Trust | |
|---|---|---|---|---|
| | 31/12/2010 | 30/09/2010 | 31/12/2010 | 30/09/2010 |
| Unitholders' funds at end of period (S$'000) | 856,286 | 858,223 | 832,223 | 847,557 |
| Number of Units issued and issuable at the end of the period ('000) | 3,120,815 | 3,104,286 | 3,120,815 | 3,104,286 |
| Unitholders' funds per Unit (S$) | 0.27 | 0.28 | 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**

**(a) Variance between results for the period from 1 October 2010 to 31 December 2010 ("1Q2011") and 1 October 2009 to 31 December 2009 ("1Q2010")**

Gross revenue for 1Q2011 was S$29.0 million, 2% lower than that of 1Q2010 mainly due to the following:

- lower contribution from 55 Market Street by S$0.3 million due to lower reversionary rental rates.
- lower contribution from Cosmo Plaza due to the expiry of a significant tenancy in early August 2010.

Property operating expenses for 1Q2011 were S$6.0 million, 2% lower than those of 1Q2010 mainly due to lower level of expenses incurred. Please refer to page 5 for the composition of the property operating expenses.

Net property income for 1Q2011 was S$22.9 million, 2% lower than that of 1Q2010. Subsequent to the current financial quarter, FCOT announced the divestment of Cosmo Plaza. If the net property income for Cosmo Plaza was excluded, the net property income for 1Q2011 amounted to S$23.2 million, comparable to the net property income on the same basis for 1Q2010.

Trust expenses for 1Q2011 totalled S$0.6 million, 12% higher than those of 1Q2010 mainly due to higher trustee fees arising from higher gross asset values following the net upward revaluation of the investment properties in September 2010.

The allowance for impairment of receivables was mainly related to rental and other income receivable from a significant tenant of Cosmo Plaza who is in financial difficulty. The tenancy expired in early August 2010.

The increase in finance costs by S$1.7 million in 1Q2011 as compared to the corresponding period was due to higher interest expense and amortisation of borrowing costs. The higher interest expense arose from the higher rates of the interest rate swaps entered into in January 2010 and May 2010 in respect of the AUD Facility and SGD Facility respectively for the purpose of fixing a portion of the floating rate borrowings.

The revaluation gain on investment properties in 1Q2011 was due to adjustment of the changes in the carrying values of the investment properties arising from the recognition of rental income on a straight line basis in accordance with Singapore Financial Reporting Standards. The revaluation loss in 1Q2010 included such adjustment and downward revaluation of Cosmo Plaza during that quarter.

The fair value gain of derivative financial instruments in 1Q2011 of S$1.2 million arose from the fair value changes of interest rate swaps, interest rate caps and foreign currency forward contract. There were no such derivative financial instruments as at 31 December 2009.

The fair value gain of other investment in 1Q2011 of S$2.6 million arose from the fair value change of the investment in AWPF. There was no significant changes in the fair value in 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 3 January 2011, the Ministry of Trade and Industry ("MTI") announced that economic activity in Singapore picked up in Q4 2010. The economy expanded by 12.5% year-on-year in Q4 2010. For the whole of 2010, the economy is estimated to have expanded by 14.7%, in line with MTI's growth forecast of around 15.0% for the year. For 2011, MTI expects Singapore's economic growth to be between 4.0% and 6.0%, as external macroeconomic conditions are expected to remain supportive of growth. In the commercial property sector, CBRE[(1)] reports that rents turned around in the second quarter of 2010 as growth in the economy emerged and in second half of 2010, office rents strengthened measurably off the back of the economic rebound. Leasing momentum picked up in the second and third quarters. In the last quarter of 2010, grade A rents averaged $9.90 psf/month, reflecting an increase of 10.0% quarter-on-quarter and 22.2% year-on-year. Grade A vacancy rate dipped to 2.7% in Q4 2010 from 2.8% in Q3 2010 and this was a notable turnaround from 6.2% in Q4 2009.

**Australia**

In the Statement on Monetary Policy released in November 2010 by the Reserve Bank of Australia, GDP growth is expected to be around trend for 2010. It is then forecast to pick up to a slightly above-average pace in 2011 and through to the end of the forecast period in June 2013. Conditions are likely to vary significantly across the economy, with growth expected to be strongest in mining and related sectors. In the Perth office market, JLL[(2)] noted that vacancy in the CBD is low compared to previous recovery cycles. Prime vacancy has tightened to 5.5% and secondary vacancy has moved out to 10.3%. Tenant demand has recovered earlier than expected and options for prime grade contiguous space will be tightening in 2011 to 2013.

**Japan**

In the Government of Japan's Cabinet Office's Monthly Economic Report for December 2010, it was highlighted that the economic movements appear to be pausing recently. Although some weak movements are seen for a while, the economy is expected to be picking up, reflecting improvement in overseas economies and the effects of various policy measures. However, there are risks that the economy would be depressed by a possible slowdown in overseas economies and fluctuations in exchange rates and stock prices. In addition, there is still a risk of the influence of deflation on the economy and a concern about a possible deterioration of the employment situation. In the Tokyo office market, CBRE[(3)] reports that the vacancy rate in Q3 2010 for the Tokyo 23 wards was 7.5%; unchanged from the previous quarter. The average asking rent this quarter was 12,930 yen/tsubo; down 1.4% from the previous quarter.

In Osaka, the vacancy rate in the Q3 2010 was 11.0%; down 0.1 points from the previous quarter. Though the decline was modest, it was the first decline in three years since the third quarter of 2007. This was due to absorption of demand from buoyant companies for on-site office expansion and relocation. Moreover, sizable vacant space in large-scale buildings completed in the previous quarter was leased out. The average asking rent this quarter was 8,450 yen/tsubo; down 1.3% from the previous quarter.

[(1)] CB Richard Ellis, "MarketView Singapore", Q4 2010

[(2)] Jones Lang LaSalle, "Pulse – How tight is tight – Perth", December 2010

[(3)] CB Richard Ellis, "Office Market Report", Japan Q3 2010

**10. Distributions**

**(a) Current financial period**

Not applicable

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

Not applicable

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

Not applicable

**(c) Tax rate**

Not applicable

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

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

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

No distribution has been declared / recommended for the quarter ended 31 December 2010.

**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<br>Director | Low Chee Wah<br>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 2011