

## FLCT 2QFY20 DPU UP 4.4% TO 1.90 AUSTRALIAN CENTS

### Maintains full payout of 2QFY20 distributable income<sup>1</sup>

#### 2QFY20 Quarter Highlights

- ◆ **Distributable Income up 16.7% to A\$43.1 million**
- ◆ Three leases signed in Australia and Germany, maintaining portfolio **occupancy at 100%**
- ◆ Completed merger with Frasers Commercial Trust on 29 April 2020 creating an enlarged industrial and commercial portfolio comprising 99 properties worth S\$5.7<sup>2</sup> billion
- ◆ Healthy **aggregate leverage of 35%** as at 31 March 2020

#### Summary of Results

A\$'000	2QFY20	2QFY19	Variance (%)	1HFY20	1HFY19	Variance (%)
Revenue	67,295	59,666	12.8	131,699	119,190	10.5
Adjusted Net Property Income <sup>3</sup>	54,653	47,866	14.2	107,558	96,796	11.1
Distributable Income	43,085	36,909	16.7	84,531	73,607	14.8
DPU (Australian cents)	1.90	1.82	4.4	3.73	3.63	2.8
DPU (Singapore cents)	1.73	1.76	(1.7)	3.47	3.54	(2.0)

#### SINGAPORE, 30 APRIL 2020

Frasers Logistics & Commercial Asset Management Pte. Ltd. (formerly known as Frasers Logistics & Industrial Asset Management Pte. Ltd.), the manager of Frasers Logistics & Commercial Trust (formerly known as Frasers Logistics Trust (“FLT”)) (“**FLCT**” and the manager of FLCT, the “**REIT Manager**”), today announced FLCT’s results for the quarter ended 31 March 2020 (“**2QFY20**”).

#### REVIEW OF FINANCIAL PERFORMANCE

FLT reported higher revenue and Adjusted NPI of A\$67.3 million and A\$54.7 million respectively, representing an increase of 12.8% from A\$59.7 million and 14.2% from A\$47.9 million respectively in the corresponding financial quarter (“**2QFY19**”). The increases were backed by contributions from the property

<sup>1</sup> FLT makes distributions to its Unitholders on a semi-annual basis, with the amount calculated as at 31 March and 30 September each year for the six-month period ending on each of the said dates.

<sup>2</sup> Book Value as at 31 March 2020. Includes 100% of Farnborough Business Park in the UK, which is based on an agreed property value of £181.0 million.

<sup>3</sup> 2QFY20 and 1HFY20 Adjusted net property income (“**Adjusted NPI**”) is calculated based on the actual net property income excluding straight lining adjustments for rental income and adding lease payments of right-of-use assets. 2QFY19 and 1HFY19 Adjusted NPI is calculated based on the actual net property income excluding straight lining adjustments for rental income and after adding back straight lining adjustments for ground leases.

acquisitions in Europe and Australia in the financial year ended 30 September 2019, which was partially offset by divestment activities in Australia<sup>4</sup>. Accordingly, distributable income rose 16.7% to A\$43.1 million for 2QFY20, from A\$36.9 million a year ago.

Distribution per unit (“DPU”) for 2QFY20 rose 4.4% to 1.90 Australian cents, from 1.82 Australian cents a year ago. In SGD terms, 2QFY20 DPU was 1.73 Singapore cents, which together with a DPU of 1.74 Singapore cents reported for the first quarter ended 31 December 2019, brought FLCT’s total distribution for the period from 1 October 2019 to 31 March 2020 (“1HFY20”) to 3.47 Singapore cents. The DPU of 3.47 Singapore cents translates into a full payout of FLCT’s distributable income for 1HFY20.

### LOGISTICS & INDUSTRIAL PORTFOLIO UPDATE

In 2QFY20, three leasing transactions were completed for a total gross lettable area of 41,596 square metres in Germany and Australia, maintaining portfolio occupancy at 100%. Accordingly, as at 31 March 2020, the logistics & industrial portfolio has a weighted average lease expiry of 6.07 years<sup>5</sup>, and minimal lease expiries representing 0.5% of gross rental income for the financial year ending 30 September 2020.

The total value of FLCT’s logistics and industrial portfolio was approximately A\$3.8 billion<sup>6</sup> as at 31 March 2020.

Mr. Robert Wallace, Chief Executive Officer of the REIT Manager, said, “Notwithstanding a turbulent operating environment brought about by the COVID-19 pandemic, the strength of our prime logistics and industrial portfolio has enabled FLCT to deliver a stable distribution of 1.73 Singapore cents in 2QFY20. Proactive leasing efforts translated into the completion of three leasing deals during the quarter, keeping portfolio occupancy rate at 100%.

In the same period, we also crossed a key milestone in the merger with Frasers Commercial Trust, garnering strong support from unitholders at an Extraordinary General Meeting convened on 11 March 2020. The merger was subsequently completed with the enlarged REIT rebranded as Frasers Logistics & Commercial Trust on 29 April 2020. We are thankful for the support from unitholders and believe that the enhanced scale and diversification arising from this merger will support FLCT in navigating the ongoing macroeconomic headwinds.”

### CAPITAL MANAGEMENT

As at 31 March 2020, FLT’s aggregate leverage was 35.0%. Total borrowings were A\$1,410 million, 61% of which were at fixed interest rates. The weighted average cost of debt for 2QFY20 was 1.9% per annum compared to 2.4% a year ago.

### DISTRIBUTIONS

In conjunction with the merger with Frasers Commercial Trust, the REIT Manager had on 30 March 2020 announced the books closure date in order to determine the entitlements of FLT Unitholders to the FLT Clean-Up Distribution in respect of the period from 1 October 2019 up to the day immediately before the effective date of the merger.<sup>7</sup>

The record date for the FLT Clean-up Distribution was on 14 April 2020 and the distribution amount of 3.73 Singapore cents will be paid on 26 June 2020.

<sup>4</sup> Please refer to Pages 2 and 19 of FLCT’s Financial Statements dated 30 April 2020 for details of the acquisitions and divestments

<sup>5</sup> Calculated on a gross rental income basis (excluding straight lining rental adjustments) with respect to the unexpired lease terms of the existing tenants

<sup>6</sup> Excludes recognition of right-of-use assets upon the adoption of FRS 116 *Leases* with effect from 1 October 2019

<sup>7</sup> Please refer to the announcements dated 30 March, 8 April and 9 April 2020 for details and definitions of the capitalised terms

## OUTLOOK

The global spread of COVID-19 has severely disrupted the business environment and operating conditions across global markets. The pandemic, which has prompted authorities to implement travel bans and lockdowns, is slowing demand across almost all industries, created supply-chain disruptions and also resulted in an unprecedented oil price crash. There is significant uncertainty on how wide the outbreak will spread and how long it will last, which impacts how long the shut-down and various containment measures implemented by governments must last. Accordingly, the operating environment is expected to remain challenging in the months ahead.

In Australia, the growth in number of new COVID-19 cases has continued to decline as a result of mitigation strategies implemented over the past month, such as social distancing measures that had resulted in the partial or complete shutdown of several sectors. Nevertheless, COVID-19 remains a major public health issue and is having significant effects on the domestic economy and financial system. The Reserve Bank of Australia has also reported that national output in Australia is likely to fall by around 10% over the first half of 2020, with most of this decline taking place in the June quarter.

In Europe, the COVID-19 outbreak has gradually come under control in April for Germany and the Netherlands, with both countries announcing progressive steps to relax restriction measures. Nevertheless, the pandemic is expected to have significant adverse effects on the German and Dutch economies. Economic researchers have also highlighted that the German economy could shrink by over 4% in 2020. In the United Kingdom (“UK”), Oxford Economics forecast that the UK economy may contract by 1.4% in 2020 due to significant disruption to business activities from the COVID-19 outbreak.

In Singapore, given the unprecedented nature of the COVID-19 outbreak and the public health measures taken in many countries to contain the outbreak, the Ministry of Trade and Industry has also projected full year GDP contraction to be in the range of -4% to -1% for 2020.

Operationally, the REIT Manager is closely collaborating with tenants to provide support and roll out relief measures, as necessary. Such measures vary and will be reviewed on an individual basis, considering factors that include the impact of COVID-19 on the tenant, available government assistance, among others. The REIT Manager’s objective is to help tenants cope with their immediate cashflow constraints and extend as much flexibility as reasonable to accommodate their needs.

The REIT Manager is also focused on managing any financial implications arising from COVID-19 and will continue to work closely with FLCT’s customers to overcome this trying period together. Capital and liquidity management will continue to be a key strategic priority.

Looking ahead, the REIT Manager will continue to focus on its proactive asset and lease management strategies to generate sustainable long-term value for unitholders.

**END**

### **About Frasers Logistics & Commercial Trust**

Frasers Logistics & Commercial Trust (“**FLCT**”) is a Singapore-listed real estate investment trust with a portfolio comprising 99 industrial and commercial properties, worth approximately S\$5.7 billion, diversified across five major developed markets – Australia, Germany, Singapore, United Kingdom and the Netherlands. FLCT was listed on the Mainboard of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 20 June 2016 as Frasers Logistics & Industrial Trust and was subsequently renamed Frasers Logistics & Commercial Trust on 29 April 2020 following the completion of a merger with Frasers Commercial Trust.

FLCT’s investment strategy is to invest globally in a diversified portfolio of income-producing properties used predominantly for logistics or industrial purposes located globally, or commercial purposes (comprising primarily CBD office space) or business park purposes (comprising primarily non-CBD office space and/or research and development space) located in the Asia-Pacific region or in Europe (including the United Kingdom). FLCT is sponsored by Frasers Property Limited.

For more information about FLCT, visit [www.frasersproperty.com/reits/flct](http://www.frasersproperty.com/reits/flct)

### **About Frasers Property Limited**

Frasers Property Limited (“**Frasers Property**”) and together with its subsidiaries, the “**Frasers Property Group**” or the “**Group**”), is a multi-national owner-operator-developer of real estate products and services across the property value chain. Listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and headquartered in Singapore, the Group has total assets of approximately S\$38.8 billion as at 31 December 2019.

Frasers Property’s multi-national businesses operate across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities across Asia, Australia, Europe, the Middle East and Africa.

Frasers Property is also the sponsor of two real estate investment trusts (“**REITs**”) and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust, Frasers Logistics & Commercial Trust are focused on retail, and industrial & commercial properties respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties. In addition, the Group has two REITs listed on the Stock Exchange of Thailand. Frasers Property (Thailand) Public Company Limited is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on logistics and industrial properties in Thailand, and Golden Land Property Development Public Company Limited is the sponsor of Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial and hospitality properties.

The Group is unified by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging its people, knowledge and capabilities from across markets and property sectors, to deliver value in its multiple asset classes.

For more information on Frasers Property, please visit [www.frasersproperty.com](http://www.frasersproperty.com).

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The value of the units in FLCT (“Units”) and the income derived from them may fall or rise. The Units are not obligations of, deposits in, or guaranteed by the REIT Manager, Perpetual (Asia) Limited, in its capacity as trustee of FLCT, or Frasers Property (as the sponsor of FLCT).

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders have no right to request that the REIT Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGXST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This news release may contain forward-looking statements or financial information that involve assumptions, 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. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of FLCT. The forecast financial performance or financial information of FLCT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements or financial information, which are based on the REIT Manager’s current view of future events.

This news release is not an offer or sale of the Units in the United States. The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold in the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. Any public offering of the Units in the United States would be made by means of a prospectus that would contain detailed information about FLCT, the REIT Manager and its management, as well as financial statements.

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